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Senate

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Gracious God, You have chosen and called us to know, love, and serve You as leaders of our Nation. We praise You for the wondrous gift of life and the privilege of living this day to the fullest. You are for us and not against us and seek to liberate us from anything that would debilitate us in living and working with freedom and joy, peace and productivity. Thank You for setting us free from any burdens of worry and anxiety, so we can think creatively for You today. We commit to You the challenges and decisions we will face and thank You that You will give us exactly what we need to serve You with excellence each hour. We claim Your promise to give us strength today, peace in the pressures, light for the way; help from above, the gift of wisdom, the assurance of love. When this day is done we will be careful to give You the praise for all that You have accomplished through our efforts. Give us positive expectation of Your timely interventions and an attitude of gratitude for Your guidance. In the name of our Lord through whom we have assurance of life now and forever. Amen.

SCHEDULE

Mr. THOMAS. Mr. President, for the information of all Senators, this morning there will be a period of morning business until the hour of 9:30. At 9:30, the Senate will resume consideration of H.R. 1976, the agricultural appropriations bill, and the pending Bryan amendment.

In accordance with the consent arrangement, following 15 minutes of debate there will be a rollcall vote on or in relation to the Bryan amendment. All Senators should therefore be alerted that there will be a rollcall vote at approximately 9:45 this morning.

Senators also should be reminded that following the recess for party conferences today, the Senate will resume the welfare bill, with a series of rollcall votes beginning at 2:45, which should complete action on the welfare reform bill.

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

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 9:30, with Senators permitted to speak therein for up to 5 minutes each.

The Senator from Missouri.

THE WELFARE SYSTEM

Mr. ASHCROFT. Mr. President, today we embark upon a most important responsibility, a responsibility that the people of this country called upon us to undertake in the elections of 1994. I must say that I believe the people have been yearning that Congress confront this challenge forthrightly and productively for years. But I believe that the Congress has finally gotten the message, and we have been working very hard to change the welfare system—to change it from a system for keeping the poor and maintaining the poor. And, unfortunately, that is what we have done. We have maintained them and kept them poor through a system that should have become a transitional system, a system that would help people move from poverty to prosperity, move from welfare to work. And it is an important responsibility which we have.

The welfare system in the United States has been a system of failure. It has not been that the people have failed so much as the system has failed. We started out with an aggressive program in the 1960's to launch a war on poverty. And yet, in spite of the great war on poverty, spending over $5 trillion, we have more people in poverty now than we did when we started the war on poverty. We have a greater percentage of the children of America on poverty than we did when we started the war on poverty.

It occurs to me that we have a great responsibility to change this system—to change it profoundly so that, instead of a system which ends up trapping people in lives of poverty, we make this a transitional system; that, when people really need help, we move them from the desperation of needing help to the opportunity of work and responsibility.

So this national system which has become a national disgrace is the topic now of national debate, and it should be the topic of action in the Senate today.

As you and I well know, and as our colleagues here in the Senate well know, the House has already acted forthrightly in this respect. There are differences between what the House has passed and what those of us in the Senate have been working on. But we can find a way to reconcile our differences, and I believe we can give to the President of the United States, who has said that he wants to end welfare as we know it, a constructive bill.

During the past several weeks we have debated this measure, and we have properly spent substantial time on it because this is no small item. It does not just deal with the billions and billions of dollars. The welfare problem, the welfare challenge, deals with much money. It deals with the great set of natural and national resources—not just financial but human resources.

The fact of the matter is that the United States of America can ill afford to compete on the international scene, can ill afford to be a part of the challenge for productivity as one nation will seek to do and do better than another nation, if we have so many of our players that are not really on the field. We would not think of sending our team out to play another team for a Saturday or Sunday afternoon football game with half of our team not taking the field, not being capable of participating, and being ruled out of the system. Well, our team is a big team, and it is a strong team. It is a capable team in the United States. But we have too many that have been consigned to bench duty without any possibility of making it to the field. And we will not win in the competition of the international arena unless we find a way to bring people into productivity and out of poverty.

So the real challenge we face is changing the system, and changing it not just by tinkering around the edges. No rearrangement of the deck chairs on the welfare *Titanic* will get the job done. We need to have the kind of profound changes that will move people out of despair into industry, and out of hopelessness into opportunity.

So we will vote on a clear question today, and that is whether we will continue to fund the horror that came to define the United States welfare system and which came to detail the lives of individuals trapped in this system. Whether we have the courage to change that or not will be the real vote which we make today. I believe we have the courage to do that which is right, and I believe we will do so. And I believe we ought to do so.

I would say that this is not an ideal welfare bill. This is not something that is in my judgment the best that could be done. There are probably changes that almost every Member of this Chamber would make in the bill. I believe that the right thing to do would have been far broader, not just block granting AFDC with an option to block grant food stamps. In my judgment we should have had AFDC, food stamps, Medicaid and Supplemental Security Income. The big four of welfare should all have been in this bill, all reformed at the same time for a variety of reasons, such as stopping the insanity of entitlement spending. We should avoid cost shifting that would take people out of one program in which we removed the entitlement status and shove them over into another program which has remained as an entitlement. That kind of cost shifting should not be allowed. It should be avoided.

I would have preferred a more comprehensive bill. Obviously, I would have preferred one where the block grant for food stamps was mandated. I would have preferred one where we had Supplemental Security Income. I would have preferred a bill that would have had a more significant breadth, that had Medicaid in it as well. But we are making some first steps, and they are important first steps.

One of the important first steps is the reduction in bureaucracy here; the reduction in the redtape, the reduction in this micromanagement, this intermeddling micromanagement from the Federal Government which makes it very difficult for the States to adopt policies that will really make a difference and makes it very expensive when you have to comply with hundreds of pages of Federal bureaucratic redtape. It is expensive. Instead of money getting to the truly needy, instead of the resource making it to the population that wants to move from welfare to work, sometimes the resource gets clogged in the bottleneck of the bureaucracy and the money is spent there instead of being spent on the poor. We are going to reduce the number of regulatory impositions from Washington substantially. This bill will improve our ability to deliver the real kind of help that people need. That is important—maximum State flexibility.

Second, I believe it is important that we will end an entitlement. This philosophy that we do not care how much it costs, that as many people as can meet certain criteria are just entitled to self-appropriate to themselves—that has to stop. It is a major thing. First, reduce the bureaucracy; second, end entitlement; third, we are going to require work far more pervasively than ever before.

The American people have told us with a clarity that is unmistakable. We must require work, and, of course, provide the flexibility so that people can do in the various States and communities of this country what works there, not what somebody in Washington wants to impose, but to do simply what works.

This bill makes a statement that Washington does not have all the answers. We are now looking to the communities and the States to do what works there, to tailor programs, and to be experimental stations to say we will try this, and, if it works here, others might want to try it. But it should not be imposed on them because people should have an opportunity to do what works to move people from poverty to productivity. Washington, it may be said, has been the mad scientist seeking to impose its will. But the truth of the matter is we need to provide an opportunity for States to do that which works.

Well, this bill comes with an explicit admonition as well. This bill recognizes that Government alone will not solve these problems. And I think that it is important for us to express nationally and as a part of policy that we really expect charitable and nongovernmental institutions in this culture to rally to address this problem, and not expect the problem to be solved fully by Government.

So we have in this bill a specific invitation to private charities, nongovernmental entities, even faith-based organizations to participate in the solution of this serious challenge to the success of this society in the next century. And I believe that is a major step forward.

We have an opportunity. We have an opportunity to do something that is substantially in the best interests of the people of this country, something they have yearned for us to do. That is to change a welfare system which is badly broken, which has been the keeper of the poor and has kept people poor, which has managed to find more people in poverty after its great effort than less people in poverty.

The war on poverty has resulted in the children of America being taken as prisoners. We have to do something, and we have to do it well.

As I previously stated, this welfare reform bill is not perfect, but it does take the first steps. The lack of perfection in this bill, the absence of a mandate that the Food Stamp Program be sent to all the States, the lack of reforms to the SSI Program in the bill, are some of a number of things which keep it from being perfect but should not keep it from being passed.

This bill gives us the opportunity to say, ''Let us pass this bill, but let the imperfections drive us to keep our focus and in the next year to continue to improve and extend it.''

There has been a lot of talk in the last few weeks during the welfare reform debate about money and about resources. We know how desperately important it is for us to balance the budget, but the ultimate importance of this bill is not money. The savings we are talking about are the savings in lives and opportunities and, through those savings, the future of America. Our task in this welfare reform measure is then to save the lives and opportunities of citizens. To pass this welfare reform bill today would be a real step toward saving lives, and we must support it and must be driven by its imperfections to do even more when we reconvene next year.

THE DEATH OF STATE SENATOR JOHN PLEWA

Mr. FEINGOLD. Mr. President, I am deeply saddened by the loss of a dear friend and former colleague, State Senator John Plewa.

I had the pleasure of serving with John in the legislature for 10 years, and for 8 of them in the State senate. He represented the people of Wisconsin, first in the assembly, and then in the

State senate, with dedication and devotion, and his constituents returned him to office at every election since he was first elected in 1972. At the time of his death, John had the fourth longest tenure among lawmakers currently serving in the Wisconsin Legislature.

John was a lifelong resident of Milwaukee, graduating from Don Bosco High School in 1963. He earned a bachelor of education degree in 1968 at the University of Wisconsin-Whitewater, and following that, taught history and social studies at Milwaukee Area Technical College prior to his service in the legislature.

A committed and passionate advocate for Wisconsin's families, John may be best remembered as the father of Wisconsin's family and medical leave law, which allows people to take time off from their job to provide assistance to a family member needing care, from newborns to an elderly relative—a law that helped pave the way for the Federal family leave law that was enacted in 1993.

His commitment to families in need went well beyond the family leave law. John was vice chair of the Senate Aging Committee when I chaired that body, and I saw first-hand his steadfast and effective support of long-term care reforms that help people with disabilities of all ages remain in their own homes with their families.

John was also vitally concerned with housing policy, serving on the board of Wisconsin's Housing and Economic Development Authority for 10 years. I had the pleasure of working with John in this area as well when we coauthored Wisconsin's Housing Trust Fund, to provide flexible help to families in need of decent, affordable housing.

John would have been 50 years old this Friday. But even though he did not live to celebrate that anniversary, he left Wisconsin an impressive legacy.

Today, thousands are able to take time from work to care for a family member without the fear of losing that job. Other families are finally able to afford a decent home. Wisconsin families, who otherwise might be forced apart because of a long-term disability, are able to remain together, and individuals needing long-term care, who otherwise might be forced to seek services in an institution, are able to remain in their homes. All because of John Plewa. Wisconsin families have lost one of their foremost champions, and I know they join in offering their sympathy to the friends and colleagues John leaves behind, to his staff, and most especially to John's wife Susan and their two sons.

We will miss him.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now soaring toward $5 trillion, has been fueled for a generation now by bureaucratic hot air—and it is sort of like the weather—everybody talks about it but almost nobody did much about it until immediately after the elections in November 1994.

But when the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republicans supported the balanced budget amendment—that was the good news.

The bad news was that only 13 Democrats supported it—which killed hopes for a balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senator's are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or in 1996.

Here is today's bad debt boxscore:

As of the close of business Monday, September 18, the Federal debt—down to the penny—stood at exactly $4,963,468,747,991.22 or $18,841.41 for every man, woman, and child on a per capita basis.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from North Dakota is recognized.

ORDER OF PROCEDURE

The PRESIDING OFFICER. At 9:30, the Senate is to go to the previous order. There is at least one other speaker, possibly two, so could we have a division of time so that everyone will have an opportunity to speak.

Mr. DORGAN. Madam President, I ask unanimous consent that I be allowed to speak for 4 minutes; I believe the Senator from Connecticut would like to speak for 4 minutes, and the Senator from Wyoming would like to speak for 4 minutes, and have the time adjusted at 9:30 to accommodate this request.

Mr. COCHRAN. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. COCHRAN. Reserving the right to object, Madam President, I was unable to hear the entire consent request.

Could the Senator restate it?

The PRESIDING OFFICER. It would extend morning business beyond 9:30.

Mr. COCHRAN. Madam President, I am constrained to object to that. We made it very clear last night what the times were. We have Senators who have rearranged schedules to be here.

Mr. DORGAN. I withdraw my request, Madam President.

The PRESIDING OFFICER. Would it be possible to give 2 minutes to each of the three speakers?

Mr. DORGAN. Madam President, I request each of the three be allocated 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

WELFARE REFORM

Mr. DORGAN. Madam President, I intend to vote for the welfare reform bill today. It is not a perfect piece of legislation, but it does advance some of the issues that I think need to be advanced and begin some new directions that I think are necessary.

There is no disagreement in this Chamber about the proposition that the current welfare system does not work very well. There ought not be any disagreement in this Chamber either about the fact that when we change our welfare system, we ought to make sure we protect America's children.

There is a stereotype about welfare that is fundamentally inaccurate, that welfare is a woman who has 16 kids because it is profitable to have children; that welfare is some able-bodied person lying in a Lazy Boy recliner drinking beer, watching color television, and who is essentially slothful, indolent, and unwilling to work.

The fact is, that is not the statistical welfare recipient. The size of the average welfare family is almost identical to the size of the average American family.

Two-thirds of the people on welfare are kids under 16 years of age. As we go about trying to figure out how to change the system, we have to understand our obligation to protect children. We also need to provide the right incentives and to provide some hope to those who are hopeless, to extend a hand of help to those who are helpless, but also to say to them that welfare is temporary. We extend the hand of help because you need it, and it is to help you get up and out, to go get a job and be productive and be able to care for yourself.

These are the kinds of incentives we want to be included in this welfare reform bill. We have accomplished some of those goals, some of those goals we have not.

The Senator from Connecticut, who is going to speak for a couple of minutes, put a very important provision in this bill dealing with child care. That is enormously important and will allow a number of us to vote for this legislation. As I said, this bill is not perfect. I am concerned about the notion of block granting money, of wrapping up money and sending it to the States and saying, ''By the way, here is some money you didn't collect. Go ahead and spend it.''

I am concerned about a number of other things in the bill, but I do think it advances the welfare reform debate as it leaves the Senate. I do not know whether I will vote for it when it comes back from conference. I hope it will come out of conference as a good welfare reform bill, as well.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. THOMAS. Madam President, I rise in support of the welfare proposal that will be before us today. We have talked about it a very long time. Obviously, there are different views about how it should be implemented but, most of all, it is the first opportunity

we have had in a very long time to make some changes, to make some of the kinds of changes that the American people asked us to make in November and, indeed, have been asking us to make for some time.

It is the first opportunity in a long time to make some of the kinds of changes that most of us have known needed to be made for a long time in the welfare program. Most everyone agrees that we need a program in this country to help people who need help and help them back into the workplace. The program as it now exists has not accomplished that. Indeed, the program we now have has not accomplished the basic things we think it should accomplish.

The provisions of this welfare proposal will allow us to encourage people back to work, to put in some incentives to go back to work, and to deal very properly with the notion of child care, with extending health benefits to single-parent families so that that parent can work.

We have done this in our own Wyoming Legislature. We recognized some time ago that if the option was to take a minimum wage job and lose those benefits, then the better thing to do was stay on welfare. We have to change that. We do have to make some changes if we expect different results, and too often we all talk expansively about change; we want to make change; we are all for change; but when the time comes, we really resist change. We simply cannot expect the results to be different unless we do some changing, and one of the principal, most important changes here is to allow the States to have more flexibility, to allow the States to be the laboratory for developing and testing and creating programs that, indeed, deliver the kinds of programs needed.

I urge my fellow Senators to vote in support of this welfare bill today.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Connecticut is recognized.

Mr. DODD. I thank the Chair.

Madam President, just very briefly regarding the welfare reform proposal, this is a substantially improved product from what the other body, the House of Representatives, has passed. It is certainly improved over what was originally proposed by the majority leader in the areas of child care, maintenance of effort, and a number of other areas that have been included as part of this proposal. My concern is, of course, that this may be the best it ever gets and that as we go to conference, as historically happens, you find some sort of middle ground between what the Senate has done and what the House of Representatives has done.

If that is the case, this bill will come back to us from conference in a very weakened position. And so while I think there will be a substantial vote for the proposal today, having spoken now with a number of our colleagues, particularly on this side, Madam President, it should not be construed, if the vote is a strong vote for the Senate proposal, that this is some indication of a willingness to support whatever comes back from conference.

In order to have intelligent welfare reform, you have to make investments. The distinguished Senator from New York [Mr. MOYNIHAN], who, as I mentioned at the outset of this debate, knows more about welfare reform than most of us will ever know about the issue, has warned that if we do not make these investments, we are going to be looking down the road at a tragic situation.

It is not enough just give the issue back to the States. The problems exist primarily at the local level, the city and town level. I do not know how many States are necessarily going to allocate resources in those parts of their own jurisdiction where the problems persist the most.

Having said all of that, Madam President, I do not disagree with what my colleagues have generally said this morning, that this is a far better bill than what the other body has passed, a far better bill than was initially proposed and offered here in the Senate.

But I would still say that we have a long way to go before this bill becomes the kind of proposal that not only saves money, but allows people to go from welfare to work and protects the 10 million children who could be adversely affected by these decisions.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. THOMAS). Morning business is closed.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. Under the previous order, the hour of 9:30 having arrived, the Senate will resume consideration of H.R. 1976, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1976) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1996, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Brown modified amendment No. 2688 (to committee amendment beginning on page 83, line 4, through page 84, line 2), to prohibit the use of funds for salaries and expenses of Department of Agriculture employees who carry out a price support or production adjustment program for peanuts.

(2) Bryan-Bumpers amendment No. 2691, to eliminate funding to carry out the Market Promotion Program.

AMENDMENT NO. 2691

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes for debate under the Bryan amendment No. 2691 equally divided. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume. It is my intent to speak a few minutes in opposition to the Bryan amendment, to put in context the decision we will make at 9:45.

This is an amendment that does not seek to modify or simply reduce the funding for the Market Promotion Program. It is designed to kill the program, eliminate all funding under this legislation for this program in the next fiscal year. I think that would be a big mistake, Mr. President, and here is why.

The Foreign Agriculture Service undertook a study of this program in response to requests from the Congress and determined that for every $1 that we invest in this Market Promotion Program promoting U.S. agriculture commodities and foodstuffs that are exported in the international marketplace, $16 is generated in additional agriculture imports.

At a time when we are trying to compete more aggressively in the international market because of the opening up of new markets under the GATT Uruguay Round Agreement, we are trying to do a better job and use all the resources that we can muster to help ensure that we maintain a competitive edge and that we work with our farmers and ranchers and food processors to try to enlarge our share of markets. This is going to have just the opposite effect.

So I am hopeful that the Senate will vote against this amendment. I urge all Senators to carefully consider this. This is a proven, tested, workable, and effective program, and we have the facts to prove it. We debated this issue for an hour last night and laid all the facts out on both sides. I hope the Senators this morning will reject this amendment soundly.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, if there is no one seeking to address the Senate in support of the amendment, I am going to suggest that the time during the quorum, which I am going to call, be charged to the proponents of the amendment. I ask unanimous consent that the time be so charged.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COCHRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. COCHRAN. Mr. President, I yield 2 minutes to the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, thank you very much. I listened last night to a debate we have had here many times, and my friend and colleague from Nevada, RICHARD BRYAN, my distinguished friend who I respect, lists all the companies that get this, shall we say, assistance for export promotion and points out they all make a profit, they make large profits and says that this is a program that we should not have.

But every year, and it seems like twice a year, I take to the floor to point out to my friend and to the rest of our colleagues on both sides of the aisle that the future of this country, the economic future of this country really lies in exports. That is where we are going to have the job creation, that is where we are going to have an economic future that is worth something.

We know scientifically, because we have the studies, that every dollar that is invested in market promotion yields far, far many more dollars in return. It is a multiplier effect because the companies match the moneys and we wind up selling more of our products overseas.

The other point I want to make is that every other country in the world with whom we compete have similar programs, as a matter of fact, have much broader and wider and deeper programs where they push the exports of their country. If we are to walk away from this, we will fall behind.

So, Mr. President, I know that the companies that are listed by my friend are successful companies, and I know that they do put some of their capital into this, but I think it is very appropriate for this country to have an export promotion program, just as I think it appropriate for our trading partners.

I stand with the chairman, and I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I yield myself 3 minutes.

I point out to my colleagues that the MPP and its immediate predecessor, the Targeted Export Assistance Program, has cost the American taxpayers $1 billion—$1 billion. It is currently proposed for funding at $110 million. It is a program which has been soundly denounced by think tanks and organizations that are representing a broad spectrum of interest groups from the Cato Institute to the Competitive Enterprise Institute, the National Taxpayers Union, the Citizens Against Government Waste, the Center for Science in the Public Interest, the Progressive Policy Institute.

The General Accounting Office has reviewed this program and has concluded that there is no tangible, ascertainable basis upon which to conclude that, in fact, has assisted in the Market Promotion Program. There are no criteria in terms of large company, small company, who receives, no period of time in which one is supposed to graduate out of the program.

We are currently spending to assist our overall export promotion programs in this country about $3.5 billion annually. While agricultural products account for 10 percent of total U.S. exports, the Department of Agriculture spends $2.2 billion, or 63 percent of the total.

The way this program works, Mr. President, is that the advertising budgets of some of the largest corporations in the world receive a handout from the American taxpayer to supplement their budgets. Time restricts me from going into great detail, but here are some of the companies, all fine companies, that received in fiscal year 1993–1994 substantial amounts of money: Ernest & Julio Gallo, $7.9 million; Pillsbury, $1.75 million; Jim Beam Whiskey, $713,000, Campbell Soups, $1.1 million, to cite a few.

I think the American taxpayer, if he or she understood, would be shocked that, in effect, we are taking tax dollars collected from the American people and, in effect, adding them to the advertising budgets of some of the largest companies in the world.

Mr. President, the time to end this program has come. We have cut Medicare by $270 billion. We are cutting all kinds of programs involving educational assistance and a whole raft of programs. Yet, we seem to be unable to divorce ourselves from this form of corporate welfare.

I reserve the remainder of my time.

Mr. COCHRAN. How much time remains on each side?

The PRESIDING OFFICER. The Senator from Mississippi has 3 minutes 33 seconds. The Senator from Nevada has 2 minutes 50 seconds.

Mr. COCHRAN. Let me simply say that in response to the suggestion that large corporations are getting all this money, 80 percent of this money goes to trade associations, farmer cooperative groups, the association of exporters of poultry and eggs, cotton promotion groups, and others who are trying to take up for the interests of America's farmers, ranchers, and those in the food businesses that sell in the international market.

We are trying to save American jobs and promote American economic interests, American agriculture interests. These are companies that are involved in those businesses. But the majority of the money goes to small businesses, farmer cooperatives, and organizations like that, who sometimes use those companies to help promote what the ingredients are in their products that are sold in the international market.

So we hope Senators will keep that in mind. This is not corporate welfare—the catchy phrase some are using to discredit programs, this one included. It is not well-placed criticism. It is not accurate to judge the worth of this program on the basis of that kind of argument.

Mr. President, I reserve the remainder of our time.

Mr. BAUCUS. Mr. President, I rise today to express my strong opposition to the amendment offered by my colleagues from Nevada and Arkansas—the amendment to eliminate the funding for the Market Promotion Program. I think this effort is a misguided attack on a program which is successful in its accomplishments. In fact I believe funding for this program should be increased, not eliminated.

Mr. President, American agriculture is an example of successful export growth. This year our exports will be in the neighborhood of $50 billion. And our trade surplus in agricultural goods is around $20 billion. And one big reason is the MPP.

This program promotes American agricultural commodities in foreign markets. This program allows foreign businesses to advertise American products in their operations. The MPP helps put American beef in Chinese Big Macs—rather than less expensive, locally produced foods.

And the benefits of such a program are well-recognized by our competitors in the global marketplace. The European Union, our largest and most tenacious agricultural export adversary, outspends us nearly 3 to 1 in programs of this type. They spend as much to export wine as we do for all our commodities through the MPP. I think that speaks volumes about these programs.

This year we have seen significant advances in our ability to enter foreign markets. We've moved apples and broccoli in Japan, and negotiated an agreement to ship more meat into Korea. These exports mean jobs and revenue in America. And I am confident this trend will continue. But it makes no sense to eliminate the tools which have facilitated this progress. The MPP is one such tool.

Mr. President, I strongly endorse the Market Promotion Program and I urge my colleagues to join me in opposing this amendment to end the funding for this valuable program.

Mrs. FEINSTEIN. Mr. President, I oppose the Bryan amendment to eliminate funding for the Market Promotion Program.

The Market Promotion Program helps promote U.S. agricultural commodities abroad and build foreign markets for American agricultural products. I support the Market Promotion Program. And here is why:

First, the Market Promotion Program has been a very successful program. It has significantly benefited agriculture and expanded markets. There have been scores of success stories. For California agriculture, MPP moneys have boosted exports of almonds, asparagus, prunes, citrus, avocados, kiwi-

fruit, canned peaches, canned pears, canned fruit cocktail, pistachios, strawberries, table grapes, tomatoes, walnuts, wine, raisins, cotton and cotton products, and more.

The California avocado industry, for example, used MPP moneys to increase Japanese consumers' awareness of the higher quality of California avocados as opposed to lower priced, lower quality foreign sources. In 3 years, using MPP funds California avocado growers were able to increase exports to Japan by 200 percent.

Similarly, the U.S. cotton industry effectively used to promote the higher quality of products made with U.S. cotton. In the 5 years preceding the Market Promotion Program, exports of American cotton averaged only 5.3 million bales of raw cotton. This year, U.S. cotton exports will exceed 10 million bales. U.S. cotton exports have averaged $437 million more per year since the Market Promotion Program began.

Second, the Market Promotion Program is a cost-shared program. Recipients of MPP funds must contribute funds of their own as well. But the Federal funds serve as seed money that attract the private funding and bring diverse segments of an industry together on export promotion that would not otherwise be possible.

Third, the Market Promotion Program helps American agriculture compete in a global market. It is a GATT legal program. Agricultural exports now account for nearly one-third of total U.S. agricultural production and over $40 million in sales. But our competitors in world markets are aggressively supporting export and promotion of their agricultural products. We need to ensure that our growers are given the same support that their foreign competitors receive.

Mr. President, the Market Promotion Program works. We should not eliminate it.

Mr. GORTON. Mr. President, my message today is simple: If you are pro trade, pro growth, and pro jobs—you are pro MPP.

The Market Promotion Program is a proven success. For example, in my home State of Washington we have seen a dramatic increase in apple exports from 4.3 million cartons to 25.1 million, an increase of over 500 percent. Export sales now total over $300 million. This success is due to the Market Promotion Program.

My State alone exports over 1.1 billion dollars' worth of agriculture products. Such exports generate nearly $3 billion in economic activity and provide over 33,000 export-related jobs in my State of Washington. Programs like MPP are absolutely essential if U.S. agriculture—the most competitive industry in the world—is to remain viable and competitive in the international marketplace. MPP gives U.S. agriculture the tool it needs to develop, maintain, and expand commercial export markets for U.S. agriculture commodities in the new post-GATT environment.

In summary, Mr. President, without MPP we give our competitors an advantage and the opportunity to capture and maintain a significant share of the world market. U.S. agriculture is the most competitive industry in the world. We should provide the tools necessary so that U.S. agriculture can develop, maintain, and expand its share of the world market.

Mrs. BOXER. Will the Senator yield me 30 seconds?

Mr. COCHRAN. If I have 30 seconds, I will yield that to the Senator from California.

Mrs. BOXER. Mr. President, I strongly support the Market Promotion Program. I urge my colleagues to oppose the amendment offered by my colleague Senator BUMPERS to eliminate funding the Market Promotion Program. I would like to point out to the Senate why this program is so important for agriculture in my State of California, and many other States as well.

The MPP is an important tool in expanding markets for U.S. agricultural products. Continued funding for this program is an important step in redirecting farm spending away from price supports and toward expanding markets.

A 1995 Foreign Agricultural Service study, Evaluating the Effectiveness of the Market Promotion Program on High-Value Agricultural Exports, concluded that for every dollar invested in the MPP and its predecessor, the Targeted Export Assistance Program, since 1986, the United States has exported $16 dollars worth of agricultural products.

The U.S. Department of Agriculture estimates that each dollar of MPP money results in an increase in agricultural product exports of between $2 and $7. The program has provided much needed assistance to commodity groups comprised of small farmers who would be unable to break into these markets on their own.

While the program has been the subject of criticism, some of it justified, I believe it would be a mistake to cut the program because of a few cases of poor judgment. Overall, the program has greatly benefited the small growers for whom it was intended. New regulations went into effect in February 1995 to, among other things, give priority assistance to small businesses. In 1995 small businesses will receive over 50 percent of the funding provided for brand-name products up from 41 percent in 1994.

Last year, a task force of the U.S. Agriculture Export Development Council met for 2 days in Leesburg, VA, to review the role of the MPP, and other agriculture programs as part of our overall trade policy. This task force affirmed that the purpose of the MPP is to ''increase U.S. agricultural project exports.'' It concluded that the increase in such exports helps to ''create and protect U.S. jobs, combat unfair trade practices, improve the U.S. trade balance, and improve farm income.''

According to the U.S. Department of Agriculture, U.S. agricultural exports reached $43.5 billion supporting almost 800,000 jobs. For fiscal year 1995, agricultural exports are expected to reach a record $51.5 billion. Individual export records have been set in 1994 for red meats, poultry, fresh fruit, fresh vegetables, tree nuts, wine and beer and other high value products. This has been achieved with the help of MPP and other USDA export programs.

Mr. President, the Market Promotion Program has been an unqualified success for California farmers. For many Californian crops, the MPP has provided the crucial boost to help them overcome unfair foreign subsidies. I would like to share two of the successes of this program in California.

California produces about 85 percent of the U.S. avocado crop on over 6,000 farms that average less than 8 acres per farm. Between 1985 and 1993, California avocado growers utilized $2.5 million of their own money, combined with $3.4 million of MPP funds to achieve over $58 million in avocado sales in Europe and the Pacific rim. This is better than a 17 to 1 return on our MPP investment that means jobs for California.

The growth of California walnuts exports also illustrates the success of this program. Since 1985, the year before the MPP began helping walnuts, 90 percent of the growth in California walnut sales has come from exports. And 90 percent of this export growth has been to markets where California walnuts have had MPP support. The total value of these exports in 1985 totaled $36 million. By last year, that total export value grew to $119 million.

This growth in MPP driven walnut exports has been the greatest in the heavily protected Japanese market. There, California walnut exports grew from about $3 million in 1985 to $28 million last year. The $19 million devoted by the MPP between 1986 and 1994 to promoting California walnuts in Japan has helped generate nearly $140 million in sales. This is a rate of return on the taxpayer's investment that approaches 700 percent.

The California walnut industry is not a monolithic corporation. It is made up of over 5,300 growers who farm orchards that average only 44 acres. And its these California family farmers, not big corporations, who benefit from the MPP support of walnut exports. Without the MPP, these farmers could not muster the resources they need to break into the Japanese and other protected markets.

Lastly, I would like to make a few comments on a possible initiative by my colleagues to means-test the Market Promotion Program. In California, nonprofit agricultural marketing cooperatives such as Sunkist, Blue Diamond, and Calvaro are owned by their

farmer members and distribute all income to the individual farmers less operating expenses. Cooperatives such as these are associations of farmers who accomplish collectively what that cannot accomplish individually. The average farmer in these three cooperatives farms between 20 and 40 acres and the overwhelming majority of them are full-time farmers. I believe it would be unfair to penalize individual small farmers because they have joined together to form an effective cooperative. It defeats the purpose of a market development program. It is clear that these farmers could not individually be effective exporters to the world market.

In closing Mr. President, the MPP is a wise investment in American agriculture and I urge my colleagues to support it in its current form, at the highest possible level.

I ask unanimous consent that a list of export-related jobs in each State be printed in the RECORD.

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

MARKET PROMOTION PROGRAM

Agriculture export related jobs by State

State:	*Jobs*
Alabama	11,000
Alaska	20,000
Arizona	10,000
Arkansas	33,000
California	137,000
Colorado	25,000
Connecticut	1,500
Delaware	2,000
Florida	22,000
Georgia	15,000
Hawaii	1,700
Idaho	22,000
Illinois	68,000
Indiana	36,000
Iowa	96,000
Kansas	69,000
Kentucky	25,000
Louisiana	17,000
Maine	400
Maryland	5,500
Massachusetts	1,100
Michigan	27,500
Minnesota	50,000
Mississippi	24,000
Missouri	24,000
Montana	6,000
Nebraska	74,000
New Jersey	2,000
New Mexico	3,000
New York	8,300
North Carolina	27,500
North Dakota	23,000
Ohio	33,000
Oklahoma	10,000
Oregon	15,000
Pennsylvania	11,000
South Carolina	7,000
South Dakota	25,000
Tennessee	9,000
Texas	77,000
Utah	2,800
Virginia	10,000
Washington	30,000
Wisconsin	27,500
Wyoming	1,400

Mrs. BOXER. Mr. President, I just received, from the farmer cooperatives a table that I have placed in the RECORD, which shows the number of jobs that are related to the export of agricultural products. They are shown by State. It is really an extraordinary list: Kansas, 69,000; Kentucky, 25,000; Texas, 77,000; California, 137,000. Virtually every State in the Union, thousands of jobs. I stand in strong support of this program.

I yield the floor.

Mr. BRYAN. Mr. President, might I inquire about the time?

The PRESIDING OFFICER. The Senator from Nevada has 2 minutes 50 seconds. The Senator from Mississippi has 1½ minutes.

Mr. BRYAN. I yield myself a minute and a half.

Mr. President, I simply make a point that this presumably is a time in America in which we are calling for shared sacrifice. We are saying that we cannot do business the way we have always done it. With all due respect to my distinguished colleague and friend from California, in terms of weighing the priorities, it seems to me it is pretty hard to contend when we are savaging the kinds of programs that affect the poor and those who are least able to defend themselves to support these kinds of dollars.

McDonald's, the hamburger folks, I think, reported a net profit of in excess of $1 billion. They continue to receive money to supplement their advertising account. Their advertising budget is in the range of $600 to $700 million. I would think that these outfits would be embarrassed, at a time when they are encouraging us to balance the budget, as we should, to simply say, look, it is time for us to kind of participate in this shared sacrifice and say, look, we will handle our own promotion and not depend upon the American taxpayer for a handout.

I reserve the remainder of my time.

Mr. COCHRAN. Mr. President, I yield myself as much time as I may consume. Let me remind the Senate that we voted on this same issue when we had the supplemental reconciliation bill before the Senate on April 6 of this year. I moved to table this same amendment that was offered by the Senators from Nevada and Arkansas. And on a vote of 61 yeas to 37 nays, this amendment was tabled. We fully debated the issue then. We have fully debated the issue now. Nothing has changed, Mr. President.

So I hope Senators will notice that I am going to put on the desk here how everybody voted on that previous occasion. I hope we will repeat the success of that favorable motion on the motion to table this same amendment. It is my intention to move to table when time has expired and we ask for the yeas and nays.

The PRESIDING OFFICER. Who yields time?

Mr. BRYAN. May I inquire as to how much time I have left?

The PRESIDING OFFICER. The Senator has 1 minute 44 seconds. The Senator from Mississippi has 30 seconds.

Mr. BRYAN. I will yield time to the Senator from Arkansas.

First, the point I seek to make, as I have over the past several years with my friend from Arkansas, is that this is really a question of a subsidy that in light of what I consider the new economic reality, where we are literally going to have to reexamine the way in which we do things in Government, and those programs that have long existed that are near and dear to many of my colleagues. Some of these programs simply cannot pass what I would call the ''smell test.'' This is one of them.

I offer no criticism of these large agribusinesses, who have been extraordinarily successful. I compliment them. But I think the fundamental question is: Should the American taxpayer be paying for their advertising and promotion?

I reserve the remainder of my time.

I yield the Senator from Arkansas my remaining time.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be allowed to proceed for 2 minutes.

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

Mr. BUMPERS. Mr. President, I just came from downstairs where the House just receded to the Senate position on mine law reform. The effect of that is to take 233 patent applications that have been excluded from being grandfathered in last year and say you can have that, too. The biggest mining companies in America. Those 233 patent applications, which we just voted to allow to go forward contain $15.5 billion worth of gold, platinum, palladium, silver, and so on, underneath them. They will be given out to the biggest mining companies in the United States for zip—not $1 to the taxpayers of this country.

Here we are debating continuing a practice of giving $110 million to the biggest corporations in America, not just the 10 listed on that chart—dozens more. Some of them are almost as big. To the biggest corporations in the world, we are giving $110 million to help them sell McNuggets and Big Macs around the world. I found out last night that we have already spent $86 million on this program for alcoholic beverages. Who thinks that is a great idea?

We are doing that, while we are cutting welfare, kicking 50 percent of the people off of the rolls by the year 2000, cutting earned-income tax credit to keep people off the rolls, $270 billion in Medicare cuts for our elderly citizens, $240 billion in Medicaid cuts for the poorest of the poor for health care in this country, and on and on it goes. And this day, in one fell swoop, we have just voted to give $15 billion worth of minerals away and $110 million in the grossest kind of corporate welfare. Is that what the revolution of 1994 was about?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COCHRAN. Mr. President, I yield myself the remainder of the time on this side.

Mr. President, this is a red herring. The fact is that the funds allocated under this program are to promote U.S. agriculture products. We are seeing the U.S. Poultry and Egg Export Council promoting the purchase of U.S. poultry products and eggs by foreign-owned and operated franchises of McDonald's. That does not mean that goes to corporate headquarters in Chicago, or wherever. This means that we are producing a promotional campaign using these funds to try to help sell more of what we produce in America.

It is a good program. It has worked and I hope the Senate will vote ''yes'' on this motion to table.

Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SANTORUM). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 59, nays 41, as follows:

[Rollcall Vote No. 440 Leg.]

YEAS—59

Akaka	Frist	Lott
Ashcroft	Gorton	McConnell
Baucus	Graham	Moseley-Braun
Bennett	Gramm	Murkowski
Biden	Grassley	Murray
Bond	Harkin	Nunn
Boxer	Hatch	Packwood
Breaux	Hatfield	Pell
Burns	Heflin	Pressler
Campbell	Helms	Pryor
Cochran	Hutchison	Rockefeller
Cohen	Inouye	Shelby
Conrad	Jeffords	Simon
Craig	Johnston	Simpson
Daschle	Kassebaum	Snowe
Domenici	Kempthorne	Specter
Dorgan	Kerrey	Stevens
Exon	Kohl	Thomas
Feinstein	Leahy	Thurmond
Ford	Levin	

NAYS—41

Abraham	Faircloth	McCain
Bingaman	Feingold	Mikulski
Bradley	Glenn	Moynihan
Brown	Grams	Nickles
Bryan	Gregg	Reid
Bumpers	Hollings	Robb
Byrd	Inhofe	Roth
Chafee	Kennedy	Santorum
Coats	Kerry	Sarbanes
Coverdell	Kyl	Smith
D'Amato	Lautenberg	Thompson
DeWine	Lieberman	Warner
Dodd	Lugar	Wellstone
Dole	Mack	

So the motion to lay on the table the amendment (No. 2691) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was tabled.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, we have about 10 minutes before we are to proceed with debate on the amendment dealing with poultry regulation. One hour on each side is available under that agreement for debate of that issue. We had hoped to take up another amendment and discuss it between now and then. I know Senator KERREY had considered bringing up his amendment, which is a Market Promotion Program amendment. I know of no other business that Senators have requested be transacted during this 10-minute period, so I will suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BOND. Mr. President, I further ask I may be permitted to proceed as if in morning business for 5 minutes.

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

Mr. BOND. I thank the Chair.

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

Mr. BOND. I thank the Chair, and I yield the floor.

EXCEPTED COMMITTEE AMENDMENT ON PAGE 83, LINE 4 THROUGH LINE 2 ON PAGE 84

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the excepted committee amendment regarding poultry regulations, on which there will be 2 hours of debate. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, as I understand the allocation of time, there is 1 hour on each side. If I am not mistaken, I think under the order, I am to control the time in opposition to the amendment of the Senator from California.

The PRESIDING OFFICER. The Senator is correct.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. COCHRAN. Mr. President, what is at issue here in this amendment that will be offered by the Senator from California is a provision of the Senate bill as approved by the Appropriations Committee, which I will read. It is section 729 and found on page 83 of the bill:

> None of the funds appropriated or otherwise made available by this Act may be used to develop compliance guidelines, implement or enforce a regulation promulgated by the Food Safety and Inspection Service on August 25, 1995 (60 Fed. Reg. 44396): Provided, That this regulation shall take effect only if legislation is enacted into law which directs the Secretary of Agriculture to promulgate such regulation, or the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry receive and approve a proposed revised regulation submitted by the Secretary of Agriculture.

This regulation, which has been promulgated after a great deal of discussion, public comment on the proposed regulation has the effect of prohibiting and actually preventing poultry producers and processors in the Southeast and Southwest from exporting their products into the California market. That is the practical consequence of the regulation as drawn and promulgated by this administration.

The origin of the initiative came from California to restate the regulations and rules regarding the labeling of poultry products with respect to whether they were frozen, chilled or not and what should be disclosed in that connection and how you measure the temperature with respect to which regulation or label would be appropriate.

This was all driven by the poultry industry in California which is a high-cost producer and processor of poultry products. High cost: High labor costs, regulations that are imposed locally and in the State of California, that elevate the price at which poultry products can be sold in California.

Different regulations with regard to the way these imported products are sent from the Southeast and the Southwest into that market, are packaged and labeled, could be drawn so as to increase the costs of and maybe even make it impossible to ship deeply chilled poultry products into that market.

So this issue was developed as a way for the California poultry industry to keep competition out of their market, to keep lower cost poultry processing firms in the Southeast, like in my State of Mississippi, from competing and undercutting the price being sold by California poultry producers in their own market.

To let the Senate know that this is not an issue that has been just hastily or capriciously injected into this appropriations bill, back in April, we were trying to convince the administration of the seriousness of this situation that would be caused throughout many parts of this country if this regulation were to be approved.

I am looking at a letter, which I will have printed in the RECORD, dated April 4, 1995. It is written on the letterhead of Senator JOHN WARNER of Virginia, but it is signed by 19 Senators: Senators DAVID PRYOR, JOHN WARNER, MITCH MCCONNELL, JESSE HELMS, HOWELL HEFLIN, PAUL COVERDELL, THAD COCHRAN, TRENT LOTT, STROM THURMOND, RICHARD SHELBY, BENNETT JOHNSTON, JOHN BREAUX, JIM INHOFE, SAM NUNN, CHRISTOPHER BOND, LAUCH FAIRCLOTH, ROD GRAMS, KAY BAILEY HUTCHISON, and DON NICKLES.

What we said in this letter addressed to the acting Under Secretary of Agriculture for Food Safety, is that we believe it is appropriate for the Food Safety and Inspection Service to consider changes in the existing Federal standards, but we have major reservations about the standards that the Food Safety and Inspection Service are proposing. We talk about the consequences of the proposed regulations

at that time, illogical from the point of view of measuring the temperature of chilled poultry and then having it labeled ''previously frozen'' or ''frozen'' and the consequences of that in terms of the businesses that deeply chill the poultry to protect it from contamination as it is transported across the country to other markets in the United States.

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

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

U.S. SENATE,
April 4, 1995.

Hon. MICHAEL TAYLOR,
Under Secretary for Food Safety (Acting), U.S. Department of Agriculture, Washington, DC.

DEAR MR. TAYLOR: We believe it is appropriate for the Food Safety and Inspection Service (FSIS) to consider changes in the existing federal standards for labeling ''fresh'' and ''frozen'' poultry. However, we have major reservations about the standards FSIS are proposing.

FSIS on January 18, 1995 proposed regulations that would allow a ''fresh'' label to appear only on those poultry products that have not been chilled below 26 degrees Fahrenheit. Poultry that had been chilled to 0 degrees or below would be labeled ''frozen.'' Poultry chilled to a temperature of between 0 degrees and 26 degrees would be labeled ''previously frozen.''

The following are our most serious concerns about this proposal:

FSIS arbitrarily chose 26 degrees as the dividing line between ''fresh'' and other designations. There are other temperatures below 26 degrees that preserve the ''fresh'' characteristics consumers are seeking while giving poultry products the longer safe shelf life necessary for transportation across long distances.

The proposed regulation requires ''fresh'' poultry products to remain at no less than 26 degrees throughout processing, storage and transportation. The original processor does not control some of these operations and could lose a ''fresh'' designation through no fault of their own. The strict adherence to 26 degrees also does not take into account important differences in equipment calibration.

The designation of ''previously frozen'' poultry is completely illogical. Poultry chilled to between 0 degrees and 26 degrees never has met the proposed regulations definition of ''frozen.'' How, then, can it accurately be labeled ''previously frozen''?

As Members of Congress deeply concerned about food safety, accurate labeling for consumers and fairness for all segments of the poultry industry, we urge you in the strongest possible terms to make several changes to the proposed rule.

First, we urge FSIS to select a temperature lower than 26 degrees but higher than the current 0 degrees as the minimum temperature at which poultry can receive a ''fresh'' designation.

Second, we urge FSIS to consider a temperature variance from that minimum to accommodate temperature shifts during shipping and storage and to accommodate the important differences in the calibration of temperature measuring devices and refrigeration equipment. We would point out that USDA's Agricultural Research Service, working in laboratory settings, is able to control holding-chamber temperatures only to within three degrees of the target temperature.

Finally, we urge you not to require a label designation for poultry chilled to between 0 degrees and the minimum temperature as necessary for ''fresh'' labeling.

These common sense changes will result in a regulation that assures full labelling disclosure for consumers and the safest possible shipment of fresh poultry products across the nation.

Thank you for your attention to these recommendations; please do not hesitate to contact us if you have additional questions.

Sincerely,

David Pryor; Mitch McConnell; Howell Heflin; Thad Cochran; Strom Thurmond; J. Bennett Johnston; James Inhofe; Christopher S. Bond; Rod Grams; Don Nickles; John Warner; Jesse Helms; Paul Coverdell; Trent Lott; Richard C. Shelby; John B. Breaux; Sam Nunn; Lauch Faircloth; Kay Bailey Hutchison.

Mr. COCHRAN. Mr. President, before yielding time for others to discuss their views on this, let me just say the temperature threshold and the negative labeling that the California poultry industry has been promoting has only one objective, and that is keeping competitive products out of the California market, to make those products appear less appealing to California consumers. I do not believe the Federal Government should take actions which, like it would in this instance, influence improperly interstate trade and commerce in this matter.

This issue has absolutely nothing to do with improving product quality, nothing to do with enhancing food safety. The regulations will not improve consumer information or enhance consumer protection. This is an intraindustry trade dispute between California and the rest of the country where poultry products are produced and sold in that market, and I hope that the Senate will reject the amendment to be offered by the Senator from California.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I yield myself as much time as I might consume.

The PRESIDING OFFICER. The Senator is recognized.

Mrs. BOXER. Mr. President, I was wondering how this debate would shape up because, to me, it is very straightforward. It is not about California; it is about common sense. The Agriculture Department, after 8 long years, finally issues a rule that says if your chicken or your turkey is frozen, then you cannot put a ''fresh'' label on it.

Let me repeat that. If the chicken or turkey is frozen when you send it out of your State, you cannot mislead consumers and put a ''fresh'' label on it. Hurray, a victory for common sense, a victory for the right to know what we are purchasing.

I have shopped for my family for many years, and these things are important. So what happens in the Appropriations Committee? A sneak attack on a fair rule. They are not going to allow this rule to go into effect. I say to consumers all over the country, listen to this debate because you are going to hear words that have no meaning. You are going to hear words such as exporting and fairness and barriers. But those are not the issues. This is about truth in labeling.

Now, to prove my point that this is not just a California issue, I might say on the Record to my friend, my chicken producers are for this rule, and my turkey producers are against this rule. I have business on either side. I line up with consumers. I hope you will, too, after listening to some of the points that I will make.

Perdue Chicken, which is produced in New York, and has headquarters in the State of Maryland and offices in Alabama, Delaware, Florida, Indiana, New Jersey, North Carolina, South Carolina, and Virginia, says, ''We are opposed to companies selling products as fresh when they have been previously frozen or thawed.''

Perdue is not a California company. This is simple corporate responsibility. What are we going to do in the U.S. Senate? I am glad it is not in the dead of night. At least it is in the day time and everybody can watch us. We are going to say that fresh is frozen and frozen is fresh. This makes no sense at all, for anybody who has ever gone into a supermarket. I think most Americans have, and they understand this.

Mr. President, I ask unanimous consent that I may show you this chicken.

Mr. COCHRAN. Mr. President, I object. I make a point of order that the display of any such product would violate rule 17 of the Senate rules.

The PRESIDING OFFICER. The Senator from Mississippi is correct.

Objection is heard.

Mrs. BOXER. I have put away my frozen chicken. I will not bring it out in violation of the rules. I respect my friend's right to object to my request. But what I was going to do was take that little chicken, which is frozen as hard as a rock and marked fresh, and put it on this table, and it would have sounded like this. And everyone could see the lunacy of this debate.

Mr. BUMPERS. Will the Senator yield?

Mrs. BOXER. Yes, I would be happy to.

Mr. BUMPERS. I could not agree with the Senator more. If you take a chicken frozen solid like that, one at zero degrees, and use it for a bowling ball, as a House Member did, or as a prop here, as you were proposing to do, I agree that is the sound it would make. But that is not what this debate is about.

Mrs. BOXER. Mr. President, if I may reclaim my time, because I have limited time, that is exactly what this debate is about. When my friend speaks, he can say what he thinks it is about. It is about taking a product that is frozen to one degree—what human being can say that one degree is not frozen—

and enabling producers to mark it ''fresh.'' Why? Because they want to get more money for a frozen product. That is what this is all about. They want to get more money by marking it ''fresh.''

So I would have shown you this chicken, hard as a rock, marked ''fresh.''

My friends objected, and I respect their right to object. So I will show you a picture instead. I know they cannot object to that. As you can see, there is a frozen chicken being used as a bowling ball headed for these pins and, as a result, I think some of them were knocked down. Now, do we believe for a minute that a chicken that is frozen like this should be marked ''fresh'' if it can knock down bowling pins?

Now, if I told you this desk was a chair, you would think I was kidding. And if I told you summer was winter, and ice was hot, warm was freezing, ovens were freezers, and freezers were toasters, you would send me to the nearest psychiatrist. And you would be right.

I do not know what came over the committee, but let me read you the definition of fresh. This is out of Webster's Dictionary: ''Fresh: Recently made, produced, or harvested, not preserved as by canning, smoking, or freezing.''

Yet, my friends on the committee say that if a chicken or a turkey is frozen to one degree, it can be marked fresh. Let me remind you what Webster said: ''. . . not preserved as by freezing.''

''Frozen: Made into, or covered with, or surrounded by ice; preserved by freezing.''

That is frozen. ''Immobile.'' I will add one: It knocks down bowling pins. Chickens that are that hard are not fresh, they are frozen. And everyone with a pulse, I think, understands that.

We have tried to straighten this mess out for 8 long years, and special interests come in every time and kill it. This time, the Clinton administration had the guts to issue this rule, and the Appropriations Committee—by the way, whose chairman said—and he is my friend, and I work with him and I admire him, and we just worked together on an issue—that we really should not do these things on appropriations bills, in relation to an article that appeared today. He said he does not believe in making policy on spending bills in relation to the mink program.

Mr. COCHRAN. Will the Senator yield?

Mrs. BOXER. Yes, on his own time.

Mr. COCHRAN. Mr. President, I am not quoted in that article. My office said something to the effect that I did not think policy should be established on appropriations bills. I am not sure my staff said that. My staff told me they told this reporter that I did not favor legislation on an appropriations bill. That was one reason why I was opposing that amendment. I am not advocating legislation on this bill. I am saying no funds shall be used to carry out this regulation.

Mrs. BOXER. I say to my friend and colleague, he is a very smart Member of this Senate. He is terrific. He gets his way a lot around here. A lot of the time he is right, and he should get his way. But if this is not legislating on an appropriations bill, I do not know what is. This is a rule that is going to go into effect so that when consumers go to the supermarket, they will know whether the chicken they buy is fresh or frozen. We are stopping it dead here in the Appropriations Committee, simply saying no funds shall be spent to enforce it. Well, if it cannot be enforced, then there is no rule. So we know what we are talking about here.

This rule is a victory for common sense. That is why the Consumer Federation supports the rule. That is why Citizen Action supports the rule, and Public Voice supports the rule, and Public Citizen supports the rule. Look at all the people who are for the rule. My friends say it is a California issue. Why do we have the National Association of Meat Producers and Meat Purveyors and all kinds of national unions, and the Oregon Broiler Growers Association and Pacific Egg and Poultry Association? As I told you, there are all these consumer groups and veterinary groups, et cetera.

Studies show consumers are willing to pay more for products that are fresh. These are their hard-earned dollars. They should be getting what they are paying for: a fresh product. And, by the way, there is nothing wrong with buying frozen produce, nothing at all. Some people prefer to do that.

Let me give you another serious problem with this. You go to the supermarket and buy a frozen product, it is defrosted, marked ''fresh,'' so you think it is fresh. You go home and put it in your freezer. Then you defrost it again before you cook it. That could be dangerous to your health.

I have to say that this rule is very gentle on the people that my friends represent in Arkansas and in the Southern States. Why do I say that? Because it does not say they have to label it ''frozen'' until it gets down to zero. They can use the term, quote, ''hard chilled.'' So the Department of Agriculture bent over backward. In my mind, if it is 10 degrees, it is frozen. They are allowed to say ''hard chilled.'' That is a commonsense rule that looks out for those producers that my friends represent.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. There are 49 minutes, 23 seconds remaining.

Mrs. BOXER. How much time remains on the other side?

The PRESIDING OFFICER. There are 51 minutes and 42 seconds.

Mrs. BOXER. I see my friend, the senior Senator from California has joined me. I will yield the Senator 15 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 15 minutes.

Mrs. FEINSTEIN. I thank the Senator from California and I thank the President.

Mr. President, I rise in opposition to the committee amendment. I urge my colleagues to strike the committee language to ensure truthful labeling of poultry and poultry products.

Let me say first that the committee language in the fiscal year 1996 agriculture appropriations bill flies in the face of the consumer. It prevents the Department of Agriculture from implementing a new and commonsense regulation on what poultry products can be labeled as ''fresh.''

I might parenthetically say I never thought when I came to the U.S. Senate we would be debating this on the floor.

Be that as it is, I must say, Mr. President, I find it astonishing that any business engaged in the processing of food products can call something ''fresh'' when it has been frozen as hard as a rock. The whole thrust of Federal food labeling over the past several decades has been to provide consumers with accurate information about the quality and contents of the food they buy.

Existing departmental guidelines regarding poultry are really wrong. They allow consumers to be deceived into thinking they are choosing between two equally attractive pieces of poultry, when in fact one has been frozen to zero degrees and then thawed, while the other has never been frozen at all.

The consumer has a right to know if a chicken has been previously frozen. If it has, then it is not fresh.

The new Department of Agriculture Food and Safety Inspection Service rule, which is scheduled to take effect next year, ensures that the labeling corresponds with reality.

The new rule sets three labeling categories: First, poultry products which have never been chilled below poultry's freezing level of 26 degrees may be labeled as fresh. Second, hard chilled: Poultry products which have been chilled below 26 degrees but above zero degrees must be labeled as hard chilled. Third, frozen: Poultry products which have been chilled at zero degrees or below must be labeled as frozen or previously frozen.

It makes sense. However, until this new rule goes into effect, the poultry industry can use the term ''fresh'' on poultry that has been chilled down to zero degrees. In practice, this means that chicken and turkeys are being labeled and sold as fresh when, in fact, they have been frozen rock solid.

For example, in California, Foster Farms and Zacky Foods, among others, sell fresh chicken, while previously frozen chicken shipped in from Southern producers can also bear the ''fresh'' label.

In the Washington, DC, market, Perdue Farms sells fresh chicken, but

labeling does not tell consumers that Tyson and Wampler chickens have been frozen.

Similarly, while Farmers Pride in Pennsylvania, Plainsville Farms in New York, and Sunset Acres Farm in Maine sell fresh poultry, their competitors who sell previously frozen poultry can also use the ''fresh'' label.

This situation makes a mockery of the label and misinforms consumers about the actual freshness of the product.

This most certainly is not reasonable, and it does not meet the expectations of today's consumers.

According to a telephone survey conducted by ICR Survey Research Group in June 1994, the vast majority—75 percent—of the public does not think chicken which has been shipped or stored below 26 degrees should be called ''fresh.''

The vast majority of the public questioned, 86 percent, said it was inappropriate to label as ''fresh'' chicken which has been stored below 26 degrees and then thawed out.

Four out of five consumers, 81 percent, said yes there is a difference between chicken which has never been frozen and chicken which has been frozen and thawed out.

By a margin of five to one, those questioned rated ''never frozen'' chicken as superior to chicken which had been ''previously frozen.''

That is the rub. Clearly, the consumer, if possible, would prefer to buy fresh chicken.

According to the Department of Agriculture, once food is thawed, when it is refrozen there may be a loss of quality due to high loss of moisture. Consumers certainly think so.

Consumers have a preference for fresh poultry and—this is the rub, as well—they are willing to pay a higher price for it. They should be getting, we think, what they are paying for.

As in many issues of national importance, California has taken the lead on truthful labeling of poultry products. In 1993, California enacted a law restricting the use of the term ''fresh'' on labels of poultry that have been chilled at or below 25 degrees and to allow the use of the term ''fresh'' only on poultry that has been kept above 25 degrees. However, the court subsequently ruled that California law was preempted by Federal law, which prohibits States from imposing labeling requirements that are different from, or in addition to, the Federal requirements.

California is preempted, even though California says what is fresh is fresh, and what is frozen is frozen, and never the twain will meet, and we will show you with our law. Bingo—they are preempted by the Federal Government.

In response to the consumers' continued demand for truthful labeling, the U.S. Department of Agriculture accepted its responsibility, and after a 15-month rulemaking process, the Department is prepared to implement truthful labeling.

The Department of Agriculture's new poultry labeling rule, we believe, is reasonable and fair to both consumers and the poultry industry. Not only does it ensure truthful labeling of fresh poultry and protect the consumers' right to know, it provides a new category of ''hard chilled'' and gives the industry 1 year to comply, allowing ample time to use up inventories of existing labels and make the necessary changes.

Accurate and truthful labeling is strongly supported by national consumer groups—the National Consumer League, the Public Voice for Food and Health Policy, and the Consumer Federation of America.

The committee language, on the other hand, will prohibit the Department from proceeding with its own order.

Unless the Department of Agriculture is permitted to implement its new poultry labeling rule, frozen poultry products will continue to be falsely labeled.

We do not allow fish which has been frozen to be labeled as fresh. We should not allow poultry to be mislabeled, either.

Let us, Mr. President, make the Federal Government be honest about what is fresh and what is frozen. Otherwise, we face the prospect of allowing the American public to be conned into going to Antarctica to lie on the beach.

I yield the remainder of my time to the Senator from California.

The PRESIDING OFFICER. Who yields time? The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me simply say in response to the distinguished Senator from California who has just spoken, on this issue of frozen and fresh, I happened to receive a letter from someone in California telling me her views on this issue, back when we were all corresponding with the Food Safety Inspection Service about this proposed regulation. I am going to read this letter and ask unanimous consent a copy of it be printed in the RECORD.

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

(See exhibit 1.)

Mr. COCHRAN. It is from Dr. Ann R. Stasch, who lives, according to the return address, in Northridge, CA. She writes it to me, Senator THAD COCHRAN, ''Chair,'' she says, ''of the Senate Appropriations Committee, Senate Office Building, Washington, DC.''

DEAR SENATOR COCHRAN: I am interested in the frozen/fresh chicken controversy.

This is a handwritten letter. This is a handwritten letter.

I have recently retired as a University Professor of Food and Nutrition. As a consumer, I find little difference in the frozen and unfrozen chicken with regard to the state of thawing. The only chickens which are completely thawed, regardless of state of origin, are, for the most part, those on periodic price reduction sales. It has been my experience that wholly thawed at purchase chickens are often those which have been in storage the longest. These frequently have less flavor.

I prefer partially frozen (that is, not totally thawed) chicken when I purchase chicken, as chicken fat develops rancidity rather quickly. There are local differences in color of fat preferences by consumers and California chickens have a generally more yellow colored fat than southern chickens. If a chicken is going to sit 3 or 4 days between harvest and sale, it would probably be preferable that it be frozen, no matter the point of origin. It would be unfortunate if partially frozen chicken could not be sold at a regular price.

Sincerely,

ANN R. STASCH.

Mrs. BOXER. Will the Senator yield some time on my time to respond?

Mr. COCHRAN. I will be happy to yield for a question. I have other Senators I want to yield to for purposes of——

Mrs. BOXER. I was asking if the Senator will yield for a moment?

Mr. COCHRAN. I have the right to the floor now, but I do intend to yield to a Senator, as the Senator from California has yielded to a Senator on her side. It was my intention to yield to a Senator on our side, but I will be glad to yield to my colleague for a question.

Mrs. BOXER. I will put it in the form of a question. Is the Senator aware there are 32 million people in the State of California?

Mr. COCHRAN. I know it is a big State.

Mrs. BOXER. It is a big State, and this is one person's opinion. Is the Senator aware that clearly we are going to enable this woman to buy frozen products? We just want to make sure they will be marked ''frozen'' or ''previously chilled'' or ''hard chilled.'' This would not stop this woman from buying frozen. It would just make her choice even clearer.

Mr. COCHRAN. I thought the Senate would benefit, Mr. President—I will reclaim my time—from a point of view which apparently is a thoughtful point of view by someone who is a recently retired university professor in the subject of food and nutrition.

Mr. President, I want to yield to my distinguished colleague from Mississippi such time as he may require.

EXHIBIT 1

NORTHRIDGE, CA,
April 21, 1995.

Senator THAD COCHRAN,
Chairman, Appropriations Committee, USDA, Senate Office Building, Washington, DC.

DEAR SENATOR COCHRAN: I am interested in the frozen/fresh chicken controversy. I have recently retired as a University Professor of Food and Nutrition. As a consumer, I find little difference in the frozen and unfrozen chicken with regard to the state of thawing. The only chickens which are completely thawed, regardless of state of origin, are, for the most part, those on periodic price reduction sales. It has been my experience that wholly thawed at purchase chickens are often those which have been in storage the longest. These frequently have less flavor.

I prefer partially frozen (that is, not totally thawed) chicken when I purchase chicken, as chicken fat develops rancidity rather quickly. There are local differences in color of fat preferences by consumers and

California chickens have a generally more yellow colored fat than southern chickens. If a chicken is going to sit 3 or 4 days between harvest and sale, it would probably be preferable that it be frozen, no matter the point of origin. It would be unfortunate if partially frozen chicken could not be sold at a regular price.

Sincerely,

ANN R. STASCH.

The PRESIDING OFFICER (Mr. KYL). The Senator from Mississippi.

Mr. LOTT. Mr. President, I thank the distinguished chairman of the agriculture appropriations subcommittee for yielding me this time. I would like to go back and reiterate, for a moment, the process that is involved here.

On August 25 of this year, the Secretary of Agriculture revised regulations that imposed what I consider to be misleading restrictions on labeling of raw poultry products as ''fresh.'' This regulation was designed, as I understand it, by the California poultry industry, to make it difficult for competing poultry products from other sections of the country to be marketed in California without jeopardizing product quality.

Here is an important point. This new regulation is to take effect August 1996.

Senator COCHRAN's language in the bill would prohibit implementation of this regulation. That is very strongly supported by the ranking member. That will give us time to consider this matter further, to make sure the regulation is properly drafted and to make sure it is fair. That is all that Senator COCHRAN does, in this language in the bill.

The Agriculture Committee, the authorization committee, has not even had hearings on this matter. It is very important to all of the different parties involved. I believe the poultry industry would be very happy to work with the agriculture authorization committee and with all those interested and involved, both on the Appropriations Committee and from the State of California and all the other States affected, to come up with a regulation that is fair and that we can all live with.

So I wanted to emphasize this. This regulation is not even scheduled to go into effect until August 1996. We have the time to look at this matter very carefully. Funds should not be used to implement, start implementing this regulation until we have had hearings and really thought it through carefully.

The purpose of the provision is to require that the Secretary of Agriculture develop and implement a more reasonable regulation. Pleas were made to the Secretary of Agriculture to do that. It does not prevent the Secretary from eventually imposing a final rule.

The fresh poultry regulation that we are dealing with right now is going to cause major problems. For instance, in my own State of Mississippi, if a poultry firm ships a load of poultry from our State to California at 28 degrees, but it is unloaded and put in a freezer set at 26 or 24 degrees, it will be labeled ''hard chilled.'' The sender of this poultry, Sanderson Farms, in this case, followed all the procedures but its poultry would have to have a stamp which the consumer would mistake for it being frozen. When you ship something at 28 degrees, it is not hard frozen. It is not a bowling ball. And it is generally considered to still be in a very fresh state. Yet, once it gets to the State of California how it is handled could determine how it is labeled and could very much impact the sales in that State.

USDA's final rule also ignored the fact, in my opinion, that 23,000 of the 26,000 comments received objected to all or portions of the proposal. Ironically, the rule even ignores USDA's own study, done by the Agricultural Research Service, demonstrating that consumers cannot detect any quality differences, as pointed out by the letter from the lady in California, between poultry chilled to 26 degrees and products chilled to lower temperatures.

The same USDA study showed that, under ideal laboratory conditions, temperatures can only be controlled within plus or minus 2 degrees. Nevertheless, some reason, something caused USDA to go ahead and implement this regulation without providing any temperature variations or tolerances in the final rule, and that is critical. There must be some tolerance, some allowance for variation.

Also, I might note for those who represent pork and beef producing areas—and we have both of those in my own State—I think we need to be careful if we start down this road toward what can be considered, I believe, mislabeling. In the case of pork and beef, already, in order to be able to handle them better, products are brought below 26 degrees. Trim products from beef and pork boning operations are frozen. They are later thawed and used in ground beef and pork sausage sold as fresh. Frozen beef is mixed with fresh to get a mixture that forms well in patty equipment. Frozen lamb is routinely thawed at retail and sold fresh. Bacon is routinely chilled to below 26 degrees Fahrenheit to aid in slicing.

So, I just think what the Senator is trying to do here with the support of the senior Senator from Arkansas is say let us stop now, before we implement a rule that is misleading and unfair. Let us think about it. Let us talk about it. Let us have hearings on it. Then we can come up with a rule that we think everybody can live with.

So I urge my colleagues to support the action of the committee and oppose the amendment by the Senator from California.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I rise today in opposition to the amendment offered by the Senator from California.

Recently, USDA issued a final rule prohibiting poultry that has ever been chilled below 26 degrees from being called fresh. Under the new rule, poultry chilled below zero degrees would be labeled frozen, poultry chilled between zero and 26 degrees would be labeled hard chilled, and poultry held above 26 degrees would be labeled fresh.

All we are asking for is a little common sense.

The language in the committee's bill is simply designed to ensure that before implementing any new regulations on this matter, USDA address three issues: First, the temperature variance; second, the language on the label; and third, to ensure consumer health and safety is fully protected.

The USDA's new poultry labeling rule does not allow for a temperature variance. As it stands, a poultry product could drop one-tenth of a degree below the cutoff assigned by USDA, and it would have to be relabeled. Yet USDA's own studies show it is impossible to maintain a refrigerated product's temperature to within 2 degrees of the target temperature. Imagine transporting a refrigerated truck long distances, through a variety of climates, and many stops and handlers. There needs to be some degree of flexibility in this rule to permit for those types of variations.

But I think the key words here are long distances. I hope no one is fooled by this debate. The issue here is competition—competition from out-of-State producers. Certain producers just do not want to compete with products from out of State. Maybe their production costs are too high, maybe they are not as efficient, or maybe they just do not want the competition. But the consumer does. The consumers I hear from want the greatest possible selection of safe foods at the lowest price. They do not care if their chicken comes from California or Arkansas or Virginia. They just want the highest quality product at the lowest price.

In case there is any doubt about what is a stake here, let me tell a story. A few months ago, I opened a Richmond, VA, paper and saw an add urging Virginians to call me and express their displeasure with my position on this issue. Obviously someone was very concerned for Virginia consumers. But down at the bottom of the add, in small print, were eight very telling words: ''Paid for by the California Poultry Industry Federation.''

Second, USDA has resorted to some unique terminology. Before USDA got into this there were two kinds of chicken: fresh and frozen. Simple enough. You went to the store, read the label, bought your chicken, and you were finished. Common sense.

Now, according to USDA, there are three kinds of chicken: fresh, frozen, and hard chilled. Some might call that an improvement. I call it confusing. As the junior Senator from California said earlier: ''You will hear words that have no meaning.'' Well there are two.

Linda Golodner, president of the National Consumers League said ''Consumers generally are familiar with the

terms fresh and frozen. Now we have to educate them about what it means when something is 'hard chilled.'' Once again, regulatory zeal displaces common sense, and consumers need to be reeducated by those who know better.

But why not just call it fresh, frozen, or ''from somewhere other than California.'' I guess hard chilled is more concise.

Whatever term USDA selects to describe this new category of poultry, it should be a neutral term, not one that denigrates the product, confuses the consumer, or that benefits one market segment over another.

Mr. President, the committee bill in no way hinders the regulatory process. We ask simply for a level playing field. In the end, I am convinced that sound science and common sense will prevail. I urge my colleagues to oppose the amendment.

Mr. President, I, likewise, am very supportive of the action taken by the committee on which I am privileged to serve, the Senate Agriculture Committee, and, indeed, the position taken by the distinguished floor managers.

I just wish to propound a question here. I think we should have a little colloquy among us on this issue, because I think the only concern that remains is not all the technical business about the temperatures and everything, but did our committee—it is I my understanding we did as a committee—take into consideration the fact that our action as a committee would in no way jeopardize the health of the consumers? That is the bottom line. I am satisfied it does not, but I think it would be wise if we had the distinguished floor managers address that issue, and perhaps other Senators who might likewise wish to address it.

Mr. COCHRAN. Mr. President, if the Senator will yield, I am happy to respond. The Appropriations Committee has been questioning witnesses from the administration on this issue for some time. I can remember 2 years ago, the Senator from Arkansas [Mr. BUMPERS] was chairman of this subcommittee. At our regular hearing on the budget request this came up. We have talked about it. It is not a new issue. The issue is not whether we want to ensure that these food products are safe and healthy and do not in any way jeopardize human health because there is no question about that. This does not in any way put at risk any consumers.

All we are saying, as the distinguished Senator from Mississippi so eloquently put it—we are asking for time to review this in the Committee on Agriculture, for example, on which the Senator has served. We have not had hearings, as Senator LOTT pointed out. And the Agriculture Committee, that has jurisdiction over this legislation, ought to look at it and ought to have an opportunity to be heard in some official way, in my view, as controversial and as far-reaching and as unfair as many say this is; that it is protectionist regulation and that the administration has simply ignored some of the facts about how this poultry industry does business and what is used, in terms of chilling, to protect consumers, really.

Mr. WARNER. Mr. President, that is a very satisfactory response to my question. As I said, I serve on the Senate Agriculture Committee. We will have hearings.

But in this period of time that is embraced by the proposal, which I support, of the Appropriations Committee, those hearings will take place. But we also give assurance to the people that we have primarily explored this question as to whether or not the current processing and transportation will in any way affect health and safety, and the answer is, flat out, ''No, it will not.'' That is very important.

Mr. COCHRAN. Mr. President, for the information of the Senator, I put in the RECORD at the beginning of this discussion a copy of the letter that actually was written on your letterhead, signed by 19 Senators, fully discussed from the point of view that the proposed regulations were unfair, and why, and that we have the interest of consumers at heart as well as fairness in the poultry industry.

Mr. WARNER. Mr. President, I thank the Senator for his leadership on this issue. Mr. President, I thank my colleague from Mississippi.

By coincidence, I was in the valley of Virginia yesterday on the occasion of the anniversary of the date of the Third Battle of Winchester, which was a very significant engagement during the Civil War. And I had a chance to meet with some of my constituents because our poultry industry in large part is in that historic valley of Virginia of the Blue Ridge Mountains. I know these people so well. I have grown up with them and have been with them all of my life. They would not even think of asking the Federal Government or the Congress or anyone else to do something that in any way jeopardized the health of the American people.

We export millions of birds daily from that area of Virginia—all over the United States; indeed, all over the world. It is a very significant industry, but an industry operated in large measure by the family farmers as we know them, co-ops and so forth. And these people are gravely concerned that someone might raise the allegation, ''Well, you are doing something that would jeopardize the health of the American people.''

I am glad that we have put that issue to rest. I thank the chairman.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, thank you.

Mr. President, I would like to respond to two comments that were made here, one by the Senator from Mississippi, which was echoed by the Senator from Virginia. Sometimes I wonder where I am. Is this ''Alice in Wonderland''? On October 13, 1994, in a unanimous vote by the U.S. Senate on poultry labeling:

> It is the sense of the Congress that the United States Department of Agriculture should carry out the plans of the department to hold public hearings for the purpose of receiving public input on issues related to the condition under which poultry sold in U.S. may be labeled fresh; and, (b) finalize and publish a position on the issue as expeditiously as possible after holding those hearings, and no person serving on the expert advisory committee shall have a conflict of interest.

That passed overwhelmingly. It is the law.

Now Senators stand up here and say ''not enough time, not enough hearings.'' That is extraordinary. We asked them to do this. Public Law 103–354, October 13, 1994. We said, ''Do this expeditiously.'' And now, ''Not enough time. This is not fair. Not enough time.''

What a way to kill a commonsense rule. It is not even based on the truth and the facts.

The other comment was that the Department of Agriculture did not listen to the people who wrote in on this rule. The truth is they discarded the form letters that came from employees of Tyson Poultry, and other companies on both sides of the issue, because they had a conflict of interest. Sure, they were consumers, but they worked for these companies. They wanted to make sure that they were not making this rule based on what people who have an economic conflict of interest believe, but what is in the best interest of consumers.

I ask unanimous consent to have printed in the RECORD Public Law 103–354, October 13, 1994, asking the Department of Agriculture to pass a rule that was fair.

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

TITLE III—MISCELLANEOUS

SEC. 301. POULTRY LABELING.

It is the sense of Congress that—

(1) the United States Department of Agriculture should—

(A) carry out the plans of the Department to hold public hearings for the purpose of receiving public input on issues related to the conditions under which poultry sold in the United States may be labeled ''fresh''; and

(B) finalize and publish a decision on the issues as expeditiously as possible after holding the hearings; and

(2) no person serving on the expert advisory committee established to advise the Secretary of Agriculture on the issues should stand to profit, or represent any interest that would stand to profit, from the decision of the Department on the issues.

Mrs. BOXER. Mr. President, if you ask the average person, ''If a chicken is frozen to 10 or 20 degrees, is it frozen,'' they would say yes. The Department of Agriculture in its rule did not even force them to do that; it said you can

market hard chill. And no one is up here saying that it is bad to buy a frozen chicken or turkey at all. All we are saying—the Consumer Federation of America and all the consumer groups that are lined up behind this rule—is, you have a right to know. You should know. It is only fair to know. Consumers now know how much fat there is in a product. I hope we all support that. That is an important health issue.

We know how many vitamins there are, how many minerals there are, how many calories there are, and how much protein there is. Should they not know if the product has been frozen? It affects the taste. It affects the price. It affects whether or not they will throw it in the freezer again because we know that is not a good thing to do if it has been defrosted once or twice.

Again, we hear a lot of talk about, oh, let us hold off. Do you know, my friends, when this all started? It was more than 8 years ago now because it was under the Bush administration. Eight years ago the Bush administration attempted to solve this problem. My colleagues came on the floor, ''We need more time.'' How about 100 years? How much time does it take to understand that fresh is fresh and frozen is frozen? I think it is a no-brainer. But then again, others may disagree.

Truth in labeling should be a practice in this country. And the only reason I can see why people oppose this is—you guessed it—money. You can get more money for a fresh product, and they know they cannot deliver it fresh. So they freeze it, but they market fresh. And it is highway robbery, if you really want to get down to it, for the consumers of America. How are we going to do this?

I do not know where these votes are going to come out here, but I know there is an awful lot of money behind it. And if this Senate votes today that frozen is fresh, I do not know. That will be a low point for me in terms of common sense.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I yield 5 minutes to the distinguished Senator from North Carolina [Mr. FAIRCLOTH].

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

Mr. FAIRCLOTH. Mr. President, thank you.

Mr. President, I thank Senator COCHRAN.

Mr. President, I rise in opposition to the amendment offered by the Senator from California to strike a provision requiring the Department of Agriculture to report back to Congress with a new rule regarding poultry labeling. Both consumer groups and the poultry industry support the development of new labeling rules which are fair and based on scientific data about consumer views regarding descriptive labeling terms. But instead of taking this approach, the USDA arbitrarily established temperature ranges and descriptive terms which have no basis in science, marketplace experience, or consumer preference, and have never been heard of before.

Moreover, in issuing its recent labeling rule, the U.S. Department of Agriculture ignored 23,000 comments which it received in opposition to the proposed rule change. And it is worth mentioning that they only received 4,000 in support of the rule change, and these all primarily from one State.

This rule discriminates against poultry producers which market their products nationwide, and most agricultural products are marketed nationwide. But this rule carves out regional markets where local producers can sell their product free from out-of-State competition. It simply is a barrier to trade. Thus, in the end, this new rule is not at all proconsumer. It is anticompetitive and will result in higher consumer prices and protected markets where regional producers will reap monopolistic benefits.

The very day that Secretary Glickman was confirmed by the Senate, I came to the floor and voiced my concerns about this issue, which at the time was still in the form of a proposed rule.

Mr. President, I am disappointed and surprised that Secretary Glickman has allowed his Department to issue a final rule with as many flaws as this one has. I am shocked that he would tolerate the development of a major labeling rule with total disregard for scientific data or consumer views. He has allowed the USDA to pick the term ''hard chilled'' out of thin air. It is a term that has never existed in the poultry industry before. I have been around the industry all my life and had never heard the term. It is a totally meaningless term. There are absolutely no market data to support the appropriateness of the term, and there is no history of it ever having been used in the poultry industry.

Another problem with the USDA labeling rule is that it totally fails to provide for temperature variance for products shipped over long distances.

Common sense tells you that when you load a truck in Virginia and drive it across country to California, it is impossible to maintain an exact, no-variance temperature. I know from personal experience you just simply cannot maintain the temperature without any variance whatsoever as it travels through different climates and different time zones en route to its final destination. But what does a variance of 1 degree matter anyway?

In addition to the weather problems, the shippers also have to contend with cooling equipment, which is simply not that exact. Calibrating a thermostat to maintain a product temperature at exactly 26 degrees is a very inexact science and impossible to do. However, the USDA rule provides no temperature tolerance.

This is totally an unreasonable and farfetched idea, and it is completely unacceptable. A real proconsumer rule would be based on scientific data and would ensure competitive prices for poultry consumers throughout the Nation. The existing USDA rule accomplishes neither.

I encourage Secretary Glickman to revise the existing rules in a manner consistent with fairness, objectivity, and real marketplace competitiveness. Therefore, I strongly oppose the amendment offered by my colleague from California and urge its defeat. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I was prepared to yield some time to the distinguished Senators from Arkansas. I am going to let them decide which one goes first.

The PRESIDING OFFICER. There are 32 minutes on the side of the Senator from Mississippi, 33 minutes on the side of the Senator from Arkansas.

Mr. COCHRAN. Mr. President, I yield such time as the distinguished Senator from Arkansas [Mr. PRYOR] would like to have on this issue.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, let the RECORD show that the junior Senator from Arkansas was certainly willing to yield to the distinguished senior Senator from Arkansas to make his statement at this time. I have been looking forward to that statement. I think he, as the ranking member of the subcommittee, along with our friend from Mississippi, Senator COCHRAN, is doing a very good job of putting this issue exactly where it should be placed, and that is it is not an issue, in my opinion and I think in the opinion of many of my colleagues, of consumer protection. It is an issue basically of the protection of the State of California. That is where we see this issue coming down.

There is something missing about this debate, I might say, Mr. President, that is disconcerting to me, which I think, and hope, will deserve a response certainly, if I could elicit one, from my colleague from California, Senator BOXER. I am hoping to find out why the issue of only poultry—only poultry—is today before the Senate in this so-called great debate between frozen and fresh poultry products.

Mr. President, it is a known fact that beef, that pork, that fish may be frozen at any degree and they are not affected as the Senator from California, or I should say the Senators from California, would attempt to affect the products of poultry especially from the South and the Southeastern part of the United States.

I might say, also, Mr. President, that the Senator from Mississippi has rightfully offered his amendment and placed it into this basic legislation, into the committee bill. The Senator from Mississippi is not trying to obliterate what the U.S. Department of Agriculture is attempting to do. He is simply trying to say that any regulation in this area,

assuming that we would have hearings, as the Senator from Virginia, Senator WARNER, has stated on the issue, that the Committees of Agriculture in the House and the Senate must approve ultimately any language that the U.S. Department of Agriculture would adopt in imposing and, I might say, implementing such a far-reaching, sweeping regulation, in regulatory language.

Mr. President, I think it is also needful, or let us say worthwhile, at this point for us to sort of go back just a couple of years and see how this issue got to the Senate in this form.

First, about 2 or 3 years ago, the State of California passed a law to prohibit fresh labeling as has been under discussion today. I think, if I am not mistaken, that was in 1992 or 1993. The American Meat Institute and the National Broiler Council and others took this issue to court, in fact to the Federal court. The court held, with the support of the Department of Agriculture, that this particular law passed by the State of California was preempting Federal law and therefore basically was struck down. The U.S. Department of Agriculture then, Mr. President, agreed to review this regulation and issued an interim or a proposed rule.

During the rulemaking process, as other Members of the Senate have mentioned this morning, during that particular time of several weeks when people could comment on how they felt about this rule about to be proposed, or which assumingly was going to be proposed by the Department of Agriculture, of the 26,000 comments that came in, 23,000 stated they felt that the regulation went too far.

We think it also interesting to note, and perhaps the RECORD could be made clear on this, we do not know of any consumer in the State of California who objected to this labeling process that we have had so long, that has been so fair. We do not know of any consumer in Senator BOXER's or Senator FEINSTEIN's State who has objected to this process.

Who objected? The California Poultry Association, which is an association made up of California poultry producers who might not be as efficient as those throughout the South and the Southeast in the field of poultry production.

Once again, Mr. President, I think that there is no scientific basis today that we can see for the U.S. Department of Agriculture's arbitrary selection of 26 degrees as the threshold temperature for determining whether poultry is fresh. In fact, some say that if you kept poultry at 26 degrees, it might well spoil.

What this is, I think, is a nontariff trade barrier erected by the California poultry industry, not brought about by California consumers. There is no objection from California consumers that we know of. Perhaps we might even consider initiating new GATT or NAFTA rounds for a trade agreement among the States, involving the State of California and these particular poultry concerns that they are raising this morning.

Mr. President, we have time to hold hearings. And with the Cochran amendment in place, if it is kept in place, we are certainly willing and, I think, able to work out a fair solution to the issue of fresh versus frozen poultry.

I sincerely hope that the Senate will defeat the amendment offered by our very good and distinguished friends, the Senators from California, Senator BOXER and Senator FEINSTEIN.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Mr. President, I yield myself as much time as I might consume.

Let me say to my dear friend from Arkansas that he is correct that there were 26,000 comments. Now, 22,000 comments came from people who were employed in the chicken business in his home State and other Southern States, so I do understand their point of view. Of course I do.

A couple thousand came in from California, also people employed by the chicken industry there. So when they were making a decision, obviously people with a special concern do not carry as much weight as people who are not economically affected.

Let me tell you about that, because the Senators from Arkansas keep making this a California issue. As I said before, I have a split in my State. I have the chicken people backing this rule, and the turkey people strongly opposing it. I have come down on the side of consumers. As the Senator knows, it is hard when your State is not united. In this case, the Senator from Arkansas's State is pretty much united.

Let me say that I have a breakdown of the comments: 611 from poultry processors and growers, clearly with a special concern; 23 from trade associations; 12 from State government agencies; 6 from academia; 6 from consumer organizations; 5 from congressional Members; 3 from chefs who are interested in this issue; 2 from retailers; and 4 from other sources. And the vast majority of the individual letters were on company forms.

So I think it is hard to learn a lot from that. I think we all know if we are concerned that a rule might impact our economic abilities, of course we are going to write, and I support those people. But I think we have to cut to the bottom line here, which is, what is fair and what is just and what is right?

Clearly, the Senate is on record asking the Agriculture Department to issue this rule or this kind of a rule, which I think bends over backward. They did not say that produce under 26 degrees must be marked frozen—it allows the producers in Arkansas to mark those products ''hard chilled'' down to zero degrees—only when they go below zero. I also think it important that I place in the RECORD, and I ask unanimous consent to do so, a statement of the administration about this move by the Appropriations Committee to essentially cancel this rule or, if you will, I will say in nice terms, to deep-six this rule or to put it in a hard freeze.

This is what the administration says:

> The administration is strongly opposed to the committee bill's prohibition on the use of funds to implement or enforce the final regulation on fresh and frozen poultry, which was published on August 25, 1995. Publication of this regulation was the culmination of nearly 2 years of effort, during which the views of all stakeholders were heard and considered. The issue of proper labeling of poultry products has been the subject of litigation in Federal court as well as congressional- and USDA-sponsored public hearings throughout the Nation. Committee language would prevent consumers from receiving accurate information and assurance of a national standard in this area and could result in disparate and conflicting State enforcement activity.

I think this is important coming from the administration:

> The committee's language represents unwarranted legislative intrusion into the regulatory process.

We all know here that we are opposed to regulation that overreaches. But in this particular case, I say to my friend, the Senate itself voted, urging the Department of Agriculture to produce this rule, and now when they produce a rule that bends over backward to be fair—it takes them 2 years, public hearings all over the country—there is a backdoor attempt to stop it from going into effect.

I also want to make this other point. We keep hearing this is a California issue. I already told my friend that the California poultry industry is split on it, but I also want my friend from Arkansas to know that other States have passed labeling laws that mirror or are similar to this rule. Those States are: Alaska, Arizona, Delaware, Illinois, New York, Oregon, and Washington.

So clearly, these other State legislatures are waking up to the fact that their consumers deserve truth in labeling.

I ask unanimous consent to print in the RECORD a list of those States and the types of laws that they have.

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

IRELL & MANELLA,
January 25, 1994.

To: Team
From: Matthew Sloan.

MEMORANDUM

File: NBC v. Voss and CPIF (Intervenor).
Re State Labelling Laws.

STATE LAWS

1. *Alaska* (unlawful to sell prev. frozen as fresh; no definition of fresh?):

Title 3: Agriculture and Animals: Section 03.05.035(a): Meat, fish or poultry which has been frozen may not be sold, represented or advertised as a fresh food.

(c) Commissioner shall adopt regs to provide for examinations to ascertain whether it has been frozen.

Title 45: Trade and Commerce: §45.50.471: Unlawful to (b)(21) ''selling, falsely representing or advertising meat, fish or poultry which has been frozen as fresh food''.

2. *Arizona* (defines fresh; prohibits misbranding):

Title 3: Agriculture and Dairying: §3–2151: Definitions. This section defines:

(7) ''Fresh'' means any dressed or ready to cook poultry or poultry product which has not been frozen.

(8) ''Frozen'' means any . . . poultry product which is in fact in a frozen state and which has been constantly maintained at a temperature of thirty-two degrees Fahrenheit or lower.

(11) and (12) define label and labelling.

(13) ''Misbranded'' shall apply to any poultry product under one or more of the following circumstances, if:

(a) Its labeling is false or misleading in any particular.

3. *Delaware* (fresh prohibition):

Title 16, Part IV, Chapter 33: Pure Food and Drugs. 16 Del. C. §3309:

Misbranding of Food:

For the purposes of this chapter, food is deemed to be misbranded:

(5) If it is obtained by the dealer in frozen bulk form and is subsequently thawed and offered for sale in a package or bearing a label indicating such food to be fresh.

4. *Illinois* (misleading; previously frozen requirement):

Chapter 410 Public Health Food and Drug Safety: Ill. Food, Drug and Cosmetic Act §410 ILCS 620/11

Sec. 11. A food is misbranded—(a) If its labeling is false or misleading in any particular.

(j) If it purports to be or is represented for special dietary uses, unless its label bears such [info prescribed by Director as necessary to inform buyers of value for such purposes].

(n) If its is a color additive unless [labelling in conformity with Section 706 of Federal Act] [Mr: shows when refer to federal act or regs for definitions/guidelines?]

(o) If a meat or . . . poultry food product has been frozen prior to sale unless when offered for sale, the package, container or wrapping bears, in type of uniform size and prominence, the words ''previously frozen'' so as to be readable and understood by the general public except that this subsection does not apply to [precooked items].

[My notes: (1) not define frozen; use federal definition? (2) This is a requirement not prohibition.]

5. *Kansas* (imported):

Section 65–6a47: requires that wholesaler or retailer label poultry from foreign country as ''imported''.

6. *Maine* (organic):

Title 7. Part 2. Chapter 103.

7 M.R.S. §553. Labeling and advertising.

Except as otherwise provided in this chapter, a good shall not be labeled or advertised as ''organic,'' ''organically grown,'' or ''biologically grown'' or by a similar term, unless the food is:

D. Meat, poultry or fish produced without the use of any chemical or drug to stimulate or regulate growth or tenderness, etc.

7. *Mississippi* (imported):

§75–33–101: must label foreign poultry as imported.

8. *Nevada* (imported)

§583.045: must label foreign poultry as imported.

9. *New York* (kosher labelling prohibitions and requirements; frozen labelling requirement.):

A. *Prohibits Using Kosher Label Unless Meets Orthodox Hebrew Requirements:*

See §201–a (1). Person who, with intent to defraud, represents poultry as kosher or k. for passover, if not meet orthodox Hebew religious requirements, is guilty of misdeameanor or felony (depending on amount of poultry.)

B. *If Retailer Sells ''Kosher'' Poultry Must Label either ''Soaked and Salted'' or ''Note Soaked and Salted'';*

See §201–a(2).

C. *Fresh Meat as defined under Kosher Law:*

Section 201–a(3): ''Fresh meat, meat by-products and poultry shall be defined as meat or poultry that has not been processed, except for salting and soaking.''

[Me: bolsters arguments that many different definitions of ''fresh''?]

D. *Labelling Requirement for Food First Offered for Sale as Fresh and than Frozen:*

Section 214–g provides that if any poultry, seafood, or meat was first offered for sale as fresh and then later frozen, it must bear label in form prescribed by commissioner informing that it was previously offered for sale in its unfrozen state.

10. *New Jersey* (kosher prohibitions):

Section 2C:21–7.2 Defines ''kosher'' as prepared in strict compliance with orthodox reabbinate.

Section 2C:21–7.4(b)(3) defines as a ''disorderly persons offense'' falsely labelling food product as ''kosher'' or otherwise if tend to deceive.

[Me: Note that (b)(1) and (2) seem to apply only to retailers (they exempt manufacturer or packer of food) but (b)(3) has no such limitation).

11. *Ohio* (kosher labelling prohibitions and requirements):

A. *Kosher Prohibitions:*

Section 1329.29 (A) No person shall do any of the following:

(1) Sell or expose for sale at retail, or manufacture, any meat or meat preparations or any fowl or preparations from fowl and falsely represent the same to be ''kosher'' or as having been prepared under, and of a product or products sanctioned by, the Orthodox Hebrew religious requirements;

(2) Falsely represent any food products or the contents of any package or container to be constituted and prepared as described in division (A)(1) of this section by having or permitting to be inscribed thereon ''kosher'', ''kosher style,'' etc.

[Me: Does this only apply to retail?]

B. *Kosher Requirements:*

§1329.29(B) requires that all prepackaged ''kosher'' meats/poultry must be ''soaked and salted'' and all fresh poultry marked ''kosher'' must either be labelled ''soaked and salted'' or ''not soaked and salted.''

12. *Oregon* (fresh; state of origin prohibitions):

Section 619.365 prohibits use of labels that say:

(A) misrepresent state of origin; or state that chicken

''(B) are fresh, if at any time after slaughter, they have ever been frozen''.

[Me: Where's definition of frozen? Federal definition or state? More research]

13. *South Carolina* (foreign origin requirement):

Section 47–17–310 requires all meat (poultry?) imported into state from outside *shall* be labelled ''imported'' in 24 point type.

14. *Washington* (frozen/thawed label requirement):

Section 69.04.333 requires that if poultry has been frozen at any time it must bear a label ''clearly discernible to customer that such product has been frozen and whether or not the same has since been thawed.''

15. *California* (organic).

Mrs. BOXER. Mr. President, I hope I have debunked the myth that this is a California issue. Certainly, there is support among parts of our poultry industry for this rule, but it is not universal. The main issue here is, do the consumers have a right to know? They already know the fat content, they already know the calorie content, they already know the minerals in products, they already know the vitamins, protein. For goodness' sake, they ought to know if a product has been frozen or deep frosted, and exactly what they are getting when they pay their hard-earned dollars.

I just have to say, again, I understand that colleagues must fight for their States, and I understand that completely. When you have a State that ships these products out, I understand why you would be here fighting for that industry and making sure that your State was not disadvantaged. So I have total respect, and if I was the Senator from Arkansas, who knows what I would be doing. So I am not being holier than thou in any way, shape, or form.

But I have to make the point that this is really about money; it is all about dollars. Otherwise, who would be opposing such a commonsense rule? You can get more money for a fresh product, so you market fresh. What is a little lie? You can ship your frozen product miles and miles into another State to compete with truly fresh chicken, and no one will know and you get top dollar, so what is a little lie? I say it is wrong.

I would like to take a little time to read a Washington Post editorial, or just portions of it. I ask unanimous consent not that we print this copy in the RECORD, but that a smaller copy be printed in the RECORD.

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

FAIR'S FAIR ON FOWL

''When I use a word,'' said Lewis Carroll's Humpty Dumpty, ''it means exactly what I want it to mean.'' Humpty Dumpty was an egg, but the observation applies especially well to a fight that's going on about chickens. Michael Taylor, acting agriculture undersecretary for food safety, recently tried to call a halt to 2½ years of squawking by issuing a rule that chickens and turkeys frozen rock solid and shipped that way, then thawed, may no longer be labeled ''fresh.'' At the last minute, though, a Senate subcommittee has come up with appropriations language that would block the rule, leaving frozen chickens and turkeys still eligible for the label of freshness.

The notion that fresh chickens aren't frozen, and vice versa, might at first seem uncontroversial. Consumers might like to know if a bird has been frozen and thawed, whether out of health or cooking preferences or because they prefer fresh meat. Small regional chicken companies see this preference for freshness as a possible selling point, since they, unlike the bigger producers, don't have to freeze their birds to ship them cross country. They have been wanting for some time to label their own birds ''fresh'' and to stop the national companies from so labeling theirs.

Inconveniently enough, however, the government at some point agreed that to be defined as legally ''frozen'' a chicken or turkey had to reach an internal temperature of zero degrees Fahrenheit, although the meat actually freezes solid at about 25 degrees above that. The big companies thus have been within their legal rights all this time to freeze their birds down to a point above zero

and label the meat ''fresh'' because it has technically never been ''frozen.'' The National Broiler Council beat back a California law that attempted to redefine ''fresh'' as having ''never reached an internal temperature of 25 degrees or below for more than 24 hours.'' The big birders successfully sued to establish that the state law was superseded by the less nature-bound federal version.

Would a frozen chicken under the proposed rules now be referred to as ''frozen''? Heaven forbid. ''Frozen'' chicken and turkey—the kind chilled below zero—would continue to be ''frozen.'' The stuff that had been frozen to between zero and 26 degrees, previously called ''fresh,'' would be labeled ''hard chilled.'' For now, though, barring a Senate turnaround, the victory may remain with the broiler lobbyists who complain that it's too arbitrary to draw an either-or distinction between fresh and frozen at all. Seriously, you'd think this one would be easy.

Mrs. BOXER. Mr. President, the first paragraph says:

''When I use a word,'' said Lewis Carroll's Humpty Dumpty, ''it means exactly what I want it to mean.'' Humpty Dumpty was an egg, but the observation applies especially well to a fight that's going on about chickens. Michael Taylor, acting agriculture undersecretary for food safety, recently tried to call a halt to 2½ years of squawking by issuing a rule that chickens and turkeys frozen rock solid and shipped that way, then thawed, may no longer be labeled ''fresh.'' At the last minute, though, a Senate subcommittee has come up with appropriations language that would block the rule, leaving frozen chickens and turkeys still eligible for the label of freshness.

My friend, that is what this is about. Some of us are trying to stop that attempt by the Appropriations Committee to block a rule that is over 2½ years in the making and, by the way, which started under George Bush. He tried to resolve this problem. We are talking about an 8-year-old issue that has not been resolved. He goes into the rule, which I have explained already, that says that it can be labeled ''fresh'' if it is down to 26 degrees, and ''hard chilled'' between 26 and zero, and it must be labeled ''frozen'' if it is below zero. The person who wrote this article is critical. He says:

Would a frozen chicken under the proposed rules now be referred to as ''frozen''? Heaven forbid. ''Frozen'' chicken and turkey—the kind chilled below zero—would continue to be ''frozen.'' The stuff that had been frozen to between zero and 26 degrees, previously called ''fresh,'' would be labeled ''hard chilled.'' For now, though, barring a Senate turnaround, the victory may remain with the broiler lobbyists who complain that it's too arbitrary to draw an either-or distinction between fresh and frozen at all. Seriously, you'd think this one would be easy.

Mr. President, I echo that. I thought this one would be easy. This one is not easy; it is difficult.

Mr. PRYOR. I wonder if the Senator will yield for a question.

Mrs. BOXER. I would be happy to.

Mr. PRYOR. I wonder if the Senator from California would educate this Senator as to the California Legislature, I think in 1993, enacting the law only relating to poultry. Why is it that the State of California only objected to poultry labeling and not the labeling of beef, not the labeling of pork, and not the labeling of fish? Why is it that we are letting those groups off and concentrating only on poultry products?

Mrs. BOXER. I say to my good friend, I do not serve in the California State Legislature, and I do not always agree with them on things. I cannot answer for why they did this. I assume that one of the reasons they did this is because, clearly, the issue was brought to their attention. I say right now to my friend that I am very much in favor of doing more. He asked before, why are we not doing fish? As far as we know, that is under the FDA authority. I am happy to team up with my friend to work for truth in labeling on every conceivable product. That is what it is about to me, making sure consumers know what they are buying and what they are getting.

Again, I guess one of the problems I have is—and this Senator is certainly saying nothing ill about a frozen product. Some people prefer to buy a frozen product. All I am saying is that it ought to be labeled so we know what the truth is. In terms of the legislative agenda of the California State Assembly, remember, we have many thousands of issues that come before us. I would be happy to research the issue and come back with a specific answer. I can only speak for what I can do.

In this bill, the Appropriations Committee is stopping a truth-in-labeling bill that involves poultry. I would be happy to support my friend for truth in labeling in any and every product he would like to bring forward.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, if the distinguished Senator has completed her statement at this moment, I will be happy to yield such time as he may consume to the distinguished Senator from Arkansas [Mr. BUMPERS].

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, how much time is remaining for the Senator from Mississippi?

The PRESIDING OFFICER. The Senator from Mississippi has 24 minutes remaining.

Mr. BUMPERS. Mr. President, this is another one of those issues which, on its face, would appear to give the California Senators the high ground. But it does not. It is the phoniest issue I think I have ever seen come before the Senate. The Senator from Arkansas, my colleague, Senator PRYOR, has just asked a very relevant question. Red meat products are routinely shipped at below 26 degrees and sold as fresh. Listen to this. Whole hog sausage is packed warm into tubs, then exposed to glyco or brine to chill below 26 degrees.

I can tell my colleagues that any time you buy sausage in the fancy meat section of the grocery store, the chances are about 90 percent of the time you are getting sausage that has been previously frozen. It is thawed for display purposes. Pork and beef loins and other products of beef and pork are routinely brought below 26 degrees. Why? So it is easier to slice. You get a better consistency in the slice if the temperature of the bacon is much lower than freezing. Trim products. When you trim steaks and roast, pork chucks and pork roasts, they take the trimmings and freeze them—not to 26 degrees, but to zero. And then they are later thawed and put with whole hog, and you buy whole hog sausage, some of which is fresh and some of which has been frozen.

Frozen beef: Frozen beef is mixed with fresh beef. Do you know why? To give it a better consistency, because it forms a patty better if half of it has been frozen. When you buy beef patties and pork patties, you are getting formerly frozen product. Frozen lamb is routinely thawed at retail and sold fresh.

Why are those things not included here? Because the California Poultry Federation does not care about lamb, they do not care anything about beef or pork, and they do not care anything about fish. What they care about is the fact that they only have 25 percent, or less, of the poultry business in California. California, right now, has the highest poultry prices in the United States. And if the Senators from California prevail, it will go a lot higher, under the name of consumerism.

Do you know what this regulation of the Department of Agriculture says? It says exactly what the California Legislature said in 1993—that the California Poultry Federation went to the California Legislature and said, ''Look, we cannot compete with the Southern and Southwestern States, so here is the way we have conjured up to deal with the issue.''

So the California legislature says, ''Any poultry product coming into the State of California may not be below 26 degrees.'' What does this regulation say, after the court, incidentally, had ruled that one illegal? The very same thing. Dan Glickman did not think this up. The Department of Agriculture did not think this up. They never thought of it until the California Legislature told them to think of it. And when the Federal court declared that the Federal Government had preemption rights over the safety of food, they came to the California Senators.

I am not complaining about the California Senators going to bat for their State, and I hope nobody will blame me or Senator COCHRAN for going to bat for our States. So here we are on the floor of the Senate protecting the California poultry industry. Unhappily, this rule applies to the entire Nation.

Mr. President, I have watched this Congressman—I forget his name—over in the House. He got a lot of publicity. You have to do crazy things to get on the evening news around here. So he takes a chicken, frozen at zero degrees, and uses it for a bowling ball.

The ordinary citizen looks at that and says, ''You mean I have been buying chicken like that?'' The Senator from California came in here with a frozen chicken this morning. You can use that for a bowling ball, too.

That is not what the debate is about. You take a chicken frozen to 26 or 27 degrees and use it for a bowling ball, and you will get splattered. This chicken, when it leaves the plant to go to California or any other State, is usually at 27 or 28 degrees. When it arrives at its destination, there is a distinct possibility that over the course of that 2-day trip, that some chickens—they are in boxes; they are in what they call a ''chill pack''; they are in a tray and the trays are in boxes—some of the boxes in the middle of the load may conceivably be below 26 degrees, maybe 25 degrees when it gets there.

Now, how are you going to handle that, Mr. President? Are you going to make them unload the whole load and relabel every chicken? Obviously, that is not doable. Economically, that is not doable.

So, what do you do? Nobody can tell you what the Department of Agriculture Inspection Service is going to ask for. I can tell you one thing: The $25 million that we put in for the Food Safety Inspection Service in the bill before the House is not going to be nearly enough to hire all the inspectors to check every temperature.

Is this just me? Listen to this. The Agriculture Research Service, which does all of the research on these things in their laboratories—in the laboratories—the Agriculture Research Service allows a plus or minus 3 degrees because that is the best they can do.

Yet, the California Senators say it has to be 26 degrees, not 1 degree below. As high above as you want to go, but if you go 1 degree below 26 degrees, no plus or minus allowances. Even the Agriculture Marketing Service has a minus or plus 2 degrees. No mistakes for mechanical failures, no allowance for anything.

Mr. President, while, as I say, this looks good on its face, I want to remind my friends from the red beef and the pork States and the fish States, you are next. Whoever you may be competing with, you can depend on them going to their legislature, the Department of Agriculture, and saying, ''We want the same treatment.''

The poultry industry has been attacked as long as I have been in this Senate. It is, as Gilda Radner said, it is always something, is it not, Senator? It was always inspection. Now the poultry industry has agreed to what we hope will be the best and final inspection of a product in the history of man: a macro-organism inspection system that will pick up anything on the carcass of a chicken.

Do you know who is squawking now even though it will cost a lot of money to put it in place? The labor unions, because ultimately it will be labor saving. As I say, it is always something.

Who do you think, Mr. President, finally, has the most to lose by shipping a bad product? It is the industry, is it not? If they send a bad product, if somebody gets sick, they are the ones would pay the price.

Listen to this. Billions and billions and billions of chickens have been shipped to the State of California and all over this country, that left the packing plants at 27 or 26 degrees and when it gets there, maybe some of the chicken was at 25 degrees, some of it was at 26 and some of it was at 27.

Do you know something else? Not one complaint out of billions shipped all over the United States, not one single complaint from anybody but the California Poultry Federation. Does that tell you what this amendment is about?

I yield the floor.

Mrs. BOXER. Mr. President, my friend from Arkansas is a great debater. He says this is the phoniest issue he has ever seen come before the Senate. Let me tell you what is phony. What is phony is marking a frozen product fresh. That is phony. What this regulation is going to do is cure that problem.

To make this a California issue is misleading. Alaska: ''It is unlawful to sell previously frozen as fresh.'' Why not attack Alaska, I say to my friend? Arizona: ''Prohibits misbranding.'' Attack Arizona, I say to my friend. Delaware: There is a prohibition; you cannot misbrand a food. Illinois: If a meat or poultry product has been frozen, it cannot say fresh. It has to say ''previously frozen.'' Why not attack Illinois?

New York: There is a frozen labeling requirement. Oregon prohibits the use of a label that says ''are fresh, if at any time after slaughter, they have been frozen.'' Washington State: Poultry that has been frozen at any time must bear a label ''clearly discernible to customer that such product has been frozen and whether or not it has been thawed.'' We know that California has a law, as was mentioned here several times.

So, put to rest the claim that this is only about one State. This is across the country, and I think that we in the U.S. Senate should respect those States that have gotten out in front of a consumer issue.

Now, I tell you something, I know these consumer groups and they do not get behind a phony issue. I do not know if you have ever dealt with them before, but I do not see Citizen Action standing up here on behalf of one industry. I do not see consumer unions standing up behind one industry. I do not see National Consumer League standing up behind an industry. I do not see Public Voice doing that, and I do not see the American Veterinary Medical Association doing that.

Clearly, this is not a phony issue. But if we do not defeat the committee amendment, a phony situation will continue.

By the way, do not be misled. They say the committee will put a rule into effect, but when we pass it, when we decide it. It has been 8 years since we have been trying to solve this consumer problem and it will be another 8, 10, and God knows how long, the consumers will not have their right to know. So I think the issue is drawn.

My friend says the price will go up. How does the price go up? It is the opposite. The price is artificially up now because a product that says fresh gets a higher price. And that is why the people in your State do not want to put an accurate label on there. They fetch a premium price for a frozen product. Therefore, they want to keep calling it fresh.

On the contrary, when this goes through—and I hope it will, and I do not know how we will come out on it—prices will go down and consumers who want to get a good price can buy a frozen product.

By the way, there is nothing wrong with that. Some prefer it. All we are asking for is truth.

Then my friend says the California Senator said ''26 degrees.'' We never said any such thing. The way the rule came about was because this Senate asked the Department of Agriculture to go hold public hearings, hear the experts, and they found out that the temperature in which it is frozen is 26 degrees. If they picked 24 degrees or 22 degrees, I could not challenge that, I say to my friend. It is a scientific determination. If it is rock solid it is rock solid at 25 degrees.

And he is right. He said a Congressman bowled a chicken down an alley to bring attention to this issue. He is right. It got the Congressman on the news. And sometimes people do that because they are so desperate that things like this will be legislated in the dead of night, in a committee, stuck into an appropriations bill, that they have to shine the light of day on this.

I hope every single consumer in America is watching this vote today. Because you will hear a lot of talk about pork, beef, fish—let us talk about that another time. I am with you. Let us have honesty in the way we sell products in this country. That is the way we are moving. We let consumers know a range of things about the products that they buy.

So, I am going to move, at the proper time, to table the committee amendment. As I understand the rules, and I ask the President if this is correct, the appropriate time would be just before the vote rather than at this time? Is that correct?

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator is correct.

Mrs. BOXER. Then I will at that time reserve my right to move to table the committee amendment. At this time I reserve the remainder of my time.

Mr. HELMS. Mr. President, on April 4, 1995, 19 Senators sent a letter to the U.S. Department of Agriculture in which we expressed our concern about

proposed changes in poultry labeling standards. The USDA has ignored our concerns and is preparing to impose unfair and subjective rules which will adversely and unnecessarily affect the poultry industry in North Carolina, indeed across this country.

At issue is the process by which the poultry industry labels its products—either ''fresh'' or ''frozen''—and whether the USDA will change the rules, unnecessarily and unfairly, on America's food producers. The losers, if the USDA prevails, will not be confined to America's chicken and turkey producers and processors, but also the consumers who are certain to be confused and misled by this USDA bureaucratic meddling.

Senators should be aware of some important facts when considering whether the Senate should allow the USDA to proceed with such unnecessary requirements.

First, the proposed rule change unfairly singles out the poultry industry. Currently, meat, fish, and poultry products are allowed by USDA to be preserved at temperatures below 26 degrees and be labeled as ''fresh.'' If the USDA has its way, the poultry industry alone must label its products as ''previously frozen'' when poultry products are stored at temperatures below 26 degrees.

Second, the proposed rule changes will hinder the growth of America's chicken and turkey industry. The USDA bureaucracy proposes to make permanent standards that the poultry industry already has had difficulty in meeting. Keep in mind, under the USDA's proposal, poultry companies will be required to process, store, and transport their products at specific temperatures beyond their control—and this bureaucratic meddling will automatically reduce the quality of food. This disservice to the consumer will also harm the poultry industry.

Mr. President, America's poultry industry is the envy of the world. Its further growth, and the confidence of the consumer, are at stake in this debate. The Senate should support Senators COCHRAN and BUMPERS in their efforts to prohibit funding for this unwise USDA rule change that will serve nobody's best interests—except, perhaps, the ego of the bureaucrats who came up with an idea whose time should never come.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time? The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am happy to yield time to my distinguished friend and colleague from Alabama [Mr. HEFLIN]. How much time would the Senator request, 5 minutes? Ten minutes?

Mr. HEFLIN. Mr. President, 5, 6, 7, 8, somewhere in that neighborhood.

Mr. COCHRAN. I am happy to yield the distinguished Senator 8 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I appreciate that. I rise in opposition. But first let me say that no opponent is more formidable than the little package of dynamite from California. Senator BOXER is a tremendous opponent. They say dynamite comes in little packages. And she certainly works on every issue that she takes a stand on. Most of the time she is right. But every now and then she gets misled and this is one of those instances.

My colleague asked me how much time I wanted, 5 minutes, maybe? I said 6, 7, 8, somewhere around that so I got 8—but, you know, as I think about that, why did I not say a specific time? Well, it is because there may be some variances of thoughts that I had, and variances are very important.

What is lacking from this, in regards to fresh, is variance. Thermometers differ. I have been in a hospital a good deal, and they take my temperature one way and it is one figure and they take it another way and it is a different figure. Then they, all of a sudden, will get thermometers that they take it in the ear for a minute, and in the old days you take the thermometer and you kept it for 3 minutes in your mouth, and you are supposed to put it in a certain spot and everything else relative to that.

The point I am making is you have a hard and fast rule and you are crossing the desert in a truck, you set it at 26 degrees, but by the time it gets through west Texas, where you are going through some area where the temperature is about 105, and 106, and it varies. Then I think what this also is, it is that we are going to see the inspectors are going to be the thermometer brigade. The thermometer brigade will be coming around, checking.

What we need here is some flexibility, some variance, that will allow—if you have something at 26 degrees, why not have it, say, a 4-degree variance because of weather or whatever else, relative to this? Trucks will have to stop and check the temperature about every 5 or 6 minutes to see that it gets to be 26 degrees.

As you travel across the desert and everything else they will stop. Sometimes, when these truckdrivers stop, they might also have something else to quench the heat. So I do not know what might be occurring relative to this. But, I think there is certainly a need for variance.

I have the front page and the introduction of the California Poultry Workgroup, University of California, Cooperative Extension, called ''Turkey Care Practices.'' In the introduction it has this:

> The number of turkeys produced in California peaked at 32 million in 1990 and dropped to an estimated 24.5 million by 1993. The major causes for this reduction was the necessity to import feed grain and the unfavorable business climate in California. Production costs in California are higher than in other areas making it difficult for the California industry to competitively produce turkey meat products for the consumer.

That is said there. I assume feed is the same for chickens. The same climate is there for chickens as it is for turkeys.

When you get out there, this is a cost issue. It is basically a protectionist issue. It seems to me we are missing the point on all of this. The way I heard Senator BUMPERS talking about freezing various meats, and you freeze bacon to slice it and you freeze beef to do various and sundry things, but turkeys—I know very few people who, on Thanksgiving, do not have frozen turkeys. Most of the turkeys that you buy in the market are frozen. That is one of the delicacies of the American cuisine, is turkey on Thanksgiving. But how many live turkeys do you see? There is nothing wrong with frozen food. Frozen food has a lot of things.

We talk about diseases. It kills a lot of germs in a lot of things that might be flying around and get on to the meats. So this is a safety protection, a food safety provision that Senator COCHRAN has come up with as well, in regards to this.

So, there are a lot of things we feel that people are not reviewing, they are not thinking about in all of these. This 26 degrees that has been said is not any scientific number. A lot of the companies put it on the market at 26 degrees. It is pliable, it is soft, it is certainly, with the ideas we have on poultry and other things, this concept of fresh—if it is 25 degrees it is no longer fresh.

When you cannot tell the difference in the feel, you cannot tell the difference in anything else, even if it is 24 degrees instead of 26 degrees. The point I am making here is the Department of Agriculture has some 26,000 comments and 23,000 of them, as I recall, were against this proposal. But they have some zealots over there in the Department of Agriculture on certain issues who throw to the winds reason, who throw to the winds the logic that is necessary and the real facts that underlie all of this.

So I think this is a mistake on what the Department has done. We ought to adopt the Cochran amendment that is in the bill, send it back to them, and tell them, ''All right. Let us take another look at it.'' At that time, Senator BOXER, with her dynamite approach toward her issues, can argue with the Department of Agriculture, and the California turkey group that I quoted from here can make their arguments. I just think that we are reaching out and making a very unrealistic approach toward an issue that is not the problem that it is being made here today.

Mr. President, I oppose the motion to strike the provision in this appropriations bill. The purpose of the language is to ensure that new poultry labeling rules are meaningful to all consumers.

The rule promulgated by the Food Safety and Inspection Service on August 25, 1995, prohibits poultry products

that have ever been chilled below 26 degrees from being labeled ''fresh,'' products chilled above 0 degrees but below 26 degrees would have to be labeled as ''hard chilled'' or ''previously hard chilled.''

There is nothing special or scientific about the 26-degree threshold temperature selected for determining freshness other than the fact that it is low enough to permit certain regional poultry companies to process their products in accordance with accepted industry practices. At the same time, the temperature suggested by those who have benefited by this regulation is just high enough to interfere with competing poultry products transported from other States from reaching these regional markets without jeopardizing product quality. This is especially true since USDA did not provide any temperature tolerance in the final rule.

You will not find anyone who can tell you with a straight face that poultry products at 26 degrees are fresh while those chilled to 25 degrees are no longer fresh. There is absolutely no scientific evidence that poultry freezes at those temperatures. That is something that came from a Hollywood script and a bureaucrat's desire to develop a punitive and unreasonable regulation. This kind of irresponsible regulation cannot be tolerated.

USDA has succeeded in developing a labeling system that designates high-quality poultry products and will confuse consumers. Poultry consumers will be misled by a labeling requirement that a product is hard chilled when it is, in fact, soft and pliable to the touch at the retail counter. Many consumers may be led to believe that such product is of lesser quality, when, in fact, it is the same high-quality product they have been buying for years.

Not only will consumers be misled by this designated labeling, but the threat of such labeling may force companies to ship poultry products at higher temperatures to avoid being required to use the labeling USDA has mandated, even in the absence of any affirmative quality claim. Basic science provides that cooler temperatures enhance the quality of food products. Poultry, as well as beef, pork, or lamb products, shipped at 24 or 25 degrees will have a longer shelf life and maintain their quality longer than products shipped at higher temperatures—to the benefit of consumers. Because of USDA's denigrating labeling requirement, however, poultry companies will be forced to ship products at higher temperatures, to the detriment of product quality and consumers.

The fresh poultry regulation was designed by the California poultry industry to make it difficult for competing poultry products from other sections of the country to be marketed in California without jeopardizing product quality. When consumers in California have fewer choices in the marketplace, they will pay higher prices for poultry. That is the hidden agenda of the California Poultry Industry Federation. It's simple economics—less competition, fewer choices, and higher prices. The consumer pays and the California poultry products take it to the bank.

We should reject USDA's misguided and ill-conceived regulation and instead require the agency, as we have been forced to do before, to develop a rule that will not result in consumers paying more for the high-quality poultry products they buy today.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Mr. President, might I ask how much time I have left in this great chicken debate?

The PRESIDING OFFICER. The Senator from California has 15 minutes and 53 seconds.

Mrs. BOXER. Let me say, Mr. President, to my friend, Judge HEFLIN, that he gave me a wonderful compliment. I really mean it. I want to give him one back. He is a powerhouse lawyer, judge, and Senator. He is very convincing. But on this one, I really believe fresh is fresh and frozen is frozen. You can talk about how to take the temperature.

By the way, while the Senator was speaking, I looked at who actually worked on this rule. Believe it or not—this is really interesting—this is an American Society of Heating, Refrigerating, and Air Conditioning Engineers. They actually made a decision that 27 degrees should have been the proper degree. But the Department of Agriculture gave the flexibility of a degree.

So there are scientists who worked on this. It had nothing to do with zealots. The National Institute of Standards and Technology came out with 26 degrees. So there was a disagreement. One said it is frozen at 27, and one said at 26 it is pretty frozen. But this is not about zealots. This is about common sense. The fact of the matter is we want to make sure our consumers know what they are getting.

I agree with my friend. There is nothing wrong with frozen turkeys, chicken parts, or anything. As I said, the Senator is right to say some people actually prefer to buy the frozen product.

All this rule says is you must clearly mark it as frozen if it is zero degrees or below, and you get to market hard chill if it is from zero to 26, which I think shows a great deal of flexibility.

On the inspection point, all the details will be worked out as they go into this rule with the industry. A lot of it is going to be self-enforcement, I might say to my friend. They are very aware, if there is a very large shipment, if one part of the shipment may have fallen below; it does not mean the entire shipment cannot be marked fresh.

So I think rather than saying that they are zealots over there, I think they have bent over backwards to be fair. They even have gotten criticized by some consumers for giving the folks a chance to have their product at 10 degrees marked ''hard chill.''

So my friend is a powerhouse. I have to say that respectfully I disagree with his conclusion on this one. I hope the Senate will support commonsense reform in this area. Again, the country is moving in that way. If people can know how much fat is in a product, how many vitamins are in a product, how many calories are in a product, how much calcium is in a product, and on and on, we have decided it is important for consumers to know this. They ought to know if a product is frozen or has been previously frozen. Eighty-six percent of the folks agree with that premise. We have a chance to stand with 86 percent of the folks.

I hope we will do that in defeating this particular committee amendment.

I reserve the remainder of my time.

Mr. COCHRAN. Mr. President, I yield 4 minutes to the distinguished Senator from Delaware [Mr. BIDEN].

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I thank my colleague, the distinguished chairman of the committee.

Mr. President, while we are exchanging compliments, I think this amendment is about the efficacy in the way in which the distinguished Senator from California protects her State. She does an incredible job. I do not know anybody since I have served here who looks out for California's interests better than she does. I think that is what this is all about.

We are very close friends, the Senator from California and I. I do not doubt for a single moment what she says about her concern about consumer interests. But I might say, if she prevails, California wins big in the marketplace. I am sure it is purely coincidental. But again, she is tenacious when it comes to California. She is too effective, as far as I am concerned, when it comes to California interests versus the interests of other parts of the country. I think that is what this is a little bit to do with.

She is also trying to influence my mind here by sliding something in front of me that has to do probably with something that says my position does not make any difference; I am not crazy about him anyway.

So, Mr. President, she will go to any lengths within the legitimate confines of the rules of the Senate to win, like just handing me that note.

This debate is not about health and safety. It is not about saving the taxpayers money. Let me state up front this amendment has absolutely no impact on Federal spending. Ensuring compliance will be essentially impossible. Literally one degree of variance would technically require a different label. A package placed, for example, near a refrigeration unit which cools to a temperature of less than 26 degrees would not be considered on par with poultry 10 or 15 feet away from that unit. That is hardly an efficient standard to impose on business. More importantly, the rule ignores the Agricultural Research Service study which

demonstrates that consumers cannot detect any quality difference between poultry chilled to 26 degrees and poultry at 2 or 3 degrees lower. Again, there is no difference between these two types of poultry.

It is not surprising to me, Mr. President, that virtually all consumers place poultry in the freezer for later use. I know that the sponsor of that amendment is not suggesting that the tens of millions of items that consumers take home and put in freezers all of a sudden make that chicken somehow, that poultry somehow, less palatable than if they did not take it from the grocery store to their homes. Interestingly, the Agricultural Research Service study concluded that under ideal laboratory conditions, poultry temperatures can only be controlled to plus or minus 2 degrees. Let me repeat that: Under ideal conditions, literally perfect conditions, we can only control it within 2 degrees.

What the distinguished chairman of the committee has done, he has not said we are not going to have a ruling. He has said look, let us go back and look at this. In fact, I respectfully suggest that many of the advocates of this amendment are more concerned about freezing the delivery of out-of-State poultry, and not actually freezing the product that is being allegedly frozen. This is about freezing out.

We sell a lot of chickens in California. I expect that California poultry producers do not like that. We have not figured how to make those birds fly from the Delmarva Peninsula to California, and then jump into a processing plant. We have not figured out how to do that. We have to put them in trucks. We try to do it at 26 degrees.

We do not want to be put in the position where my distinguished friend implies that the chickens we are sending, which are not below zero degrees, by the way, which is now frozen, is somehow less palatable.

I imagine my time is running out. I apologize for being so disconnected here. But how much time do I have left?

The PRESIDING OFFICER. Your time has just expired.

Mr. BIDEN. I ask for 5 additional seconds.

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

Mr. BIDEN. This is not about E-coli bacteria or cryptosporidium. The committee language is about simple fairness. It is about fostering competition and about improving the information available to consumers.

I hope we reject the amendment of my distinguished friend from California.

I yield the floor.

Mrs. BOXER. Mr. President, I want to say to my friend that he may be right that there is no difference to consumers. But 86 percent of the consumers think they ought to know what they are getting, No. 1. No. 2, the Department of Agriculture said they will be flexible in their enforcement. They have recognized the problem that my friend put out on the table, and I commend him for that. No. 3, back in October 1994, the Senate passed a unanimous vote, a sense of the Congress, that the Department of Agriculture should issue this rule.

We gave them guidance. We told them to hold public hearings all over the country. They did. We told them to publish a decision on the issue as expeditiously as possible. They did that. I thought they were a little slow, taking 2 years, but they finally did that. And we said that no person on the expert advisory committee could have a conflict of interest in the outcome.

Mr. BIDEN. Will the Senator yield for 1 second?

Mrs. BOXER. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 11 minutes.

Mrs. BOXER. Yes, I will be happy to yield.

Mr. BIDEN. Will the Senator tell me whether she thinks consumers know what ''hard chilled'' means?

Mrs. BOXER. I say to my friend they are going to know because of all the publicity we are giving it. I would prefer that we were just saying ''frozen fresh,'' ''previously frozen,'' ''thawed.'' But what they tried to do in this rule, I say to my friend, is accommodate some of the producers in the Eastern States who did not want the word ''frozen'' placed on it, and so they said, OK, if it is between 26 degrees and zero degrees it is hard chilled, and if is zero degrees or colder it is frozen.

I think both of my friends who have spoken in opposition this morning said it is an arbitrary thing. The fact is right now the rules say if you are freezing below zero, you have to say frozen. No one has ever complained about that. Nobody ever said if it is minus 2 degrees, we should say fresh. So there has to be some cutoff point. And the science says it is 26 or 27 degrees and the rule came down at 26.

I would also say to my friend that Delaware has a law on the books that is called ''Misbranding of food: For the purpose of this chapter, food is deemed to be misbranded if is obtained by the dealer in frozen bulk form and is subsequently thawed and offered for sale in a package bearing a label 'fresh.' ''

So I think that the Senator's State, in looking at the overall issue, not necessarily poultry but the overall issue of fresh versus frozen, is one of the leading States here because there is only about 10 that have come forward with these kinds of laws.

Finally, I say to my friend—and we are in a mutual admiration society and I will not go into that—I do find myself fighting for my State, for the consumers of my State. The poultry industry in my State is split. The chicken people like the agriculture rule and the turkey people oppose it. So I have come down on the side of the consumers, which I believe is what we should really do.

I say to my friend, Citizen Action, Consumer Union, National Consumers League, the Public Voice, and many others believe that fresh is fresh and frozen is frozen, and that is why I feel very strongly we should strike the committee amendment.

The administration thinks it is wrong to derail this rule. Eight years ago we tried to resolve this issue. It has been hanging around for 8 years. We finally had it solved. I am really kind of sad that we might derail it because no matter what my dear friend says to me—and he has been around here a lot longer—I do not believe the committee is going to rush to get a new rule in place. I am putting it in the best terms. I think this is a way to put this rule into deep freeze for a long time, never to see the light of day. That is my own view.

Mr. BIDEN. Will the Senator yield?

Mrs. BOXER. I will be happy to yield.

Mr. BIDEN. Just for 10 seconds.

Mrs. BOXER. I will yield as long as my friend wants.

Mr. BIDEN. I say to my friend, the poultry industry in my State, which is divided, by the way—some of the poultry people who are in my State share the Senator's view—is not looking for there to be no rule. They are looking for some flexibility in the 26 degree mark—2 or 3 degrees either way. They are not asking there not be a demarcation. They are not saying that the rule should say zero and below is frozen, above that is fresh. They are not asking for that.

So I am not standing here making the argument that there is no rationale related to having a third category here. I am suggesting that it is not workable as the standard proposed by the Department now which, to use the term freeze, is being frozen by the committee until there can be some more rational way to look at this.

So I wish to make it clear, we are not asking and I am not of the view that there not be a distinction made among the categories of how a chicken or a piece of poultry is packaged and sold.

Mrs. BOXER. I might say to my friend, I am glad to hear that, but from the bottom of my heart, if this is killed, we are not going to see that happen.

Let me say this. This is a very difficult issue because there are special interests on all sides of it, as my friend knows. What my friend is trying to do, he has a situation in his State where some of the businesses are for it, some are against. He took a position he feels is correct. I took a position I feel is correct.

The Agriculture Department in writing this rule really went to the scientists to set the standard. They did not ask just the industry because each industry has a special interest. So they asked the American Society of Heating, Refrigerating and Air Conditioning Engineers. Clearly, this is a group that is not a household name, and they do not have a particular interest. They examined the problem, and they came

out and said at 27 degrees ice crystals begin to form on the poultry flesh. They believed that 27 degrees was appropriate. Another group said it is 26 degrees. That group that said 26 degrees is—let me find it. I had it in the RECORD before. It is a technology group that said it is 26 degrees. So they went with the more, if you will, liberal number of 26 degrees.

Mr. BIDEN. Will the Senator yield for a brief comment?

Mrs. BOXER. I believe, if you leave it up to the businesses to come up with what they think is right, we are not going to have a fair rule. With all due respect to my friend, if we kill this today, I believe we are killing this for a very long time.

Mr. BIDEN. Will the Senator yield for another brief question?

Mrs. BOXER. Yes.

Mr. BIDEN. The experts in the refrigeration industry also point out that there is no way you can get that ideal number within less than 2 degrees. The science of refrigeration is not precise enough that you can get it within 2 degrees. So although they give you an ideal number of 26, they say that is when crystal began to form, they also say, if I am not mistaken, there are not refrigeration units made that can guarantee you can keep it at exactly 27 as opposed to 26 or 25 or 25 as opposed to 23.

So I would ask my friend the following question. Assume the issue here were to say 26 degrees plus or minus 3 degrees. Would she be willing to go along with that? Or is she stuck on precisely 27 degrees? Because the Senator from Delaware would be willing to go along with 26 degrees plus or minus 3 degrees, mainly because there is not the science in refrigeration that you can put a product in the back of a truck, send it off to be sold in California or anywhere else and be assured that for the duration of that trip it will not fluctuate several degrees above or below.

I might add, the reason why the producers are split in my State, the producers who sell only on the east coast think this is a good idea. The producers that sell in California say: I cannot get my product across guaranteeing it is exactly a certain temperature—I cannot assert, and the technology cannot guarantee me when I put it in the truck, that I can keep it within the rule no matter what I tell you.

Mrs. BOXER. May I say to the Senator I am down to 3 minutes.

Mr. BIDEN. I am sorry.

Mrs. BOXER. I have to say to my friend, this is exactly what I do not think we should get into: Will the Senator agree to 27 minus-plus. I believe if we start getting into that on the Senate floor, we are getting into minutia.

There is a science. Now, my friend may not believe it is accurate, but the other group that said it is 26 is the National Institute of Standards and Technology. The Agriculture Department said that flexible enforcement will be absolutely a defining goal. And today we enforce the law when it gets down to zero degrees. So at some point you have to have a cutoff with flexible enforcement, because clearly my friend makes a good point. But I never supported 26 degrees or 25 or 27. What I supported was science dictating when a product ought to be marked ''frozen.''

I think if we do not act today, I say to my friend—and I think he means it that he wants to work on something—it will be a long, cold month, 2 months and years before we get back to this issue.

I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from Mississippi has 10 seconds, the Senator from California has 113 seconds. Who yields time?

Mr. BUMPERS. Mr. President, the Senator from California has generously yielded me 30 seconds, which may be kinder than I would be to her under the circumstances.

Mrs. BOXER. Thanks.

Mr. BUMPERS. I thank her very much. Mr. President, I want to make the point the Senator from Delaware was making. If the Agriculture Research Service has to have a plus or minus 3 degrees in highly controlled labs and highly controlled labs have to have a plus or minus 2 degrees, to ask for a plus or minus 3 degrees in this situation without devastating an industry seems to make eminent good sense. It seems to me if we can transport chickens 2,000 miles and still beat the California Poultry Federation's price, there may be something wrong with the California Poultry Federation.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, let me say to my friends, it is hard to know what to say to my friends at this point, because when we started this debate, we wondered if we could keep it together through the entire debate. I compliment all of us; we have kept it together.

Again, I am going to finish off where I started, and then you are going to have to hear it again for 2 more minutes before the vote.

If I told you that this desk is a chair, you would think I was kidding. And if I told you that winter was summer and summer was winter, and ice was hot and warm was cold, and freezers were toasters, you would send me to the nearest psychiatrist.

I have to say, everything stripped aside, because there is money in industry on one side and money in industry on the other side and we know that, the bottom line is what is fair and what is right and what is common sense and what is reality.

We can decide we are the scientists here, and we can decide at what degree it is frozen and what degree it is fresh. I do not think that is our job. We have a fine, I believe, Department of Agriculture headed by a very fine man from Kansas who knows agriculture. He stepped in and oversaw this rule. We have a good rule. I hope we support it and defeat the committee amendment.

I yield the floor and thank my friends.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, USDA's own study, conducted by the Agricultural Research Service, demonstrated that consumers cannot detect any quality differences between poultry chilled to 26 degrees and poultry chilled to lower temperatures.

The Food Safety and Inspection Service based its rule on assertions generated through a well orchestrated public relations campaign by those who would benefit from this new rule.

In effect, the agency is saying that although it cannot control temperatures under ideal conditions in a laboratory, the poultry industry must not let their products reach a temperature just 1 degree under 26 or the products will be declared out of compliance and mislabeled.

I urge Senators to vote against the California Senators' motion to table.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:33 p.m., the Senate recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. What is the pending business?

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. The clerk will report H.R. 4.

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Gramm modified amendment No. 2615 (to Amendment No. 2280), to reduce the Federal welfare bureaucracy.

Dole/Daschle amendment No. 2683 (to Amendment No. 2280), to make certain modifications.

AMENDMENT NO. 2692 TO AMENDMENT NO. 2280

(Purpose: To provide a technical amendment)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DOLE, proposes and amendment numbered 2692 to amendment No. 2280.

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

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

The amendment is as follows:

On page 12, between lines 22 and 23, in the matter inserted by amendment no. 2486 as modified-

(1) in subparagraph (G), strike ''3 years'' and insert ''2 years''; and

(2) in subparagraph (G), strike ''6 months'' and insert ''3 months''.

On page 69, line 18, in the matter inserted by amendment no. 2479, as modified—

(1) in section 413(a), strike ''country'' and insert ''country''; and

(2) in section 413(b)(5), strike ''eligible countries are defined as:'' and insert ''ELIGIBLE COUNTRY.—A county may participate in a demonstration project under this subsection if the county is—''.

On page 50, line 6, in the matter inserted by amendment no. 2528—

(1) in subsection (d)(3)(A), strike ''1998'' and insert ''1996'';

(2) in subsection (d)(3)(C), strike ''1998, 1999, and 2000'' and insert ''1996, 1997, 1998, 1999, 2000, 2001, and 2002''; and

(3) in subsection (d)(3)(C), strike ''as may be necessary'' and insert ''specified in subparagraph (B)(ii)''.

On page 77, between lines 21 and 22, insert the following new section:

''SEC. 420. ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Notwithstanding section 658T of the Child Care and Development Block Grant Act of 1990, the State agency specified in section 402(a)(6) shall determine eligibility for child care assistance provided under this part in accordance with criteria determined by the State.''.

On page 303, line 15, add ''and'' after the semicolon.

One page 304, line 22, strike ''and'' after the semicolon.

On page 305, line 16, insert '', not including direct service costs,'' after ''administrative costs''.

On page 305, line 18, strike the second period and insert ''; and''.

On page 305, between lines 18 and 19, insert the following:

''(C) by adding at the end thereof the following new paragraph:

''(6) SERVICES FOR THE WORKING POOR.—The State plan shall describe the manner in which services will be provided to the working poor.''''.

Beginning on page 305, strike line 19, and all that follows through line 6, on page 306, and insert the following:

(d) CLARIFICATION OF ELIGIBLE CHILD.—Section 658P(4)(B) of the Child care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking ''75 percent'' and inserting ''100 percent''.

On page 738, line 10, strike ''on'' and insert ''for''.

On page 753, line 8, strike ''subsections (c) and (d)'' and insert ''subsection (c)''.

On page 753, lines 20 and 21, strike ''or serious physical, sexual, or emotional harm, or'' and insert '', serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which''.

On page 776, line 1, strike ''other'' the second time such term appears.

On page 786, line 7, strike '', through 2000'' and insert ''and 1997''.

On page 22, line 12, strike ''$16,795,323,000'' and insert ''$16,803,769,000''.

On page 99, line 20, strike ''$92,250,000'' and insert ''$100,039,000''.

On page 100, line 9, strike ''$3,150,000'' and insert ''$3,489,000''.

On page 100, line 22, strike ''$4,275,000'' and insert ''$4,593,000''.

On page 99, strike lines 4 and 5 and insert the following:

(I) by inserting ''(or paid, in the case of part A of title IV)'' after ''certified''; and

On page 27, strike lines 17 through 22, and insert the following:

''(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

On page 54, line 25, add after ''amount.'' the following: ''The Secretary may not forgive any outstanding loan amount nor interest owed thereon.''

On page 293, lines 8 and 9, strike ''any benefit described in clause (1)(A)(ii) of subsection (d)'' and insert ''any benefit under a program described in subsection (d)(2)''.

On page 293, line 19 strike ''subsection (d)(2)'' and insert ''subsection (d)(4)''.

On page 293, line 21, insert ''the'' before ''enactment''.

On page 294, line 20, insert ''under a program'' after ''benefit''.

On page 297, line 11, strike ''Federal''.

On page 297, line 20, strike ''and''.

Beginning on page 297, line 21, strike all through page 298, line 3, and insert the following:

(2) the term ''poverty line'' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

On page 298, line 3, strike ''involved.'' and insert ''involved; and''.

Line to be added at the appropriate place in Title XII of Dole's Amendment to HR. 4:

''In making reductions in full-time equivalent positions, the Secretary is encouraged to reduce personnel in the Washington, DC area office (agency headquarters) before reducing field personnel.''

(1) In section 501(b)(1), strike ''(IV), or (V)'' and insert in lieu thereof ''or (IV)''.

(2) In section 502(f)(1), strike ''(IV, or (v)'' and insert in lieu thereof ''or (IV)''.

Mr. DOMENICI. Mr. President, this amendment contains technical changes. I ask unanimous consent that the amendment be considered and agreed to, en bloc. It has been approved on the other side.

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

So the amendment (No. 2692) was agreed to.

MODIFICATION TO AMENDMENT NO. 2683

Mr. DOMENICI. Mr. President, on behalf of Senator DOLE, I send a modification to amendment No. 2683 to the desk.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The modification is as follows:

Strike page 7 and insert in lieu thereof the following: participate in work for more than an average of 20 hours per week during a month and may count such parent as being engaged in work for a month for purposes, of section 404(c)(1) if such parent participates in work for an average of 20 hours per week during such month.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide an entitlement to child care services to any child.

On page 17, line 22, insert before the period the following: '', and increased by an amount (if any) determined under subparagraph (D)''.

On page 18, between lines 21 and 22, insert the following:

''(D) AMOUNT ATTRIBUTABLE TO STATE PLAN AMENDMENTS.—

''(i) IN GENERAL.—For purposes of subparagraph (A) and subject to the limitation in clause (ii), the amount determined under this subparagraph is an amount equal to the Federal payment under section 403(a)(5) to the State for emergency assistance in fiscal year 1995 under any State plan amendment made under section 402 during fiscal year 1994 (as such sections were in effect before the date of the enactment of the Work Opportunity Act of 1995).

''(ii) LIMITATION.—Amounts made available under clause (i) to all States shall not exceed $800,000,000 for the 5-fiscal year period beginning in fiscal year 1996. If amounts available under this subparagraph are less than the total amount of emergency assistance payments referred to in clause (i), the amount payable to a State shall be equal to an amount which bears the same relationship to the total amount available under this clause as the State emergency assistance payment bears to the total amount of such payments.

''(iii) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this subparagraph after fiscal year 2000.

Strike page 11, and insert in lieu thereof the following: fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $1,000,000,000.

''(3) COMPUTATION OF GRANT.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Treasury shall pay to each eligible State in a fiscal year an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

''(B) LIMITATION.—The total amount paid to a State under subparagraph (A) for any fiscal year shall not exceed an amount equal to 20 percent of the annual amount determined for such State under the State program funded under this part (without regard to this subsection) for such fiscal year.

Mr. DOMENICI. I ask unanimous consent that the pending amendments to H.R. 4 at the desk be withdrawn, other than the Gramm and Dole amendments. This has been agreed to, also.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the 30 minutes for debate be postponed, to begin following the next two back-to-back rollcall votes.

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

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

VOTE ON AMENDMENT NO. 2615

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2615.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

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

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 441 Leg.]

YEAS—50

Abraham	Frist	Murkowski
Ashcroft	Gorton	Nickles
Baucus	Gramm	Packwood
Bennett	Grams	Pressler
Bond	Grassley	Roth
Brown	Gregg	Santorum
Burns	Hatch	Shelby
Chafee	Helms	Simpson
Coats	Hutchison	Smith
Cochran	Inhofe	Snowe
Coverdell	Kempthorne	Specter
Craig	Kyl	Stevens
D'Amato	Lott	Thomas
DeWine	Lugar	Thompson
Dole	Mack	Thurmond
Domenici	McCain	Warner
Faircloth	McConnell	

NAYS—49

Akaka	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Moynihan
Breaux	Heflin	Murray
Bryan	Hollings	Nunn
Bumpers	Inouye	Pell
Byrd	Jeffords	Pryor
Campbell	Johnston	Reid
Cohen	Kassebaum	Robb
Conrad	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Simon
Dorgan	Kohl	Wellstone
Exon	Lautenberg	
Feingold	Leahy	

NOT VOTING—1

Hatfield

So the amendment (No. 2615) was agreed to.

VOTE ON AMENDMENT NO. 2683, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 2683, as modified.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

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

The result was announced—yeas 87, nays 12, as follows:

[Rollcall Vote No. 442 Leg.]

YEAS—87

Akaka	Feingold	Mack
Baucus	Feinstein	McCain
Bennett	Ford	McConnell
Biden	Frist	Mikulski
Bingaman	Glenn	Moseley-Braun
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Bradley	Grassley	Nunn
Breaux	Gregg	Packwood
Brown	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Heflin	Pryor
Burns	Hollings	Reid
Byrd	Hutchison	Robb
Campbell	Inouye	Rockefeller
Chafee	Jeffords	Roth
Cochran	Johnston	Santorum
Cohen	Kassebaum	Sarbanes
Conrad	Kempthorne	Shelby
Coverdell	Kennedy	Simon
Craig	Kerrey	Simpson
D'Amato	Kerry	Snowe
Daschle	Kohl	Specter
DeWine	Kyl	Stevens
Dodd	Lautenberg	Thomas
Dole	Leahy	Thompson
Domenici	Levin	Thurmond
Dorgan	Lieberman	Warner
Exon	Lugar	Wellstone

NAYS—12

Abraham	Gramm	Lott
Ashcroft	Grams	Moynihan
Coats	Helms	Nickles
Faircloth	Inhofe	Smith

NOT VOTING—1

Hatfield

So, the amendment (No. 2683), as modified, was agreed to.

The PRESIDING OFFICER. Under the previous order, amendment 2280 is adopted.

So the amendment (No. 2280), as further modified, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. There will be 30 minutes for debate equally divided.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Texas, Senator HUTCHISON.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I want to thank the majority leader because this Senate is getting ready to take a major step to end welfare as we know it. The majority leader has put together a coalition that is bipartisan.

Mr. KENNEDY. Mr. President, may we have order? The Senator is entitled to be heard. She is making a very important statement. And could we insist on order for the remaining half hour?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I want to say that when we take this major step to end welfare as we know it, we will owe a great deal of the thanks to our majority leader for putting together this bipartisan coalition.

We are making an important policy change in America today. Welfare will be a hand up but not a handout. Welfare will be there for a transition, for people in trouble, but it will not become a way of life.

There will be a 5-year lifetime limit on able-bodied people getting welfare, so that family that is working hard to do better, to educate their children will know that they are not paying a bill for someone who is able but not willing to work.

In our bill, block grants replace entitlements for seven AFDC programs. We will be saving $60 billion in welfare costs, the most ever cut in welfare in our country's history.

What could have killed this bill was the inequity in block grants among the States. The States could have said, ''Well, if I don't get this for my State, I'm walking away from welfare reform.''

But many of us were able to get together and say each State is different. What we have done in the past is different, what we are going to do in the future is different and, therefore, we must accommodate each State.

Everyone has given so that we will have parity over the next 7 years. That is the hallmark of this bill: States rights, State flexibility to provide the programs that fit their needs.

In fact, it is the policy set by the Congress that States can become more efficient and responsive if Washington, DC, will just get out of the way. And today, Mr. President, Washington is going to get out of the way. Thank you.

Mr. MOYNIHAN. Mr. President, I yield 3 minutes to the indomitable Senator from Illinois, [Ms. MOSELEY-BRAUN].

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President.

Mr. President, the Senate is poised to take action on one of the most political issues facing this Congress. There is bipartisan agreement that welfare reform is needed, welfare is not a free ride, and work requirements should be placed on adult recipients as a condition of receipt. Certainly anybody who can work should work.

Welfare should have more than one goal, however. It should not only put people to work but it should also protect children. This bill, however, regrettably, does neither. It bears repeating. Of the 14 million-plus welfare recipients, two-thirds, or nearly 9.6 million people, are children; 60 percent of those children are under 6 years old. It is the 5 million preschool-age babies who will be the real objects of our decisionmaking today.

The most stunning error of this bill, in my opinion, is that it ignores entirely the plight of poor children. It dismantles the 60-year-old Federal safety net that has assured at least some assistance to them. This bill completely ignores the consequences to our national community of the abandonment of a safety net for poor children.

Earlier in this debate, I showed pictures from around the turn of the century, before we had a national Federal safety net. Those pictures showed young children sleeping on grates and picking through trash. Is that where we want to be when we enter the 21st century?

Mr. President, I am afraid this bill could make that shameful history a new reality. In my opinion, this bill takes a Pontius Pilate approach to Federal responsibility. As a national community, we are here washing our hands of responsibility for these poor children. This bill sends the problem to the States with high-flown rhetoric about State responsibility and innovation.

But what if—what if—a State proves unwilling to address the poverty of children in its midst? Are we to concede there is nothing that we as a national community should do? This bill makes certain that there is nothing that we can do.

And what if the States find, as Senator MOYNIHAN has shown, that incidents of child poverty in this country are localized in urban areas or in pockets of rural poverty? What if the States find that? Child poverty may not be a problem that is most effectively addressed by block grants to State governments. Who will speak for the children then?

It is said that this bill will end welfare as we know it. Had it ended welfare abuses, I would have been among the first to applaud it. Had it rationally addressed ending the poverty that is the first level qualifier for welfare, I would have enthusiastically supported it. But it does neither, and it will not end welfare as we know it but rather creates 50 welfare systems with the potential for real tragedy for children.

In my opinion, Mr. President, that is the fatal flaw of this legislation; that this is welfare as we knew it, back to the days of street urchins and friendless foundlings and homeless half-orphans. I, for one, am not prepared to take so giant a step backward or to be so generous with the suffering of those 5 million poor children under the age of 6.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOLE. I yield 2 minutes to my colleague from Kansas, Senator KASSEBAUM.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, first, I would just like to respond to my colleague, whom I admire and whom I know feels deeply about children, about those who may not have a safety net protection. I would just like to say to Senator MOSELEY-BRAUN that I think one of the real strengths of this legislation is that we did strengthen child care, and child care is a very important requirement in order to have successful welfare reform.

I think this bill does strike a good balance, and I express my appreciation to those on both sides of the aisle who have worked to shape an exceptionally strong welfare reform bill, particularly the majority leader, Senator DOLE, who has tried hard to balance the interests of many people on both sides of this aisle, to Senator SANTORUM who also has worked tirelessly among those on our side of the aisle and those on the other side of the aisle. I will say to Senator DODD, as well, who has cared a great deal about trying to meet the needs of children in this legislation, that I think we do have a good welfare reform bill and, most importantly, it is not welfare as an entitlement. That starts us on a new path and one that I think will be most successful.

Mr. MOYNIHAN. I happily yield 3 minutes to my friend, the Senator from Minnesota [Mr. WELLSTONE].

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I have offered amendments that have been adopted—and so have other colleagues—that have mitigated some of the harshest effects of this piece of legislation. But an essential truth remains. For the first time in 60 years, we are eliminating a floor below which we never before allowed children to fall. Mr. President, for the first time in 60 years, we are saying that as a national commitment, as a national community, we will no longer take the responsibility to make sure that every child, even the poorest of children, at least has some minimal level of assistance, that children do not go hungry.

Mr. President, I ask myself the question: Will the passage of this legislation mean that there will be more impoverished children and more hungry children in America? The answer to that question is yes, and that is why I must vote no.

Mr. President, I ask myself the question: Is it true that the passage of this legislation will shut out hundreds of thousands of disabled children from essential services? The answer to that question is yes. That is why I will vote no.

Mr. President, I ask myself, as a Senator from Minnesota, the following question: In the context of all of the slash and burn—cuts in housing, cuts in Medicare, cuts in Medicaid, cuts in EITC, cuts in all these programs, with States then having to figure out where they are going to come up with the resources—I ask myself the question: Who is going to lose out? The answer is that it is going to be the children. They do not have a lobbyist. They do not have the PAC's. They are not the heavy hitters. They are the ones who are going to be left behind. And it is for that reason, Mr. President, that I will vote no.

We moved to a national standard in the early 1970's because we had children with distended bellies in our country. We had malnourishment and hunger in America. We said as a national community that we would not let that happen. Now we are turning the clock back. For the first time in 60 years, we move away from that commitment.

This is a profound mistake for America.

Mr. President, I ask myself the question: Is it the Minnesota tradition—an almost unique tradition—to speak for children, to advocate for children, to vote for children, to vote for all of God's children? And the answer to that question is ''yes.'' Therefore, as a Senator from Minnesota, I will vote ''no.''

The Dole bill will also affect the Hmong, approximately 30,000 of whom live in Minnesota and share with us their rich heritage and culture. Many in the Hmong community came to the United States to escape persecution after they aided the United States in the secret war of Laos.

Many of the Hmong now receive SSI and will be in danger of losing their benefits under the Dole bill. It is difficult—due to language barriers, lack of formal education and age—for the Hmong to become self sufficient. A large number of them depend on SSI benefits for their survival.

I yield the floor.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Rhode Island [Mr. CHAFEE].

Mr. CHAFEE. Mr. President, I want to express my support for the measure before us today. We have been working on this for many months. I am pleased we are finally able to approve a bill with bipartisan support. This bill is very conscious of the needs of children, a group I strongly believe should be cared for in any welfare program.

The measure before us contains additional money for child care and requires States to continue to maintain their financial effort for the life of the bill, for the 5 years. Senators BREAUX and DODD were very helpful in those issues. Under this measure, States would also be prohibited from denying benefits to single custodial parents with young children who do not work because the parents do not have child care.

This provision is extremely important for the protection of these very young children. The last thing we want to have happen is for parents to be placed in the untenable position of having to choose between leaving their children unsupervised while they work or losing their entire cash benefit.

I would like to note that S. 1120, the bill before us, does not make any changes in the foster care and adoption assistance programs. It has long been my belief that the Federal entitlement for these programs should continue and we should not roll back the Federal protection parts of the foster care and adoption assistance. Those entitlements are continued in this legislation.

On the subject of children's SSI, the Senate bill retains the concept of cash assistance for poor, disabled children and does not go as far as the House in scaling back eligibility. I am pleased that the Senate chose to take a more balanced approach to this issue than

the House. Most of the children in this program are severely disabled. Were it not for SSI, they would not be able to remain at home with their families.

I would like to thank Senator DOMENICI for his contribution to this bill in two areas—particularly in providing for the maintenance of the effort by the States. Senator DOMENICI led that effort. I also thank him for his help in removing the mandatory family cap. Under the Domenici approach, which we adopted, the family cap remains an option for the States. There is no evidence that denying benefits to women who have additional children while on welfare has any impact on birth rates. Senator DOMENICI spoke forcefully on that.

Finally, I praise our majority leader, Senator DOLE. But for his extraordinary efforts to find a common ground, we would not be here today. That is no easy feat, given our differences when we started out.

I thank him for his able leadership and the fact that we were able to achieve a bipartisan bill today.

Mr. MOYNIHAN. Mr. President, I am pleased to be able to yield 3 minutes to my esteemed colleague from New Jersey, Senator BRADLEY.

Mr. BRADLEY. Mr. President, I will vote against this bill because I think it would wipe out protection for families with children but would do nothing to repair what is really wrong with welfare. We have made some improvements in this bill, eliminating the job training consolidation that never belonged in the welfare bill in the first place. We tightened and strengthened child support enforcement. But the fundamental structure is deeply flawed and can only lead to deeper poverty and more dependency.

All we are really changing in this bill is the one thing that is not wrong with welfare—the financial relationship between the Federal Government and the State bureaucracy. That is not the problem. In fact, block grants create a new problem because States that have increasing numbers of poor families, because of a bad economy or simple population growth, would not have enough funds to assist these poor people.

Federal politicians should not simply transfer pots of money to State politicians without any standards about what the money would be used for. We do not need to transfer money from one bureaucrat to another bureaucrat. We need commitment to individual poor children.

While this bill would abandon the commitment, the real problems of welfare would remain—the rules that penalize marriage and work, the indifferent local and county bureaucrats who treat people as numbers and do nothing to help people take care of themselves, the brutal job market, the deep cultural forces driving increases in divorce, illegitimacy, and teen pregnancy; all these problems would remain, and many would get worse.

All this bill does is require States to penalize the children who are born into and live in the midst of all of this turmoil.

With all the rhetoric about changing welfare, how did we wind up with a bill that does nothing to change what is wrong with welfare? The short answer is: politics.

Neither party was as serious about really changing welfare as it was about capturing the welfare issue from the other party. Democrats promised to end welfare as we know it by tinkering with the levers of government, mostly in a positive way, but not in a way that deeply changes the lives of people on welfare. Republicans promised to do even better—abandon the welfare state. They would toss aside the Federal responsibility for poor families and children altogether. They did not know how to deal with the reality of poverty and welfare, so they came up with the solution by handing the whole problem over to the States for them to solve. Block grants create an appearance of change, but no real change.

The debate in the last few days, during which we accepted every amendment that did not challenge the underlying political rhetoric, also indicates the problem. The legislation does not abandon the mythical welfare state. But it does abandon our society's commitment to protect poor children from abject poverty, hunger, abuse, neglect, and death. Meanwhile, it does nothing to fix the real problem.

I urge everyone to think twice before joining the rush to send this deeply flawed bill forward into a process where it will get even worse.

Mr. DOLE. Mr. President, I yield 2½ minutes to the distinguished Senator from North Carolina.

Mr. FAIRCLOTH. Thank you, Mr. President.

Mr. President, as I have been saying ever since Congress began welfare reform debate, unless we address illegitimacy, which is a root cause of welfare dependency, we will not truly reform welfare.

Only by taking away the cash incentive to have children out of wedlock can we hope to slow the increase of out-of-wedlock births and ultimately end welfare.

Middle-class American families who want to have children have to plan, prepare, and save money because they understand the serious responsibility involved in bringing children into this world. It is unfair to ask the same people to send their hard-earned tax dollars to support the reckless, irresponsible behavior of women who have children out of wedlock and continue to have them, expecting the taxpayers to support them.

It is clear that our country must begin to address the crisis of illegitimacy. Today, one-third of all children are born out of wedlock. According to Senator MOYNIHAN, the illegitimacy rate will hit 50 percent by 2003, or sooner. The rise of illegitimacy and the collapse of the family has had a devastating effect on children and society. Even President Clinton has declared that the collapse of the family is a major factor driving up America's crime rate.

Halting the rapid rise of illegitimacy must be the paramount goal of welfare reform. Unfortunately, the Senate has been unable to follow the example set earlier by the House and has not included provisions, like the family cap, ending the current cash incentives for teenage mothers to have children out of wedlock.

The bill before us is far better than the one we started with. It has strong work provisions, transfers flexibility to the States and, overall, is a good bill. Unfortunately, it fails in the one key area which I feel very strongly about. It does fail to address the crisis of illegitimacy.

It is a missed opportunity for the Senate to send out a loud and clear message that society does not condone the growth of out-of-wedlock childbearing, and that the taxpayers will not continue the same open-ended subsidies for illegitimacy which has characterized welfare in the past.

I hope this bill returns from conference with strong provisions on illegitimacy. If it does, I will support it enthusiastically.

Mr. MOYNIHAN. Mr. President, I yield 3 minutes to my friend from Massachusetts, Senator KENNEDY.

Mr. KENNEDY. Mr. President, there is a right way and a wrong way to reform welfare. Punishing children is the wrong way. Denying realistic job training and work opportunities is the wrong way. Leaving States holding the bag is the wrong way. Too many of our Republican colleagues want to reform welfare in the worst way, and that is exactly what this bill does.

After more than 60 years of maintaining a good-faith national commitment to protect all needy children, the Senate is on the brink of committing legislative child abuse. This measure is an assault on America's youngest and most vulnerable citizens. I urge my colleagues to join with me in doing the right and compassionate thing, and vote ''no''.

In 1935, President Roosevelt said:

> The test of our progress is not whether we add to the abundance of those who have much. It is whether we provide enough to those who have little.

In passing the Social Security Act, Congress made a bold pledge to the elderly and to the children of our society that their well being would be ensured. It was a sign of what we stood for as a society.

With that legislation, Congress, made a historic promise—that no child would be left alone to face the cruel forces of poverty and hunger. Today, more than 60 years later, the Senate is breaking that promise. As an institution, we are turning our back on America's children.

If this legislation passes, whether needy children receive a helping hand

will depend on whether they are fortunate enough to be born in a State that has the resources and the will to provide that assistance. A minimal safety net for children will no longer be a part of what makes America America, but rather a gamble of geography.

This bill nullifies one of the fundamental roles of the Federal Government—to bring our country together as a nation. Instead it will encourage border wars as States across the country selfishly compete to assure that they do not become too generous to the needy and attract families from other States.

Granted, the child care and other modifications achieved in recent days have made this legislation less bad than it was. And that is no small achievement. But it is hardly a reason to support a measure that will devastate the lives of millions of American children to say it could be even worse—and probably will be after the Conference with the House.

This bill is not about moving American families from welfare to work. It is about cutting off assistance to millions of poor, hungry, homeless, and disabled children.

This bill is not about fiscal responsibility or deficit reduction. It is about misguided priorities—for which, as the columnist George Will has said, we will pay dearly as a society for years to come.

This bill is not about eliminating the barriers to employment that exist for people on welfare. It is about shortchanging the job training and child care programs needed to give people a chance. It is about setting arbitrary time limits on assistance for families who cannot find jobs, and providing grossly inadequate resources to make genuine opportunity a reality.

This bill is not about giving States more flexibility. It is about Congress washing its hands of a difficult problem, by slashing Federal funding, and then turning the remains over to the States with little accountability or guidance and even less leadership.

This bill is not welfare reform—it is welfare fraud. We are all for work—but this plan will not work. The Congressional Budget Office estimates that only 10 to 15 States will be able to meet the bill's work requirements and the rest will simply throw up their hands.

These actions are in no way required by the current balanced budget environment. The Republican majority has already shown that it is willing to spend money when the cause is important enough to them. When the Republican majority wanted to preserve a $1.5 billion tax loophole for American billionaires who renounce their U.S. citizenship, they found the money to preserve it. When the Republican majority wanted to increase defense spending $6.5 billion more than the Defense Department requested for this year, they found the money to fund it. When the Republican majority wanted to give the wealthy a $245 billion tax break, they will find the money to fund it.

But now, when asked to reform welfare and create a genuine system to help America's 10 million children living in poverty, the Republican majority tells those children: ''Sorry—check returned—insufficient funds.''

For billionaires, the Republicans will move mountains. For poor children they will not lift a finger—and their record makes that clear. As President Kennedy said in his inaugural address: ''If a free society cannot help the many who are poor, it cannot save the few who are rich.''

Poor children in America are worse off than poor children in 15 of the 18 Western industrial nations. The annual incomes for the poorest 10 percent of Canadian families, including all benefits, is nearly twice that of families in the United States. The United States has the greatest gap between the rich and the poor—a gap that will surely grow in the years ahead because of this harsh legislation.

Despite these realities, the Republican majority wants to take $60 billion over the next 7 years from programs supporting poor children and families, in order to help balance the budget and pay for their tax breaks for the wealthy. That is their priority.

When we tried to pay for increases in child care by closing the billionaires' loophole or ending other forms of corporate welfare, the Republicans said no—take it out of food stamps. They would rather harm poor children than offend fat cats who live on corporate welfare.

Some in the Republican majority say that this legislation will succeed—that faced with the prospect of benefits being cut off, welfare recipients will have no choice but to find work. Governor Engler of Michigan made that argument when eliminating Michigan's State-funded General Assistance Program. Unfortunately, things did not work out the way the Governor had said. Only one-fifth of the former welfare recipients found jobs —the majority became even more destitute.

And so it goes when social experiments go wrong. The Republican majority is asking us to put the lives of children in their hands as they prepare to push welfare recipients off the cliff in the hope that they will learn to fly. And what happens if they fail? Ten million children, who make up the majority of AFDC recipients, will pay the price, and as a society, so will we.

This is not just theory. We already know some of the havoc this legislation will cause. The administration estimates that the 5–year time limit in the bill will result in one-third of the children on AFDC becoming ineligible for assistance—4 million children. Yet when we proposed to give the States the option of providing vouchers to protect these children after the time limit, the Republicans said no. So much for States rights.

Of the parents who will be affected by the time limit, only one-third have a high school degree. Yet recent studies show that three-quarters of the available jobs in low-income areas require a high school diploma. Sixty percent of those jobs require experience in a particular type of job. And there are already two to three jobseekers for every job vacancy.

This bill is not seriously designed to change those realities. There is no way this bill can create jobs for millions of low-income, low-skilled parents who will be looking for work at the same time in the same communities. It will not help schools do a better job of preparing young men and women for an increasingly demanding workplace. In fact, the Republican majority is busy cutting the very education and job training funds necessary to produce a skilled American work force in the years ahead.

Welfare reform cannot be accomplished on the cheap. Governor Tommy Thompson of Wisconsin, whose welfare expertise has been praised repeatedly by the Republican majority, was recently quoted in Business Week as saying that in order for welfare reform to be successful, ''It will cost more up front to transform the welfare system than many expect.'' After his reforms in Wisconsin, administrative costs rose by 72 percent.

My Republican colleagues are correct when they say that this is an historic moment in the Senate. If this bill passes, today will go down in history as the day the Senate turned its back on needy children, on poor mothers struggling to make ends meet, on millions of fellow citizens who need our help the most. It will be remembered as the day the Senate broke a noble promise to the most vulnerable Americans. I urge my colleagues to vote ''no''—for the children who are too young to vote and who cannot speak for themselves. This bad bill can be summed up in four simple words—''Let them eat cake.''

I say to my colleagues—can you look into the eyes of a poor child in America and say, ''This is the best hope for your future'' I cannot—and that is why I must vote ''no''.

Ms. MIKULSKI. Mr. President, it is with reluctance that I rise in support of the welfare legislation which the Senate is about to pass.

I have serious reservations about many aspects of the bill as it now stands, not the least of which is the ability of States to address the needs of poor children during periods of recession or economic downturns.

Having said that, I believe that the modifications adopted in the agreement between the Democratic and Republican Leaders begin to move this bill in the right direction. Compared to legislation passed by the House earlier this year, it is substantially more responsible and in that sense, more likely to succeed.

First, the bill provides for an additional $3 billion for child care for those moving from welfare to work. We should expect those people on welfare

to go to work. But to do so, we must give them the tools to go to work. And child care is the most significant problem young mothers face as they try to move into the work force.

Second, the bill now requires States to maintain a safety net for poor children through the so-called maintenance-of-effort requirement. As a result, States must continue to spend at least 80 percent of their current welfare spending for the next 5 years. This will help ensure States go the extra mile to move people from welfare to work, rather than simply forcing recipients off of the rolls with no chance for employment.

Third, the bill does not include a job training block grant that could have siphoned off precious dollars used to help retrain victims of foreign competition, base and plant closings, or the negative effects of corporate downsizing.

Fourth, the bill creates a very modest contingency grant fund of $1 billion which States could tap to deal with increased need due to the effects of a recession or population growth.

In addition to these provisions, the bill incorporates much of the Democratic Work First proposal, S. 1117, in several key areas.

Teen Pregnancy: The bill includes the tough stay-at-home and stay-in-school provisions of the Work First bill. It also makes $150 million available as seed money for second chance homes, locally-based, supervised group homes for teen-age mothers which have been popularized by the Democratic Leadership Council.

Private sector work bonus: The bill also contains a bonus pool of funds that will be awarded, in part, on the basis of States' success at moving welfare recipients into private sector work.

Parent empowerment contract: The final bill has a requirement for a parent empowerment contract that welfare recipients would have to sign once they sign up for benefits. This contract obligates them to take charge of their own lives, commit to acting as responsible parents, and undertake an intensive job search—all designed to move them from welfare to work.

Work requirements: Finally, the bill includes provisions of the work first bill that tell States they should do everything they can to be moving welfare recipients into the work force as quickly as possible, with the expectation that the period for a transition from welfare to work should be approximately 6 months.

Having announced my support for this measure, albeit with some great reservations, I want the conferees on this bill to know that I will not support any conference report that moves in any significant and substantial way toward the punitive and harsh proposals in the House-passed welfare bill.

If the conference agreement contains a mandatory family cap, or arbitrarily cuts off benefits for young women, I will oppose it.

If it modifies the child care or maintenance of effort provisions now in the Senate bill, I will not support it.

If it has no means for States to cope with economic downturns, I will withdraw my endorsement.

If it moves to block grants for foster care and adoption assistance, for food stamps or child nutrition programs, this Senator will cast a ''no'' vote on that conference report.

I hope that the Senate framework will emerge from the conference committee so that we can have bipartisan welfare reform this year. But if not, this Senator will be on this floor later this year fighting to stop a bad bill from getting enacted.

INFORMATION TECHNOLOGY AND WELFARE REFORM

Mr. COHEN. Mr. President, I would like to raise a subject which I believe will be a key problem for the States in implementing welfare reform under block grants—ensuring the States are able to make the necessary investments in information technology.

Most of our attention here on the floor has been with regard to very contentious social issues such as work requirements and unwed mothers. We have devoted little attention to the problems States will face in managing the vastly increasing responsibilities which this legislation will transfer to them. I am concerned that all our hard work to set the stage for new and successful human services programs will fall short of its goal if States are not equipped with the necessary information systems. If the States are unable to handle these enlarged responsibilities, pressure will rapidly build for the Federal Government, piece by piece, to become involved once again in managing these programs.

The unfortunate fact is that many States are far behind the rest of our society in computerizing and reinventing the delivery of their services. Among the State agencies, it is often the human service agencies which are the most in need of automation. While I endorse the concept of block grants and the latitude they provide to States, I believe the Federal Government must continue to provide specific assistance to States to automate.

Mr. SANTORUM. My colleague raises an excellent point. Many States at present are struggling to take advantage of the benefits which information technology can provide. Twenty-two States are currently under court order to improve their child welfare programs. One of the saddest examples is right here in the District of Columbia, where the foster care system was placed in receivership by the courts.

According to the court-appointed receivers, the system of foster care placement was failing some of the city's most needy children. One of the major problems was a lack of information available to the field, largely due to the lack of even basic computer support in the District's foster care system. This is symptomatic of problems across our Nation, problems which can be overcome through effective use of information technology. Yet the States and the District face compelling alternative uses for the funds as caseloads increase.

Mr. COHEN. Congress over the years has sought to ensure that States have the proper tools to handle their responsibilities in human services programs. For example, the fiscal year 1993 Omnibus Reconciliation Act provided matching of State funds over a 3-year period to be spent or information systems for foster care and adoption assistance programs. Forty-six States and the District of Columbia have responded, and are on their way to improving their information technology systems in these critical areas.

Mr. SANTORUM. Increased automation will bring many efficiencies to human services programs. In numerous cases, State workers enter essentially the same information as many as 200 times in required paperwork. This wasteful duplication can be eliminated through automation. Further, investments in information technology yield substantial savings in welfare programs through elimination of waste, fraud, and abuse. In Rhode Island, for example, a $10 million investment in technology saved over $7.7 million in erroneous welfare benefit payments in the first year of operation. By now this investment has paid for itself many times over. The system allowed the State to handle a 40-percent increase in welfare cases, while reducing its program work force by 15 percent over a 4-year period.

Mr. COHEN. Unfortunately, without Federal help, many States will not be able to afford the up-front costs required to plan, develop, and install these systems, and train personnel on their use. This is why the Federal Government has always maintained a leadership role in this area. I strongly believe we must continue specific assistance to States in making information technology investments, even in a block grant environment. I call on the eventual conferees on this legislation to carefully consider this point, and work with the House to ensure the States have the resources to make the necessary investments.

Mr. SANTORUM. I join my colleague in making this request. I think some further consideration of the information technology needs of the States is vital for welfare reform to succeed.

AMENDMENT NO. 2683

Mr. COHEN. Mr. President, I rise to speak in support of the Dole modified amendment. Every Member of this body has come to the floor and declared that it is time to ''end welfare as we know it.'' We have disagreed on the most appropriate ways to do that but I hope that there can be no disagreement that welfare reform will not succeed without a more generous provision for child care services.

Even under the current system of entitlement, there are more than 3,000

children of working parents already waiting to receive child care assistance in Maine. Some of these parents have transitioned off of welfare, others are at-risk of going on welfare. One child care center in Maine has just now started serving families who have been on a waiting list for more than 2 years.

This amendment will create a separate block grant for child care services. By creating this separate grant fund, we hope to assist States by providing them with a specific amount of child care funds. This is identical to the approach the House of Representatives elected to take in the Personal Responsibility Act. We have gone further to provide States with additional funds and to help ensure that child care funding does not disappear for welfare families and low-income families alike.

I am glad to see that the Governors have finally weighed in on this issue. Last week, I received a copy of a letter sent to both the majority and minority leadership from the National Governor's Association requesting supplemental funds for child care services. I would like to quote one sentence from the letter, signed by Governor Thompson from Wisconsin and Governor Miller from Nevada. The NGA states that:

Child care represents the largest part of the up-front investment need for successful welfare reform.

More women will be able to work when there are child care funds available. More women who have jobs now will keep them if there are funds for child care. In a report issued by the General Accounting Office in December, GAO found that child care costs are a significant portion of most low-income working families' budgets. In fact, child care consumes more than one quarter of the income for a family below the Federal poverty level. For families above the Federal poverty level, child care consumes about 7 percent of income.

Unlike the Dodd-Kennedy amendment, we know where the funds are coming from to pay for additional child care slots. I support our efforts to eliminate the deficit by 2002 but finding money for States to follow through on welfare reform is imperative. By agreeing to realize a smaller amount in overall savings from this legislation, we have taken the steps necessary to lead to successful welfare reform and help us maintain our goal to zero out the deficit.

While there has been an emphasis on the need to help States meet work participation requirements, of utmost concern is the safety of children. Some parents are already forced to leave their children in unsafe settings. I recently reviewed a report from the State of Illinois where more than 40 children, half of them under the age of two, were discovered being cared for in a basement by one adult. The cost of that care was $25 per week.

This is not an isolated case. Recent studies have indicated that 1 out of every 8 children in child care are being cared for in an unsafe setting.

The provision for child care services in Senator DOLE's earlier substitute did provide certain protections for children who are not yet in school by prohibiting States from penalizing mothers who cannot work because there simply is no child care available.

The Senate also overwhelmingly approved an amendment sponsored by Senator KASSEBAUM to eliminate a provision that allowed a transfer of up to 30 percent of the funds from the child care development block grant. The CCDBG has played an important role since its creation in 1990 as a source of funds targeted at enhancing the quality of child care and providing subsidies to low-income families.

I urge my colleagues to support this amendment. Without access to child care, mothers will not be able to work. When 92 percent of AFDC mothers are single mothers, the need for additional child care slots must be met if our version of welfare reform is going to be successful.

INTERRACIAL ADOPTION PROVISIONS

Mr. MCCAIN. Mr. President, earlier this year I introduced the Adoption Antidiscrimination Act of 1995, S. 637, to ensure that adoptions are not denied or delayed on the basis of race, color, or national origin. I am pleased that the House passed an almost identical provision in its welfare reform bill, H.R. 1. It is my hope that the members of the conference committee on welfare reform will recognize the importance of this issue, and incorporate interracial adoption provisions in the conference report.

In the late 1960's and early 1970's, over 10,000 children were adopted by families of a different race. This was before many adoption officials decided, without any empirical evidence, that it is essential for children to be matched with families of the same race, even if they have to wait for long periods for such a family to come along. The forces of political correctness declared interracial adoptions the equivalent of cultural genocide. This was, and continues to be, nonsense.

Sound research has found that interracial adoptions do not hurt the children or deprive them of their culture. According to Dr. Howard Alstein, who has studied 204 interracial adoptions since 1972, ''We categorically have not found that white parents cannot prepare black kids culturally.'' He concluded that ''there are bumps along the way, but the transracial adoptees in our study are not angry, racially confused people'' and that ''They're happy and content adults.''

Since the mid-1970's, there have been very few interracial adoptions. African-American children who constitute about 14 percent of the child population currently comprise over 40 percent of the 100,000 children waiting for adoption in foster care. This is despite 20 years of Federal efforts to recruit African-American adoptive families and substantial efforts by the African-American community. The bottom line is that African-American children wait twice as long as other children to be adopted.

Last year, Senator Metzenbaum attempted to remedy this problem by introducing the Multiethnic Placement Act of 1994 [MEPA]. Unfortunately, the bill was weakened throughout the legislative process and eviscerated by the Clinton administration Department of HHS in conference.

After the original MEPA bill was hijacked, a letter was sent from over 50 of the most prominent law professors in the country imploring Congress to reject the bill. They warned that it ''would give Congressional backing to practices that have the effect of condemning large numbers of children—particularly children of color—to unnecessarily long stays in institutions or foster care.'' Their warning was not heeded, and the bill was passed as part of Goals 2000. As Senator Metzenbaum concluded, ''HHS intervened and did the bill great harm.''

The legislation that was finally signed by the President does precisely the opposite of what was originally intended. This is because it contains several huge loopholes that effectively permit continuing the practice of racial matching. For example, it states that an agency may not ''delay or deny the placement of a child for adoption or into foster care solely on the basis of [race, color, or national origin]''. This language can be used by those opposed to inter-racial adoptions to delay or deny placements by using race, color, or national origin as only part of their rationale.

An even bigger loophole is contained in the ''permissible consideration'' section of MEPA which states that an agency ''may consider the cultural, ethnic or racial background of the child and the capacity of the prospective foster or adoptive parents to meet the needs of a child of this background as one of a number of factors used to determine the best interests of a child.'' While this language may appear innocuous, it can be used by those who are committed to racial matching to delay or deny a placement simply by claiming that an inter-racial adoption is not in the best interests of the child.

DHHS has issued guidelines for implementing the Multiethnic Placement Act. Again, on their face, the guidelines do not appear to be objectionable. However, consistent with the underlying MEPA law, they continue to allow race to be a major consideration that may be used by those who wish to stop interracial placements. Consequently, the National Council for Adoption and Institute for Justice have informed the Department that its guidelines do not adequately address this issue. They continue to believe that new legislation is necessary.

Clearly, we need to fix last year's flawed legislation. In considering the

House provisions on this issue, the conferees should prohibit, under any circumstances, an agency that receives Federal funds from delaying or denying the placement of a child on the basis of the race, color or national origin. Racial or cultural background should never be used as a basis for denying or delaying the placement of a child when there is at least one qualified household that wants the child.

Perhaps, there are certain extremely limited circumstances in which an agency should be allowed to consider race, color or national origin, only when there are two or more qualified households that want the child and only as one of a number of factors used to determine the best interests of the child. But under no circumstances should such considerations be allowed to delay the adoption of a child. When there is only one qualified household that wants the child, that placement is, by definition, in the child's best interests.

Mr. President, I hope that the conferees will be willing to adopt a strong prohibition against consideration of race, color or national origin in placement decisions, and to close the gaping loopholes in the current law. By incorporating strong and reasonable antidiscrimination provisions in the Conference Report, we will help to remedy the national problem of children being held in foster care because the color of their skin does not match that of the individuals who wish to adopt them.

AMENDMENT NO. 2542

Mr. MCCAIN. Mr. President, the welfare reform bill imposes upon the States a 6-month time limitation for any individual to participate in a Food Stamp Work Supplementation Program. This amendment, which is supported by the National Governor's Association and the American Public Welfare Association, would replace the 6-month limit with a 1-year limit. It would continue to allow an extension of this time limitation at the discretion of the Secretary.

Arizona's current cash-out of food stamps under its Empower welfare program allows individuals to participate in subsidized employment for 9 months with an option for a 3-month extension. There is no reason that the State should have to make another special request to the Secretary in order to maintain this policy. This amendment would allow States with such policies to continue their programs without disruption.

Ideally, I would prefer that the States be able to plan their work supplementation programs without being constrained by requirements imposed by the Federal Government. The States know best how to structure their programs to help their citizens become employable. Thus, my preference would be to eliminate the time limitation altogether.

However, I recognize that many of my colleagues are insisting upon a time limitation for individuals under the program, and I am pleased that we were able to come to an agreement that meets the needs of Arizona and other States that wish to pursue similar policies. In the future, I plan to revisit this issue to allow States maximum flexibility to plan their work supplementation programs.

Mr. President, a primary objective of this bill is to encourage the States to innovate. The best way to achieve this is to get out of their way. We should not impose requirements limiting the States' flexibility unless there is a compelling reason to do so. This amendment will give States additional leeway to innovate in their work supplementation programs and will thereby help them achieve their employment objectives.

AMENDMENT NO. 2544

Mr. MCCAIN. Mr. President, this amendment would give States the right to correct problems in their welfare programs before penalties are imposed by the Federal Government. Titles I, III, and VIII of the bill impose significant penalties, in the form of reductions in grant funds, for States that are out of compliance with Federal requirements. I believe that it is simply unfair to punish States without first giving them an adequate opportunity to remedy the problems.

Under this amendment, a State would have 60 days in which to submit to the Federal Government a corrective action plan to remedy any violations for which a penalty could be assessed. The Federal Government would then have up to 60 days to accept or reject the State's corrective action plan. If it does not act within this period, the plan will be deemed to be accepted. Finally, the State would have 90 days to correct the violation pursuant to the plan before penalties may be imposed. A longer correction period would apply if it is part of an accepted plan.

A major objective of the welfare reform bill is to give States greater flexibility and freedom from Washington regulations in helping their welfare recipients to be productive, independent citizens. Where Federal requirements are imposed, States should have ample opportunity to comply with those requirements and correct any problems without being penalized. This amendment ensures this objective and the overall approach of giving States the flexibility to implement their programs.

Mr. President, this amendment is strongly supported by the National Governors' Association, the National Conference of State Legislatures, and the American Public Welfare Association. I ask unanimous agreement that the letter of support from the APWA be printed in the RECORD.

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

AMERICAN PUBLIC WELFARE ASSOCIATION,
Washington, DC, September 12, 1995.

Hon. JOHN MCCAIN,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR MCCAIN: The American Public Welfare Association strongly supports your amendment number 2541, that relieves states from the excessive data collection and reporting requirements in H.R. 4, if sufficient funding to allow states to meet such excessive requirements is not provided. We are deeply concerned that between the 15% administrative cap approved by the Senate earlier this week, the bill's penalty provisions, and the array of new and burdensome reporting requirements contained in H.R. 4, states will not have the systems support they will all need for greatest transformation of their welfare systems to date.

APWA fully supports State accountability in the use of block grant funds for national programmatic and fiscal goals. APWA policy calls for a state federal partnership in the establishment of minimal, clear, concise federal audit standards, related penalties, or sanctions for noncompliance. In addition, APWA supports your amendment number 2544, providing states with advance notice of any impending penalty, with the option of entering into a corrective action plan. The measure provides for accountability by states and the Secretary of Health and Human Services during the implementation of a corrective action plan, and provides states with the opportunity to remain focused on reforming their systems, while coming into compliance with the statute.

Finally, we support your amendment number 2543, to broaden the definition of work to include job readiness workshops as a work activity. With regard to work programs under a cash assistance block grant, APWA policy calls for enhanced state flexibility to design and implement work programs, including the right to define work. We also support your amendment number 2542, to remove the six month limit for an individual's participation in a work supplementation program under the food stamp program. Each of your amendments contribute to increased flexibility for states.

Again, Senator McCain, thank you for offering these amendments that are so vitally important to the successful implementation of welfare reform.

Sincerely,

A. SIDNEY JOHNSON III,
Executive Director.

WELFARE REFORM, AGAIN

Mr. HOLLINGS. Mr. President, like many voters, I have heard before the siren call of welfare reform—that if we only pass revolutionary legislation, the recipients will work, the poor children will be nurtured, and benefits reductions will be returned to taxpayers. Frankly, I am very skeptical that this plan will work better than those that went before.

First, its promises continue to feed rife misperceptions. Note the following facts:

Welfare actually is less than 2 percent of our budget.

Illegitimacy, far from rising due to the United States welfare system, has risen across the board to approximately one third of all births (not just welfare births) in America, France, and England despite different welfare systems and declining welfare benefits in the United States.

True reform that employs recipients and cares for children is likely to cost more in the short run, not less.

In short, the savings proposed in this legislation are unlikely to materialize. The bill would not stop the rise in illegitimacy. And, without a newfound commitment from Governors to fill the gap in child care, children will be worse off.

Furthermore, the basic funding mechanism for this legislation is seriously flawed. Southern States, for a variety of reasons including lack of funds, have built smaller welfare programs as part of the historic Federal-State welfare funding partnership. Now, the legislation before us proposes to end that partnership and provide each State with a frozen level of funding and a requirement to employ 50 percent of recipients. Reasonably, the Federal Government should provide an equal per-child amount to each State under this approach since each State must reach the same target. Instead, this reform bill locks States in at the vastly different historic funding rates:

Federal funding per child

New York	$2036
Rhode Island	2244
Washington	2340
Vermont	2275
Alaska	3248
Massachusetts	2177
South Carolina	393
Alabama	408
Arkansas	375
Mississippi	331
Texas	405

I don't know why southern children are worth so little to our current welfare theorists. There is no reason—indeed, it is offensive—to freeze in place past inequities in the name of forward-looking reform.

Again, South Carolina and Rhode Island will each be given about $100 million per year to run their respective welfare programs, although South Carolina has more than three times as many people. Similarly, South Carolina has slightly more people than Connecticut—3.5 million rather than 3.2 million—but under the Dole plan, the Federal Government will give Connecticut more than twice as much—$247 million yearly instead of $103 million for South Carolina. In effect, the South Carolina taxpayer will chip in a double payment to help Connecticut while struggling to meet an extra burden at home to meet the Federal child care and training targets.

How about Kansas? Kansas has 2.5 million people. South Carolina has 3.5 million people. Despite having a million fewer people, Kansas gets $18 million more than South Carolina from Federal taxpayers over the next 3 years to run its welfare program.

Mr. President, this unfairness has not fazed many of our governors. They want the cash and the control, whether or not the plan will work. I predict that the promises of reform will again prove false, but as before, I endorse the goals. In 1988, I voted to make it possible for States to draw down adequate funding for workfare programs and child care to really reform welfare. We have recently seen a few glimmers of success after that legislation, but only where investments have been made. Similarly, I have voted for a community works progress pilot program to allow communities and welfare recipients to benefit mutually from community improvement jobs.

More importantly, I urge my colleagues to pay attention to the policy areas that are not called welfare, but which in reality, have huge, long-term effects on welfare rolls. Chief among these policy areas are education and job protection.

For instance, over the past 20 years, high school dropouts have become more likely to end up on welfare. Overall, the welfare rate for young adults has risen slightly from 4 percent to 5 percent. However, among the high school dropouts, the rate has nearly doubled, from 9.7 to 17.1 percent. These particular high school dropouts are mostly women, since women and their dependent children make up the vast majority of welfare recipients.

However, a similar economic decline has faced their male counterparts, who generally do not have dependent children who would trigger welfare eligibility. Earnings for black male high-school dropouts fell by half from 1973 to 1989. About one third of all American men aged 25–34 earn too little to raise a family of four out of poverty. And, not surprisingly from the perspective of poor women seeking a mate, poor young men and less than one third as likely to be married. In short, jobs have dried up for the high school dropout, marriage has become less likely than before and the children of their incomplete families are more likely to be on welfare at a lower benefit level.

I urge my colleagues to take note of these facts—the importance of education and livable-wage jobs to preventing welfare dependency—as they work on the related issue of welfare reform. While we pass this reform bill on the Senate floor, recently passed cuts to education are headed for conference with the House. Just as States are taking the initiative to eliminate high school general-track education and replace it with tech prep programs that move graduates into better paying jobs, we are cutting back on the Federal tech prep program that provided leadership and the Carl Perkins vocational education program appropriations that have helped fund implementation. Just as data show that the economic split between college graduates and non-college graduates is widening, we are cutting back on Perkins loans, student incentive grants, and in budget reconciliation, college loans. In short, the data is telling us to go one way on education, but we are going the other way fast and bragging about welfare reform.

Similarly, on trade we have unilaterally disarmed, and in manufacturing we refuse to invest. I have proposed a competitive trade policy, including a competitive restructuring of our tax policy, and have worked to invest in a stronger American manufacturing base.

Mr. President, I do not brag about today's welfare reform legislation. In fact, my favorable vote today is largely an effort to protect the child care improvements I have worked for in the Senate bill as it goes to conference with a less favorable House bill. Furthermore, I support it in the hope that, with welfare off the table, my colleagues will look at the underlying problems that I have outlined and continue to work on improving access to jobs and education.

Mr. HEFLIN. Mr. President, there is no doubt that our current system of welfare needs reforming. Each Member of the Senate knows that severe shortcomings exist in our welfare program and each is sincere in their efforts to solve these problems.

The bill before us highlights block grants as the principal instrument for reform. By folding several programs into a block grant directly to States, the Federal Government will be giving broad authority to the States to run their welfare programs, as well as lump-sum Federal payments to help cover costs. If this is done, the Federal guarantee of cash assistance to all eligible low-income mothers and children will end.

I originally supported the Daschle-Breaux-Mikulski Democratic alternative as the best, most compassionate means of reforming welfare. The Work First reform plan would have changed the current system by: abolishing the AFDC Program and replacing it with a Temporary Employment Assistance Program; establishing the Work First employment block grant for States to get welfare recipients into jobs and to keep them in the work force; and permitting the States to use block grant funds to provide such services as job-placement vouchers, wage subsidy and work supplementation, on-the-job training or other training or education for work preparation to assist recipients in obtaining jobs, and allowing the States to establish all eligibility rules.

Furthermore, it would have increased the Federal matching rate for work-related activities, consolidated child care programs and increased the Federal matching rate to make child care available to all those required to work or prepare for work, and extended Medicaid coverage for an additional 12 months beyond the current 1-year transition period. It would have also required community service for those not working within 6 months. In short, the Democratic plan would have met the basic objective of the Republican plan in terms of allowing for State flexibility.

Its strength was that it provided for much more flexibility on the part of the State governments while also correctly recognizing that arbitrary time-

limits and monetary caps do not meet the test of sound policymaking. The plan which I strongly supported provided for major reforms in the system, but at the same time allowed for the fact that every situation and case is unique, and that arbitrary standards and block-grants are not panaceas for addressing every situation. It is these unique cases and situations that, unfortunately, are not addressed in the Republican plan. These are also the cases and situations which will end up costing the system more in the long-term than under the current system. I still believe this was the best reform plan we could have adopted.

The Dole-Daschle compromise welfare reform legislation, while not as sound as the original Democratic plan, is still a vast improvement over the Republican bill. I still have some objections to certain provisions contained in the measure, but I believe, overall, that the good outweighs the bad. As is the case with virtually any comprehensive omnibus legislation we consider, this test has to be our bottom line: Are there enough positives to offset the negatives? I think the compromise we have struck is a step in the right direction, and an overall positive effort at ending welfare as we know it.

One of the major problems I had with the original Dole bill was its funding formula, which, in my judgment, was somewhat punitive to the Southern States. In essence, it places the very States where most of the welfare population lives at a disadvantage as compared to other regions. The formula in the Graham-Bumpers children's fair share amendment, which was rejected, would have substantially increased poor States' funding for legitimate recipients of welfare. Senator GRAHAM tried again last Friday to alleviate some of the problems with the funding formula by allowing the Secretary of Health and Human Services more discretion in certain funding decisions, but that amendment was also defeated. As with most funding formulas, the figures can be misleading. In any event, I think that any problems that remain can be properly addressed when they appear in the future. There will also be an opportunity for the conference committee to address remaining deficiencies in the funding formula.

The Senate also agreed to a Daschle amendment creating a contingency fund for States during times of economic hardship. The original GOP block grant froze funding for States over the next 5 years, with no consideration for economic or natural disasters. This important provision provides eligible States with the resources necessary to manage unforeseen emergencies that are impossible to predict.

The second major objection I had to the original Republican plan was that it did not provide enough funding for child care for those mothers who will be required to work after 2 years. As Senator MOYNIHAN succinctly put it during the debate on child care, we will either have to pay for child care, or for orphanages.

Senate leaders wisely opted to cover more expenses for child care. Democrats were able to secure an additional $3 billion over 5 years for a total of $8 billion in funding to guarantee the availability of child care for mothers required to work. This is the key to shifting mothers of young children from the welfare rolls to the pay rolls. This major change will assist many mothers and their families to permanently move off of welfare and into the work force.

Welfare reform legislation is among the most important issues we will tackle during this or any other Congress. Our debate over the last couple of weeks has been civil, constructive, and, ultimately and most importantly, productive. We now have a bill before us which is a testament to the Senate and its leadership. In essence, it is a product of the Senate's legislative process working as it was designed to work, and I will vote in favor of this landmark welfare reform measure.

We have seen some hard-fought battles and witnessed significant changes in the original bill after some intense debate and good-faith negotiations between the two sides of the aisle. Each side has made concessions, while holding firm to certain core principles. We have arrived at agreements on several major issues. As a result, we now have a bill that contains stronger work provisions and that is not as harsh on children. While there are undoubtedly problems still remaining in the legislation that will have to be addressed down the road, the Dole-Daschle compromise is an overall positive step for reforming welfare, reducing dependency, and offering a brighter future for millions of American families.

CONTINGENCY FUND ELIGIBILITY TRIGGER

Mr. CONRAD. Mr. President, before we vote on the leadership compromise amendment, I would like to raise a concern about the contingency fund provision. I am concerned that, although included with the best of intentions, the unemployment-rate criteria used to trigger State eligibility has not worked particularly well in the extended unemployment benefits program, and may not be the best measure of State need for contingency fund assistance. I would appreciate the opportunity to work with the Finance Committee to identify another trigger that more effectively accomplishes the purpose of the contingency fund—to provide some degree of protection for States that experience economic downturns, population shifts or natural disasters. I would like to clarify whether the authors of the amendment share my concerns.

Mr. GRAHAM. Mr. President, I share the concerns of the Senator from North Dakota. I, too, am concerned about the ability of State to receive needed assistance from the contingency fund in the event of a recession or some other economic, demographic or natural calamity. I am very interested in the potential for exploring other trigger options in conference.

Mr. DASCHLE. The Senators from North Dakota and Florida have raised a very important issue. I believe this issue should be looked at more closely during conference. The trigger provision in the amendment is identical to the trigger for extended benefits under the unemployment program. I think it's fair to say that few of us are completely comfortable with using that trigger in this context. We clearly need more information than time currently allows before finalizing this issue.

Mr. DOLE. I share the opinion of the Democratic leader. We have every intention of closely examining this issue to ensure the contingency fund provides States with the protection it is intended to provide.

Mr. MOYNIHAN. Mr. President, might I just say that this is an extremely important issue, and requires the attention of the conference committee.

Mr. COHEN. Mr. President, one of the clear messages sent by the voters in last year's elections was that confidence in the Federal Government to solve problems has declined precipitously over the past 20–30 years. As David Broder observed in his Washington Post column, the 1994 elections ''ushered in a fundamental debate about what government should do, and what level of government should do it.''

There is a growing sense that the trend toward more centralized government in Washington should be reversed and that decisionmaking authority should revert back to the State and local levels. Some functions of government, like defense, must be conducted at the Federal level. Other functions, however, may best be left to the States.

Having said that, I believe we have a common and national interest in assuring an effective social safety net for all Americans, regardless of where citizens may reside. So I would not support any effort to completely remove the Federal Government from the welfare system.

Washington does not have all the answers. It is misguided, if not downright arrogant, for us to assume that one-size-fits-all Federal solutions offer better hope than granting more freedom to States to design approaches that address a State's unique set of circumstances.

In considering our welfare system, I think it is useful to distinguish beneficiaries by three major groups.

First, there are those in need of temporary assistance. People who, while they are generally able to support themselves and their families, they have fallen on hard times. Food stamps and other assistance must be there to provide temporary help when unforeseen economic crises occur.

The second group includes those whom most of us would agree cannot

work. These individuals—through no fault of their own, are simply not able to economically provide for themselves. They have disabilities that warrant our compassion not our scorn. The welfare system should be there for them.

The third group consists of people who fall somewhere in between the first and second groups. They have been on and off the welfare rolls for years, yet they do not seem to fit the profile of someone whom most would agree cannot work.

It is this third group that should be the focus of the current welfare debate. The debate has often been extremely polarized. Many on the left are reluctant to vest any sense of personal responsibility in welfare recipients. They view them as unwitting victims of societal injustices, refusing to acknowledge the role that personal behavior may play.

On the other hand, many on the right are reluctant to acknowledge that no person is an island—that each of us thrives or fails to thrive, to some extent, as a result of our environment. Some on the right naively believe that we all have the same opportunities and that a failure to succeed is simply evidence of laziness.

As in most cases, the truth lies somewhere in the middle. We do no one a favor by excusing them of all personal responsibility. But some of the poorest members of our society are born into environments of drugs, crime, and severe poverty. Through government, we have an obligation to try to counter these negative influences.

Unavoidably, a debate about welfare is a debate about values. Richard Price, the author of ''Clockers,'' a book about life in the inner city, said that during his year of living in a New York slum that he wanted to try to understand why some kids worked in McDonald's, earning minimum wage, while some of their peers hustled drugs outside, earning upward of $1,000 a day.

He said the key difference he was able to discern was that the kids working in McDonald's had someone to go home to who offered them hope. For these kids, working at McDonald's was a beginning not an end. The kids dealing drugs, however, had little hope about the future. They sensed that, if they went to work in McDonald's, they would never get out.

According to the author, the corollary to the hope that some homes offered was a sense of expectation that their children would meet certain expectations. They instilled a sense of discipline and a sense of hope that convinced their kids that minimum wage at McDonald's was better than hundreds of dollars in the drug trade.

Parents are the principal source of moral teaching. Regrettably, too many of our young people are growing up without two parents involved in their lives. The correlation between single parenthood and welfare dependency is overwhelming. Ninety-two percent of AFDC families have no father in the home.

Society must also acknowledge the correlation between crime and fatherlessness. Three-quarters of all long-term prisoners grew up without fathers in their homes or active in their lives. When 24 percent of children born today are born to unwed mothers, we cannot avoid this issue if we hope to break the cycle of poverty and crime that permeate some of our communities.

Unfortunately, no one really knows how to counter this trend. For this reason, I do not support efforts to attach a lot of strings to the welfare block grants, including provisions ostensibly designed to curb illegitimacy. It is clear that welfare reform cannot disregard the growing incidence of out-of-wedlock births, teen pregnancy, and absent fathers, but it is also clear that we do not know what will counter this trend. Accordingly, we ought not prescribe a Federal solution that would hamstring the ability of States to try different approaches.

Time will tell how effective States will be in improving our welfare system. To the extent that we clarify what level of government is responsible for welfare, I think we will go a long way to making the system more accountable and thereby more effective.

I support the general thrust of the pending welfare legislation to turn more decisionmaking authority over to the States. Consistency would suggest that we not at the same time put a lot of requirements on States on how and who to spend Federal welfare dollars. I do think that it is important to ensure that States share responsibility with the Federal Government by investing dollars at the State level in welfare programs. For this reason, I think it is important that the block grant provision include a maintenance of effort requirement.

Under current law, States have an incentive to spend their own money on AFDC and related programs. That incentive is the Federal match. Fourteen States receive 1 Federal dollar for each State dollar they invest. The rest of the States receive more than a dollar-for-dollar match.

A maintenance of effort provision continues the incentive for a State to spend its own resources to aid its own people. Understand, however, that the State match does not require a State to spend money. If a State is successful in trimming its costs, there is no requirement that it maintain its spending. But if a State is going to realize savings in its welfare program, I think the Federal Government should share in the savings, too.

I am also concerned about the bind States may find themselves in with respect to child care. Even under the current system of entitlement, there are more than 3,000 children of working parents already waiting to receive child care assistance in Maine. Some of these parents have transitioned off of welfare, others are at risk of going on welfare. The pending legislation has a strong work requirement—States that are not successful in placing 25 percent of recipients in work programs in 1996 will lose 5 percent of their block grant allocation, no questions asked.

The provision for child care services in Senator DOLE's substitute does provide protections for children who are not yet in school by prohibiting States from penalizing mothers who cannot work because there simply is no child care available.

I believe we are addressing my concerns with child care. Last week, the Senate overwhelmingly approved Senator KASSEBAUM's amendment which prohibits the transfer of money from the child care development block grant to activities not associated with child care. The amendment also streamlines the administration of child care programs because States will now be able to operate a unified child care system. No longer will mothers who successfully move off of welfare have to move their children out of a child care facility simply because they are no longer eligible for AFDC.

To give States a shot at meeting the goals of welfare reform, we have now provided States with $3 billion to expand child care services. In the year 2000, States must put 50 percent of their welfare population to work. This means that Maine will have to increase the number of working welfare recipients by 64 percent. Now that we have reached an agreement to realize a smaller amount of overall savings in the short term, in the long term these additional dollars will pay off.

A vivid example of a welfare program run amuck is the SSI Program, which I have investigated over the past several years through my work on the Special Committee on Aging.

Our investigations have discovered that the Federal disability programs, which were intended as a vital safety net for America's most vulnerable citizens—the elderly and the disabled poor—have mushroomed into the largest and fastest growing cash welfare programs in the Federal Government. Despite the huge outlay of taxpayer and social security trust fund dollars, we have paid far little attention to how these benefits are being spent and taken far too little notice of how the disability programs are being abused.

The lax management and rampant abuses in the SSI Program that have come to light through these investigations shocked the public. Drug addicts and alcoholics have been using cash SSI benefits to subsidize and perpetuate their addictions, and many addicts were actually seeking out the SSI Program as a steady source of cash to support their habits. The message of the program has been, ''Stay addicted and you qualify for benefits. But stop drinking or shooting up drugs and the benefits will stop.''

Tragically, these policies have not only drained the Federal Treasury, but

have also been destructive to substance abusers themselves, by rewarding addiction and discouraging, or failing to require, necessary treatment to pave the way to rehabilitation.

Following legislation I introduced to correct these abuses, Congress took swift action to place protections on disability benefits paid to drug addicts and alcoholics. We took the cash out of the hands of the addicts by requiring them to have third parties handle their benefits for them, and made alcoholics and addicts eligible for SSI only if they receive treatment for their addictions. Finally, we imposed a 3 year cut-off of SSI and disability insurance benefits for addicts and alcoholics.

These changes enacted last year removed major incentives for abuse of the SSI Program and encouraged rehabilitation, rather than lifelong dependency.

Another stunning example of abuse of the SSI Program pertains to one of the major areas of growth in the SSI Program, namely, benefits for legal immigrants. Just last week, for example, I released a GAO report finding that the Social Security Administration is not doing enough to crack down on fraud by translators who fraudulently assist legal immigrants qualify for SSI benefits. In one case, a middleman arrested for fraud had helped at least 240 immigrants obtain $7 million in SSI benefits by coaching them on medical symptoms and providing false information on their medical histories. The GAO has identified major weaknesses in how SSA awards SSI benefits to legal immigrants.

While the bill before us will go far in reducing the problem of unchecked benefits to legal immigrants, this will continue to be an area of potential abuse that we must continue to watch carefully.

Fraud and abuse in SSI should not be the only cause for reform of the disability programs. Even more fundamental problems should motivate reform. First, the SSI and disability insurance programs as now structured encourage lifelong dependency, not rehabilitation. The programs return virtually no one to work: Less than 1 person in 1,000 on the SSI-DI rolls gets off the program through the programs' rehabilitation efforts.

We must address the growth of these programs if we are to preserve them for the truly disabled. Persons are getting SSI at younger ages, with very little chance of ever getting off the rolls. The SSA recently estimated that a typical SSI recipient will stay on the rolls for about 11 years, and we are paying out roughly $51,000 in SSI benefits to each new person on the rolls over this period of time. The cost to the Government for each recipient is far higher when Medicaid and food stamps are added to the equation: Recipients can receive total Federal benefits of about $113,000 when these other programs are taken into account.

With dollars this large at stake it is crucial that we do all we can to reform the disability program so that it emphasizes rehabilitation rather than dependency. In reforming this program, our guiding principle must be that we preserve the disability programs for the truly disabled, but that we not remain blind to the very real problems that exist within the SSI Program.

As Marvin Olasky noted in his recent book, ''The Tragedy of American Compassion,'' effective welfare requires the ability to distinguish those who have fallen on hard times and need a helping hand from those who simply refuse to act in a disciplined and responsible manner. When welfare is a Federal entitlement, it is very difficult to make these distinctions. Giving State and local governments more discretion in the welfare system is a step in the right direction.

Block-granting AFDC to the States is not a panacea. A welfare system that has clearer lines of responsibility and accountability will be more effective. But this is not the end of the welfare debate. Hopefully, the legislation we enact this year will make meaningful improvements in the current system. But turning these programs over to the States will not itself fix the problems. Congress and the President must continue to work with States to improve the welfare system to make sure that a safety net is there for those who need it but is denied to those who abuse it.

Mr. SMITH. Mr. President, I rise in support of H.R. 4, the landmark welfare reform legislation that the Senate will be adopting this afternoon.

Mr. President, I call H.R. 4 landmark legislation first and foremost because it ends the 60–year status of welfare as a cash entitlement program. Once this bill becomes law, no person will be able to choose welfare as a way of life. Likewise, no person will be entitled to cash benefits from the Federal Government simply because he or she chooses not to work.

By dramatically cutting the Federal welfare bureaucracy and providing welfare block grants for the States, H.R. 4 recognizes that the best hope for making welfare programs successful lies in shifting major responsibility for their administration to a level of government where innovation and experimentation can flourish. That is a significant step toward reinvigorating federalism in our system of government.

H.R. 4 transforms welfare from a handout that fosters dependency into a temporary helping hand for those who fall on hard times. The bill places a 5–year lifetime limit on receiving welfare benefits. Individuals will be permitted to move on and off of the welfare rolls, but will, after a cumulative total of 5 years, become ineligible for additional benefits.

In return for Government's temporary helping hand, H.R. 4 requires that welfare recipients work for their benefits as soon as their States determine that they are ''work ready.'' If a recipient refuses to report for work, then a pro rata—or greater—reduction in benefits is imposed. In fact, the States may terminate benefits for such recipients if they so choose.

Although I supported amendments to the bill that would have taken stronger steps to reduce the Nation's escalating out-of-wedlock birth rate, H.R. 4 does address that crisis in several very important ways. Most important, the legislation requires that minor mothers who have children out-of-wedlock must stay in school and live under adult supervision in order to receive welfare benefits. In doing so, the bill removes the perverse incentive under current law for a young girl to become pregnant and have a baby in order to receive a welfare check and thus become financially independent of her parents.

Moreover, Mr. President, H.R. 4 permits the States to refuse to give more cash benefits to mothers who have additional children while on welfare. Finally, H.R. 4 provides $75 million to encourage the States to establish abstinence education programs designed to reduce out-of-wedlock births and encourage personal responsibility.

I am also pleased, Mr. President, that H.R. 4 takes a number of steps toward ending the abuse of the welfare system by those legal immigrants who come to America not to go to work, but to go on welfare. H.R. 4 does this by giving the States the option to deny welfare benefits to noncitizens.

Equally important, Mr. President, H.R. 4 requires that, for most means-tested welfare programs, both the income and the assets of a legal immigrant's sponsor are deemed to be those of the noncitizen for a period of 5 years. This ''deeming'' provision is designed to prevent noncitizens from going on welfare. This is good public policy. Noncitizens, after all, remain, by definition, citizens of other countries. If they come to the United States and fall on hard times, they can, quite simply, go home. They should not, in all fairness, expect to be supported by Americans who are not their fellow citizens.

In summary, Mr. President, I commend those among my colleagues in the Senate who have worked long and hard to make this a strong welfare reform bill. I am pleased to support it. I look forward to supporting an even stronger bill when it comes back from the conference committee.

Thank you, Mr. President. I yield the floor.

Mr. BIDEN. Mr. President, this is not the best welfare reform bill that Congress could pass. And, this is not how I would have designed a welfare reform bill. There are, in my view, still some problems with it.

But, I cannot ignore why we are here today. Democrats and Republicans sat down together and came up with a bipartisan compromise.

That is what the American people sent us here to do. Not to bicker. Not to fight. Yes, to have honest disagreements. But, in the end, to sit down and

work out our differences. That is exactly what happened here on welfare reform.

The result of us working together is a dramatically better bill than when we started. Not perfect. But, much, much better. And, it is far superior to the bill passed by the House of Representatives earlier this year.

The welfare bill before us today stresses that welfare recipients work for their benefits—and many will be required to do so.

It limits the amount of time that individuals can spend on welfare—so that welfare is no longer a way of life.

It takes a significant step toward ensuring that innocent children are protected—by providing safe day care while their mothers are working.

And it toughens the child support enforcement laws—so that everyone knows that when they bring a child into this world, they have a responsibility for that child.

These are the general principles that I have previously outlined as the major components that must be included in any welfare reform bill. And, the requirement that welfare recipients work for their benefits is a proposition that I have advocated since 1987.

Nevertheless, as I said a moment ago, this bill is not perfect. The details are not as good as I believe they could—or should—be.

I believe we could have had a bill that was both more compassionate to the children—by ensuring that they are taken care of even if their parents are kicked off of welfare—and also more demanding of the parents—through even stricter work provisions.

And, I still have concerns about the whole concept of block grants to States.

But, as Senator MOYNIHAN stated long ago, we should not let the best be the enemy of the good. This is not the best bill, but it is a better bill. And, I dare say that after the bipartisan agreement, it is a pretty good bill.

Mr. President, I cannot turn my back on the significant improvements that have been made in this proposal. And I cannot turn my back on the good faith bipartisan effort at reforming our welfare system.

So, I will—despite my continued reservations about some aspects of the legislation—vote for this welfare reform bill.

I only hope that this delicate compromise—and not the draconian House bill—is accepted when the bill goes to conference.

Mr. FEINGOLD. Mr. President, I will vote for passage of the welfare reform bill that has been crafted over the past several weeks.

I do so, however, with trepidation over where this reform may lead.

The Senator from New York [Mr. MOYNIHAN] has spoken eloquently on many occasions about the potential consequences of ending over 60 years of Federal commitment to the welfare of children who through no fault of their own have either been born into a life of poverty, or who have fallen into poverty because of family misfortune.

I will vote for this bill because the current system is badly broken, and we must find an alternative to the status quo.

No one likes the current system, least of all the families trapped in an endless cycle of dependency, poverty, and despair. We must change the system and I see this bill as the most moderate measure likely to move forward in the current climate.

The basic premise of this bill rests upon the notion that the current system has failed and that we ought to allow the States the opportunity to try to do a better job, with as much flexibility as possible. This approach places a great deal of faith in the good will of State governments to implement programs designed to help, not punish, needy citizens.

As a former State legislator, I have a good deal of respect for State governments. I am not convinced that the Federal Government always knows best how to handle every problem. Certainly, there are areas—like civil rights—which are national in dimension, which require a consistent, bedrock level of Federal involvement to insure that rights derived from our national constitution are fully protected. But I am not convinced that social policy, welfare policy in particular, must always be controlled from Washington.

I recognize that part of my willingness to try this approach of greater State control is based upon the fact that I come from a State, Wisconsin, which has long been a laboratory for progressive social policy and demonstration programs. I have said on the Senate floor that much of what Wisconsin has tried to do through direct investment in job training programs for welfare recipients makes sense and is designed to help people join the workforce. Some of the policies, like Learnfare and Bridefare, I have voted against because there is little evidence to show that they will have any real impact on helping people move off welfare and into the work force. I have voted against mandatory family caps for the same reason.

Mr. President, I want to reiterate that this is not the kind of bill I would draft if I were the author.

I think it falls far short of what is needed in the areas of child care, job training, and services that will help families become self-sufficient.

Mr. President, the changes made in the bill through the bipartisan leadership amendment make this a more desirable bill than the one we began debating several weeks ago.

This amendment will provide an additional $3 billion for child care services. It includes a maintenance of effort that will require States to spend at least 80 percent of their 1994 level of State funding in order to receive the block grant. Without such a maintenance of effort requirement, Federal dollars would simply replace state contributions, and States like Wisconsin which make a substantial contribution to investing in welfare programs would have simply seen their dollars shifted to States which lack such investments.

The amendment contains a contingency grant fund to help States which run out of money under the block grant because of higher unemployment rates. It provides that up to 20 percent of recipients can be exempted from the 5-year time limitation for welfare assistance—a provision that will allow some flexibility in a provision which might otherwise cause untold hardships. The inclusion of each of these provisions has been critical to my decision to support this bill.

At the same time, the bill still falls far short of what I think needs to be done to achieve real, meaningful change. I believe that the States will be back here within a few short years asking for more Federal dollars to get the job done.

I am also deeply concerned about the provisions of the bill that remove the guaranteed Federal safety net for young children, replacing that 60-year Federal commitment with a system of State block grants which will create a patchwork quilt across this Nation to replace the current Federal commitment.

Many States will continue to provide protections for these children and will work hard to help families move from welfare into the work force. The Senate wisely rejected several efforts to impose the punitive-type provisions contained in the version of welfare reform passed by the other body.

But there will be some States which will exercise the punitive options available under this bill and will opt to impose harsh requirements upon needy families.

These provisions and the lack of national protections for children, wherever they may live, are deeply troubling to me.

But we cannot continue the current system. I am hopeful that many of the States will enact innovative programs, like the New Hope program in Milwaukee, WI, that will provide real opportunities for welfare recipients to become economically self-sufficient members of the work force.

This bill will give the States the opportunity to demonstrate whether they are willing to make the kinds of investments that will promote this self-sufficiency, rather than serve simply to punish those who fall through the system.

As I said at the outset, I am voting for this bill because I am not convinced that welfare policy can only be made in Washington, DC. I think the problems of welfare policy are so complex and difficult that it is a mistake to believe that there is only one approach. This bill will encourage State experimentation which may well lead to better policy development over the long period.

I believe that the vote being cast today is either for or against the status quo, and I do not support the status quo.

Although I will vote for the Senate bill, I want to make it very clear that I will not support a conference report that contains the kinds of punitive, harsh measures contained in the welfare reform bill proposed by the other body. I hope that the bill that emerges from conference will reflect the moderate efforts that went into the Senate bill.

Mr. BINGAMAN. Mr. President, in my home State of New Mexico and across the country, agreement is virtually unanimous: it is time to reform our Nation's welfare system.

The current system is not working as well or as efficiently as it could. The many State waivers already approved by the Secretary of Health and Human Services are compelling evidence that the current system is incapable of meeting the wide variety of differing needs across our country.

We need a system that is less costly; more efficient; and truly capable of moving people permanently from welfare to work. Most important, we need a system that gives States the flexibility they need to fund and operate programs specifically tailored to meet the needs of their citizens.

But as we move toward reform, we must do so carefully and thoughtfully. We need to fully understand the ramifications of our actions, and we need clear, measurable goals.

As we prepare to vote on final passage of welfare reform legislation, I would like to take a few moments to talk about effective goals and objectives for reform and to discuss how the majority leader's Work Opportunity Act and the Democratic Leader's Work First Act meet these goals. I would also like to discuss three critical differences in the two bills and the effect of these differences on my home State of New Mexico.

Recently, I read a book on homelessness in America, ''The Visible Poor'' by Joseph Blau. One of the statistics in the book that made a significant impression on me was that something like one-third of all the homeless people in this country are working Americans.

These Americans are doing everything we ask, and they still do not have the resources to afford basic housing.

Joseph Blau attributes this phenomena to several factors. One is the sorry state of our economy, and the fact that the minimum wage is not really a living wage in this country.

Many Americans are facing a declining standard of living. This has the obvious effect of forcing people to allocate a larger percentage of their income to the basic necessities; and when all of their income is not enough, to relinquish adequate housing in favor of food.

The declining standard of living in America also has the effect of exerting downward pressure on our social safety net.

I think all of us agree with the principle that work has to be rewarded. Working should pay more than not working.

For most of American history, when our living standards were on the rise, this philosophy did not conflict with ensuring that everyone in this Nation had the basic necessities of life. It was quite possible to help some people in need to obtain food, housing, and clothing without violating the premise that those who were working should have a better life. We did not create the perfect social safety net, but we did the best we could to ensure that the poorest among us—especially children, who are the most vulnerable members of any society—had the basics of life.

Today, however, when our economic living standard is in decline, some think the way to ensure that working pays more than not working is to take away from those who are not in the system.

In other words, the argument is that if our Nation is confronted with a situation where a person can work and still not be able to afford a place to sleep, then to correct this problem, we need to remove any benefits that would have enabled those outside the employment system to have a place to sleep.

Rather than making sure that those who work have a standard of living we can be proud of, we find ourselves taking away from the most vulnerable in society to make sure that those who work at least can find someone worse off in this Nation.

I believe a saner approach is to make sure that everyone who works for a living in this Nation gets a decent living. This approach ensures that everyone who can work has the right incentives to do so, and that we do not have to literally take food and shelter from children to ensure that those who work are receiving more than those who do not.

I hope that in the future, the Senate will engage on a debate on how to raise the rewards of working, through increasing the minimum wage, keeping the earned income tax credit, improving job training, and creating a national strategy on competitiveness. That would be an excellent policy debate.

In the meantime, however, it appears that we must first fight to ensure that we do not force more people who are on public assistance to the streets so that to work becomes relatively attractive.

I believe the scope of the compromise amendment worked out by the Democratic and Republican leadership is limited to this basic issue. The agreement should not be characterized as a significant step forward in the effort to reform and improve our Nation's welfare system.

The agreement simply will help prevent us from taking too many steps backward.

The compromise we are voting on today will enable States to get more unemployed parents into the work force because it will help make affordable child care more accessible for some. Not all families in need will be covered under the compromise, but a number parents in each State will be able to move from welfare to work.

If the Senate votes today to reject the compromise amendment, in favor of the majority leader's bill, there is no question but that a substantial number of families, a growing percentage of the homeless already, will be forced onto the streets.

If we vote to accept the compromise amendment, we will lessen the blow to some, but not all, of these families. Throughout the welfare reform debate, I have been concerned about the effect of a massive overhaul of our public assistance programs on these families, and the working Americans who are hanging on to the economic ladder just one rung above them.

I am not saying that change is not needed. Some change is clearly needed. But in making changes, the Congress and the American people need to be aware of the degree to which these issues and programs are interconnected.

We need to understand the ripple effect of changing one, or two, or three Federal programs. If one nutrition program is eliminated or consolidated, are more working Americans going to have to make a choice between food and housing?

Of particular concern to me is the ripple effect in New Mexico: What does block-granting vital domestic programs mean to New Mexico's children?

What does it mean to New Mexico's poor working families who can just barely make ends meet today?

How are we going to guarantee that the basic needs of New Mexico's poor working families are met?

How are we going to guarantee that poor, rural States like New Mexico are not left with disproportionate and unmanageable financial and administrative burdens?

In seeking answers to these and other questions, I have reached the conclusion that the chief goals of welfare reform should be to create a system that encourages—and demands—personal responsibility and that helps people become self-sufficient, productive members of our society and workforce.

To reach these goal, I believe we need a system focussed on education and on building the skills they will need to compete in the global marketplace of the 21st century. Four key components of an education-oriented system are: First, a strong public education system that includes training for adults, and, in particular, parents; second, affordable, accessible child care; third, affordable, accessible primary and preventive health care, including nutrition programs such as child care food assistance, and school lunch and breakfast programs; and fourth, real opportunities to earn a wage that allows working families to maintain a decent standard of living.

I do not believe the Republican leadership's Work Opportunity Act will help us reach these goals. In fact, I believe the block grants contained in the Republican bill take us in the wrong direction and lead us away from our goals.

Reducing essential funding and lumping many important social service programs into a few omnibus block grants, without any assurance of accountability or continuity among the states simply is not be the best way to reach our goals.

Instead, we in the Congress need to work together with three objectives in mind: First, to enact well-considered, effective, and fair legislation where needed; second, to consolidate, coordinate, or eliminate duplicative or outdated programs; and third, to support and improve those Federal programs with proven track records of success, such as child care programs, the school lunch program, and the child care nutrition program.

In my view, these three objectives are at the core of the Democratic leader's Work First welfare reform plan, which I am pleased to cosponsor.

The Work First plan recognizes the need for a Federal partnership role in helping States and individuals gain the tools and skills—education, effective job training, and child care—they need to become productive, contributing members of society. The Republican bill does not.

The Democratic and Republican plans differ significantly in three key areas: First, commitment to work; second, commitment to child care; and third, commitment to States and American families in general.

The top priority of the Democratic leader's plan is to move people from welfare to work. In fact, under the plan, welfare recipients must either go to work or enroll in school or job training within 6 months or sooner. To help meet these stringent work requirements, the Democratic bill helps States fund the education and training programs they will need. States will submit detailed plans for program implementation, so progress toward goals can be measured, but the states will have a great deal of flexibility in designing programs.

The majority leader's Work Opportunity Act also sets up work requirements, but it does not fund them. Instead, the bill shifts AFDC, Emergency Assistance, and transitional and at-risk child care into a single block grant to the States; then it freezes the annual funding for the total block grant at the fiscal year 1994 level—$16.7 billion—for the next few years.

If the Senate leadership's compromise is adopted, and additional $3 billion in funding for work-related child care, above the fiscal year 1994 level, will be available over the next 5 years.

Because the work requirements under the Republican plan are mandatory, many believe the bill essentially amounts to an unfunded mandate of more than $23 billion over 7 years.

In my home State of New Mexico, the unfunded work mandate totals $161 million over 7 years.

As I understand it, the compromise agreement addresses a portion of the burden of this State mandate by allowing States, at their option, to require that single parents with children age 5 and under work 20 hours per week, as opposed to 35 hours under Senator Dole's bill.

A key difference in the two bills, which is addressed in the compromise, involves child care. Both the Democratic bill and the compromise recognize that the No. 1 barrier to work for most parents is lack of child care.

The Democratic bill would ensure that child care is available for all welfare recipients who are working. The Senate leadership's compromise would help ensure that child care is available for many welfare recipients who are working.

In my view, this is a key difference between the Republican and Democratic bills—under the Dole plan, child care is not required or ensured. Existing Federal programs are simply lumped into an omnibus block grant to the States.

Under the Democratic bill, access to child care is real. No parent will be able to use inability to find child care as an excuse for not finding work. Under the compromise, child care is not guaranteed, but it is more likely to be available. In addition to the overall increase in funding, $3 billion over 5 years, the compromise stipulates that funding will be distributed at the Medicaid match rate to those States that agree to maintain funding for at-risk child care programs.

Despite the improvements that the leadership compromise would make to the majority leader's legislation, the Democratic and Republican proposals remain dramatically different in their fundamental commitment to the States and American families. The foundation of the democratic plan is an individual entitlement to American children and families. The foundation of the Republican plan—and the Senate leadership's compromise—is a block grant to the State.

Why is this distinction important, particularly in light of the increased funding under the compromise?

It is important, especially to poor families and poor States, because an individual entitlement is an unbreakable promise made by the Federal Government to its States and its citizens that in times of need, assistance will be there.

Now, I want to make clear: this is not unconditional assistance. This is not a give away. Always, assistance will be contingent on certain requirements, such as job training, completing school, or seeking employment.

Consistent with the Democratic bill's focus on work, the entitlement has a 5-year time limit, with exceptions for children. In addition, it is dependent on the signing of a parent empowerment contract, stating a participant's commitment to finding a job. No aid is provided unless a contract is signed, and penalties will be applied to those who violate the terms of their contract.

On the other hand, the majority leader's plan and the leadership compromise are based on block grants. These are fixed amounts of money given to the States with little or no requirement for accountability, either to taxpayers or the State's citizens, and with no assurance of continuity among State programs unless amendments offered and accepted during the floor debate are retained in conference.

The real problem is that the block grant may or may not be sufficient in times of need. When a State runs out of money, it runs out of money. Help simply will not be available to eligible, needy children and their families unless State and local taxpayers pick up the tab.

To help alleviate this situation, the compromise includes a $1 billion contingency grant fund, which States could use—so long as they meet certain matching requirements—in fiscal emergencies.

According to the information and statistics I have, my home State of New Mexico could be one of the first to apply for such a grant.

Under the Republican leadership's plan, an additional 14,400 jobs for welfare recipients would be needed in New Mexico by 2000, or the State would be assessed a 5 percent penalty in reduced Federal funding. Now, 14,400 new jobs may not sound like a high figure when compared to States like Texas or California, which must add more than 116,000 and 358,000 jobs to their economies respectively. But in a poor, rural State like New Mexico, 14,400 new jobs is a significant number—it represents a required increase in the State's current welfare-related work participation rate of 123 percent. And it represents an increased cost to the State of $13 million in fiscal year 2000 alone.

Directly tied to the increased work requirements are increases in the number of families needing child care.

In fiscal year 1994, about 2,970 children in New Mexico received AFDC/JOBS-related child care. Based on the Republican plan's work requirements, the number of children needing AFDC/JOBS-related care would grow to at least 4,720 by 2000. This represents an increase of 159 percent, and an increased cost of at least $23 million in fiscal year 2000.

Yet, the Republican plan does not provide any additional funding to cover the child care needs of these families. As a portion of the new temporary assistance block grant, the plan freezes funding for AFDC/JOBS child care at the fiscal year 1994 level.

The Senate leadership's compromise is only slightly better. It would make an additional $3 billion available over the next 5 years. When the additional

funding is divided between the 50 States and spread over 5 years, the significance of the compromise tends to diminish. Fortunately from New Mexico's perspective, this additional funding would be drawn down by the States at the Medicaid match rate.

Mr. President, let me just review the costs to New Mexico of the increased work requirements and related child care expenses. Estimates are that by 2000, New Mexico would have to spend: $13 million more for work-related operating costs, $23 million more in child care costs. In total, from fiscal year 1996 to fiscal year 2000, $115 million increase.

These two costs represents 40 percent of New Mexico's total block grant, leaving only 60 percent to cover cash assistance and other programs. If this is insufficient, as it would be if benefit levels remained where they are today, the State will have no option but to greatly reduce benefits, deny eligibility to many families, or spend much more than it does today in State funds.

Based on current law projections, by 2005, 72,000 New Mexican children would be eligible for AFDC benefits. Under the Republican plan, which would strip parents—and their children—of all AFDC benefits after 60 months, 19,000 children—or 26 percent of all recipients—in New Mexico would be denied benefits.

Further, the State could decide to maximize its Federal funds by implementing various penalties available as options under the Republican plan. Each penalty denies more children benefits:

Children denied family cap: 12,000 if the family cap is added back in conference.

Children denied birth to unwed teen: 320.

Children denied family benefits for 24 months: 36,673.

Today, we are debating the wisdom of block granting essential safety net programs. The block grants would be authorized for the fiscal years 1996 to 2000. Because we cannot project with certainty the economic and employment situations of each State in future years, or whether migration among States will be more or less significant than it is today, or a variety of other factors, we cannot precisely project the actual degree of harm one State may endure under a fixed formula for block grants.

Mr. President, earlier in my remarks I said it was critical that we in the Senate work together, in a bipartisan matter, to enact real, goal-oriented welfare reform. I believe the compromise amendment worked out by the Senate leadership represents a step—albeit a small step—in that direction.

I will support the compromise, and despite some serious misgivings, I will vote to pass the underlying bill. However, I remain deeply concerned that in the rush to cut spending and send a message to the American people, the very people who need our compassion and assistance the most—vulnerable children and their families—could be the most gravely hurt.

In closing, I urge my colleagues who will take this bill to conference with the House to approach their deliberations carefully and thoughtfully.

Without question, we need to better coordinate our public assistance programs; we need to streamline many of them; but we cannot do so in a way that threatens the health and well-being of New Mexico's—or any State's—children and their families.

Mr. DORGAN. Mr. President, I intend to support this welfare reform bill and advance it to a conference with the U.S. House of Representatives. I do so even though I have some real problems with some provisions. Despite my concerns, I think it is important to move this legislation forward.

Mr. President, there is broad consensus in this country that the current welfare system serves no one well—not the recipients, not their children, not the American taxpayer. It fails both the people who need help and the working people who are paying for it. It has trapped all too many people, especially women, into a lifetime of dependency instead of helping them on a temporary basis to get on their feet and into the labor force. Sadly, the children of long-term welfare recipients all too often suffer irreparable harm and are likely to remain poor and disadvantaged for the rest of their lives.

Mr. President, the American people want us to overhaul a system which they perceive to be one that encourages dependency rather than one which encourages work. They see the current system as inefficient, unproductive, and a waste of their hard-earned tax dollars. They want a system that demands responsibility and accountability—a system where able-bodied individuals are required to work for their benefits. That is why we are here today.

But the American people are also compassionate. They do not want innocent children punished for the behavior of their parents. They expect us to protect poor and vulnerable children. And that is the most serious flaw in the legislation before us—innocent children are not guaranteed protection. The bill before us today does not guarantee that the children of parents who violate the rules or are removed from the rolls because of they have exceeded the time limits for benefits are protected.

I think we have a moral responsibility for these children. They ought not to be punished for the mistakes of their parents. There ought to be a safety net in this bill to ensure their protection. There is not. If this egregious hole in the social safety net is not remedied by the conference committee, I will have great difficulty supporting the final package. I am not willing to gamble with the life of one child in welfare reform.

Despite my very serious concerns about the impact this legislation will have on innocent children, the bill we are considering today is a vast improvement over the bill that emerged from the Finance Committee this spring. With bipartisan support, a number of the most serious flaws in the original legislation were corrected.

Nevertheless, I remain concerned about the block grant, no-strings-attached approach to welfare reform. I am especially concerned that the block grant funding levels are frozen for a 5-year period. In my view, that is a dangerous experiment. And it is an experiment that could impact the lives of 10 million children.

If a cash assistance welfare block grant had been enacted in fiscal year 1990, an historical analysis by the Department of Health and Human Services concludes that States would have received 29 percent less funding in fiscal year 1994 than they would have received under current law? If States do not have enough money to meet needs, what do we expect them to do? Surely, they will not raise taxes. What they will be inclined to do is establish more stringent eligibility criteria and reduce benefit levels to make ends meet. And who could suffer? Poor and vulnerable kids.

So let me repeat. I have serious reservations about the block grant concept. But a majority of Members of Congress seem to like the idea, and most governors relish it. We will not know the results of this block grant experiment for a number of years. Only then will be know for certain if it has been a wise or foolish undertaking.

Every expert agrees that lack of adequate child care is the No. 1 barrier in moving individuals from welfare to work. It is the linchpin for successful welfare reform. Yet, as originally proposed, not 1 dollar of the block grant was earmarked for child care. Under the compromise offered by Senators DOLE and DASCHLE, $5 billion of the block grant was earmarked for child care and an additional $3 billion was added to that pot. While the $8 billion funding level is still well short of the estimated need, it is a step in the right direction. Without this commitment to child care, the welfare reform effort was doomed to failure. If the final package does not contain this commitment to child care, I simply cannot support it.

Other modifications to the original Republican proposal were important to garnering my vote in support of this measure. First, mothers with children under age one will not be forced to go to work to receive benefits. Second, single mothers with children under age 5 will be exempt from the 5 year time limit if no child care is available. In other words, the 5-year clock will not begin ticking for these mothers if States do not make child care available to them. This makes eminent good sense. The last thing we should want to do is create a situation where young children will be left home alone. That is irresponsible. And that was exactly

the scenario we were creating under the original proposal.

Finally, States will be given the option of not requiring single mothers with children under age 5 from working more than 20 hours a week. Giving mothers the ability to stay at home and nurture their children during the most formative years is the right thing to do.

These three improvements were crucial components in my decision to support this bill, and they must be retained in conference or I intend to oppose the final measure.

Shortly before final passage, the Senate finally agreed to include a maintenance of effort provision. As originally crafted, this bill did not require states to contribute one red cent of their own money for welfare reform. Under current law, states contributions constitute about 45 percent of total welfare expenditures. Think about that. Without a maintenance of effort provision, the pot of welfare money could have been reduced by almost half overnight. That was unconscionable in my view. Welfare has always been a State-Federal partnership. That partnership should be retained. The compromise agreement requires States to contribute at least 80 percent of the money they spent on welfare in 1994 in order to be eligible for their block grant money. While I would have preferred a 100 percent requirement, I can live with this percentage. This State maintenance of effort requirement must be retained by the conference committee. It is the right and fair thing to do.

Lastly, Mr. President, the compromise included a provision to address the crisis of teen pregnancy. Seventy percent of teen mothers are not married, and that percentage has escalated each year for the past two decades. If we do not get a handle on this problem, all our good efforts for welfare reform could prove to be in vain.

Too many unmarried teens are becoming parents, and too few are able to responsibly care for their children either emotionally or financially. The result: the child is deprived of a fair start in life, and the mother will very likely be doomed to a lifetime of poverty. No welfare reform effort can succeed without addressing this problem.

The compromise that was agreed to last week included a provision on teen pregnancy that was part of the Democratic plan. It is a good provision. It will establish second chance homes where unmarried teen parents can live in adult-supervised homes where they will receive the support and guidance they need to finish school and become successful parents and productive citizens. This provision ought to be enthusiastically embraced by the conference committee.

Mr. President, the original Republican plan for welfare reform has been significantly improved with the adoption of some very important bipartisan amendments. I commend the leadership of both parties for working together to make these changes. And I hope the bill will be further improved by the conference committee. If the final bill does not guarantee that innocent children are protected, however, I will have great difficulty in supporting it.

Mr. GRAHAM. Today, we will vote on final passage of S. 1120, the so-called Work Opportunity Act of 1995, better known as welfare reform.

During the robust Senate debate on welfare reform, I have been a critic and a skeptic about the fundamental fairness and the workability of the legislation advanced by our majority leader, Senator DOLE.

I have also watched this bill improve with time, and I remain hopeful that progress will continue through the conference process.

I remain hopeful because I have an abiding, underlying interest in achieving genuine welfare reform because I know the current system does not work.

The incentives in the current system are in all of the wrong places and trap individuals into welfare dependency. For so many Floridians on welfare, it pays to stay there instead of to work.

Why? Because without day care you can not train to get a job that pays a living wage. Without transitional, subsidized day care it is difficult to make ends meet when you first go back to work. And, finally, without some form of health insurance, a sick child in the house, is reason enough to stay at home and to stay on welfare.

That is the failed system that we have today in America. That is what we seek to discard today.

But we must make sure that the new system we are contemplating today is not a patchwork of slogans and wishful thinking, but instead a meaningful attempt to provide temporary assistance to families in need until they can return to the work force quickly.

Mr. President, you cannot just wish away the children on welfare while you deal with the adults who receive the welfare checks.

We must remind ourselves that children comprise almost 70 percent of the number of welfare beneficiaries. It is for the children that the old system was built, and in so many cases that system has failed them.

As we construct a new system, we must look at the real needs of the children: quality and available child care is a critical need.

I spoke earlier of the recent efforts which have been made to improve S. 1120. I would be remiss if I did not commend the leadership on both sides of the aisle, and also Senator DODD who helped lead the charge, for the improvements in the child care provisions from the original bill.

The additional $3 billion in funds for child care represents meaningful progress in the movement toward true welfare reform.

We know very well from our experiences in Florida that you can not get a mother back to work if her children have no place to go during the work day.

The old system forced a woman to choose between her children and work, and an enhanced Federal investment in subsidized child care can allow her to address both concerns. That is what the $3 billion Federal investment is intended to buy.

But before we celebrate these advances in the funding levels for child care, we need to look at the cold realities facing the families who comprise the so-called working poor.

Today in Florida, there is a waiting list of 25,000 children who are seeking subsidized day care. This number is not even representative of the actual unmet need when those who do not bother to add their names to this gargantuan list are considered.

Because Florida has taken steps the last several years to invest more dollars into its child care system, the amount of Federal dollars that will go to Florida due to the additional $3 billion in this bill, will barely maintain Florida where it is today.

This new money will actually only assist Florida to the point that it does not have to cut back on its subsidized day care program. Today Florida is investing in child care well beyond the 1994 spending base upon which S. 1120 is predicated.

Further, I think every Member of the Senate should pause and contemplate the effect the new work requirements will have on the availability of subsidized child care for the working poor.

In Florida, of the total child care pie, about half of it goes to the children of the working poor, primarily through the child care development block grant and the social services block grant programs.

S. 1120 imposes a requirement that 25 percent of all welfare recipients must be working in the first year, and 50 percent by the year 2000. Therefore, the States will be under extreme pressure to move all eligible welfare families to the front of the line for day care, at the expense of the working poor families presently enrolled.

The numbers speak for themselves, and currently Florida is barely half way toward that goal of 25 percent employment.

As the conferees wrestle with the issues of maintenance of effort, work requirements and State flexibility, they need to focus on this important child care trade-off.

This is not the time for shell games, moving some people off welfare and into work, while forcing others on welfare because we have withdrawn child care help from them. For a working poor family trying to make ends meet, the approximately $300 a month per child in day care in Florida can be a budget buster.

Mr. President, I want welfare reform. The people of Florida want welfare reform. The people of America want welfare reform.

For that reason, I am voting for this bill, with reservations. I am voting for this bill to keep this legislative process alive, with the hope that the bill will be improved when we vote on the conference report.

I would rather support this bill and keep this process moving, than vote no and kill any chance of welfare reform this year.

With that premise stated, I want to outline two key reservations about this bill:

First, The fundamental inequity of distributing resources under the proposed block grants to States.

Under this legislation, we would divide Federal resources based on spending patterns in 1994. This arbitrary method would lock in current inequities, would disadvantage growth States, would be difficult to change once its in place, and would set a troubling precedent for our upcoming decisions on Medicaid.

In the past, the Federal welfare allocation to States has varied from State to State due to the local match incentive. If a State put more funds into the welfare system, it got more funds from Washington.

By using 1994 as the baseline for future allocations, we would perpetuate wide disparities among States. On a per-child basis, some States would receive five or six times the amount received by less-affluent States.

These stark disparities raise fundamental questions of fairness which I am hopeful the conference committee will address.

Second, My second reservation about this bill deals with its unfair treatment of legal immigrants.

Mr. President, most people of this Nation trace their heritage to somewhere else. My family came here from Scotland.

This Nation has benefited from a long tradition of legal immigration. Let me repeat: Legal immigration.

We set out rules and expectations for legal immigrants to become citizens. Under this bill, we are saying to legal immigrants who have followed the rules that we are going to change the rules, retroactively, on their way to citizenship.

Again, this raises fundamental questions of fairness.

Denying benefits to legal immigrants would unfairly impact certain communities in this Nation that have attracted a large number of newcomers.

I will leave for another day the discussion over how Florida currently picks up the Federal tab for illegal immigration, to the tune of hundreds of millions of dollars each year.

Permit me to focus on the dollars that are spent today for legal immigrants. In Florida in November, 1994, there were 34,224 legal immigrants on the welfare rolls, and 149,732 on the food stamp rolls. The estimated annual costs associated with these groups are $39 million and $133.5 million, respectively. In addition, Medicaid costs for legal immigrants in Florida in 1994 was greater than either AFDC or food stamps.

This represents a substantial sum of money which Florida spends and which Florida might be asked to absorb under certain versions of this welfare reform legislation.

This is a significant issue which must be addressed in conference.

Furthermore, changing the rules for legal immigrants would be unfair to the newest Americans. I am particularly concerned about access to education.

One of the great principles of America, that has bound us together as a diverse people and provided a foundation for the American Dream, is access to education.

I implore my colleagues to consider the impact of this legislation on students. At Miami-Dade Community College, an estimated 8,000 students could lose financial aid.

Is that the type of message we want to send to tomorrow's citizens, that the door to education is closed to you in the name of welfare reform?

I am hopeful that the House-Senate conference can work to remedy this inequity in the overall bill. In part, I base my hope on public comments made by Majority Leader Bob DOLE, who visited Florida last weekend.

Senator DOLE said he would prefer more flexibility on the issue of providing benefits to legal immigrants.

The Gainesville Sun, on Sunday September 17, reported Senator DOLE's views as follows:

> Dole later said he supported giving some benefits to legal immigrants and said the amendment would be reviewed when the welfare package goes to conference committee.

I am pleased that the majority leader has not closed the door on changes to the portion of this bill that deals with treatment of legal immigrants.

I look forward to reviewing the product of the conference committee with the hope that my concerns about fairness will be addressed.

Mr. GRAMS. Mr. President, I rise to commend my colleagues for the honest debate which has produced the legislation we will vote on later today . . . legislation which takes a solid step toward fixing our badly broken welfare system. Both sides have put forth credible arguments, and more often than not we've been able to work together to find common ground.

Yes, we may disagree on many of the details of this compromise legislation . . . but we all agree that the welfare system is in desperate need of an immediate overhaul.

These facts are clear and indisputable: today, one American child in seven is being raised on welfare . . . one in three children is now born out of wedlock. And despite the $5.4 trillion taxpayer dollars we have funneled into the welfare system over the last 30 years, the poverty level has remained nearly the same.

Three years ago, during his presidential campaign, President Clinton promised the American people that he would ''end welfare as we know it.'' Since then, however—even though his party controlled both the House and Senate—the welfare system remained untouched. Today, less than one year after Republicans gained control of both Chambers, we are on the verge of passing legislation to dramatically reform a welfare system which has too often entrapped both welfare recipients . . . and the taxpayers who subsidize them.

At the heart of our legislation is the strong message from this Senate that the days of welfare without work are over.

The American taxpayers are fed up, Mr. President. They go to work every day—both spouses, more often than not—and struggle to make ends meet while trying to carve out a better life for themselves and their families. They make a combined average income of $47,000 . . . but hand over more than a third of that to the Federal Government. And when they see those precious tax dollars going to support welfare recipients who simply refuse to work . . . well, they have every right to be furious.

The taxpayers of this country have always been generous . . . but nobody likes to be taken for a fool.

The ''pay for performance'' provisions of this welfare reform legislation offered by myself and Senator SHELBY are intended to put accountability into the system. If a welfare recipient wants a federal check, all we ask is that they start making a contribution to society . . . to their own future . . . by working for that money.

It is hardly a revolutionary concept. Every taxpayer in the Nation does the very same thing.

I am proud that this bill incorporates a second amendment of mine to further strengthen its work requirements. This amendment permits states—for the purpose of meeting their work participation rate—to count no more than 25% of their welfare caseload as ''working'' if they are enrolled in vocational education.

Without my amendment, the work requirements in this bill could be circumvented by substituting vocational education for actual time spent on the job. It is already happening in many states, where officials are avoiding the work requirements of the 1988 ''Family Self-Sufficiency Act'' by counting voced programs as work.

Let me make this clear, Mr. President—work does not mean sitting in a classroom. Work means work.

Any farm kid who rises before dawn for the daily chores can tell you that. Ask any of my brothers and sisters what ''work'' meant on our family's dairy farm. It didn't mean sitting on a stool in the barn, reading a book about how to milk a cow. ''Work'' meant milking cows.

Now, I am not opposed to vocational education. Not every voc-ed program can be considered a success, but we are

fortunate to have a number of effective programs operating in Minnesota . . . and we need to continue to give these kinds of efforts a chance.

But my neighbors back home are tired of sending other people's kids through school. They are struggling to send their own children to school. They want this government to reflect their values—hard work, respect, personal responsibility, and accountability.

It sometimes seems that the work ethic upon which this Nation was founded has gotten a little dusty. For example, experts say that less than one percent of the adults who receive welfare benefits are currently engaged in real work. That is a sharp departure from the past: during the Great Depression, welfare beneficiaries were expected to work for the assistance they received through federal programs such as the Civilian Conservation Corp and the Work Progress Administration.

What has changed?

Mr. President, the government has become the first call for help. But what we too often forget is that the government is funded by other people's money . . . and should be the last call for help.

One leading welfare expert sums it up quite clearly: ''In welfare, as in most other things, you get what you pay for. By undermining the work ethic, the welfare system generates its own clientele. The more that is spent, the more people in apparent need of aid who appear.''

What is most troubling of all is that because there are no incentives to move themselves off welfare and into the workforce, too many welfare mothers and fathers have given up the search for that better life. And the taxpayers who foot the bill feel powerless, too.

Mr. President, if we ever want welfare recipients to become self-sufficient, we must begin holding them to the same standards that apply to the taxpayers. How can we ever expect welfare beneficiaries to lift themselves up if we continue to ask less of them than we do of every other productive, taxpaying American citizen?

By allowing states to count 25% of their welfare caseload as ''working'' if they are engaged in vocational education, my amendment closes a gaping loophole . . . strengthens the work requirement . . . and gives states the flexibility to continue successful vocational education programs, while recognizing there is no substitute for work. Most importantly, this amendment moves welfare recipients a bit closer toward self-sufficiency.

Mr. President, the Majority Leader's welfare reform legislation is a serious first step toward fixing our fractured welfare system. While I am pleased that both of my tough work amendments were included in this final bill, I recognize that we still have a ways to go before we can say we've truly conquered the welfare problem.

Many important provisions which were not included in the Senate bill will be addressed by the House-Senate Conference Committee. I look forward to the Senate's consideration of the conference report . . . which I hope truly will end welfare as we know it. That is what we promised the American people, and that is what we must deliver.

''Far and away the best prize that life offers is the chance to work hard at work worth doing,'' said Theodore Roosevelt.

I urge my colleagues to hear those words and give this bipartisan legislation their support. It is good for welfare families . . . it is good for the taxpayers . . . and it is good government.

Mrs. BOXER. Mr. President, I have decided to vote for the Senate's welfare reform bill because I believe a bipartisan consensus has greatly improved it.

First child care to job training, to going after deadbeat parents—this Senate bill has moved in the appropriate direction.

I strongly oppose the House bill and believe that a strong vote going into the conference committee is essential.

I must state, however, that it is unfortunate to see the National Government backing away from a responsibility toward our Nation's children—a responsibility embraced by the Democratic alternative which was tougher on work and more compassionate toward children. I will work in the future for adoption of that kind of commonsense welfare reform.

Mr. LEVIN. Mr. President, I will vote for the compromise welfare reform bill which is before the Senate.

The Nation's welfare system does not serve the Nation well. It is broken in a number of places. It has failed the children it is intended to protect. It has failed the American taxpayer.

The compromise bill before us represents a bipartisan and constructive effort. Meaningful reform should protect children and establish the principle that able-bodied people work. Also, it would tighten child support enforcement laws and be more effective in getting fathers to support their children.

Additional funding has been included to assure that more child care resources will be available for children as single parents make the transition into work. This is a significant improvement in the bill and strengthens the work requirement because it better assures that States can effectively move people into job training, private sector employment, and community service jobs.

A provision has been added to strengthen the requirement on States to assure that they will take more responsibility and maintain their ongoing contribution to the welfare program.

The compromise adds a $1 billion contingency fund to provide for assistance to the States in economic emergency situations. The establish of such a provision is very important. As responsibility is shifted to the States and a block grant provided, it is critically important that there is some flexibility in the event of a recession or other economic crisis. I am particularly concerned about working people who lose their jobs and have exhausted their unemployment insurance benefits. Tens of thousands of such individuals are currently on welfare in my home State of Michigan. Such working people need the assurance of the safety net. I am also concerned that adequate contingency funds be available to protect children during periods of economic hardship. The contingency fund is a step toward such flexibility. I doubt that $1 billion will prove to be adequate, but Congress can revisit that issue in the future.

I am particularly pleased that the compromise bill contains my amendment which strengthens the work requirement in the bill.

The original Dole legislation required recipients to work within 2 years of receipt of benefits. My amendment, in its final version, adds a provision which requires that unless an able-bodied person is in a private sector job, school, or job training, the State must offer, and the recipient must accept, a community service employment within 3 months of receipt of benefits. In order to obtain its passage, it was necessary to include a provision which gives the States the flexibility to opt out of the requirement. However, I hope and expect that pressure from the American people, who overwhelmingly support strong work requirements, will convince their States to enforce the provision and not opt out.

Mr. President, this welfare reform bill is a positive step in the effort to get people, now on welfare, into jobs. It is a significant improvement over the original proposal put before us. It is stronger on work. It better protects children. It cracks down on parents who do not meet their responsibility to support their children. It provides some necessary child care.

I am troubled by some shortcomings. I would prefer a bill which did not end the Federal safety net for children, a bill like the Daschle Work First legislation which failed in the Senate narrowly and which I cosponsored. I am not fully convinced that the block grant approach will prove to be the right approach. Also, as I have already mentioned, I am not certain that the contingency fund which we have established will be adequate in a recession.

The decision is a close one.

So it is particularly important that partisanship not dominate the conference between the House and the Senate.

If it does, the progress made in the Senate would be undermined and welfare reform would be jeopardized.

Mr. PELL. Mr. President, the Senate has now debated welfare reform legislation for several weeks. The changes that have been incorporated in the legislation before us today are profound,

marking a great departure from the system that has been in place for 60 years. As one who has served my State of Rhode Island and this Nation as a U.S. Senator for 35 of those 60 years, I do not take lightly the vote that I am casting today. I have thought long and hard about the desire for change, for reform, and for a better welfare system, and I share all of those goals.

As I look at the bill before us, I remain concerned. It does not provide nearly enough of what I think is necessary for quality welfare reform. And it does not sufficiently protect our children or provide adults with the tools they need to move off of welfare and into work.

But the bill before us is also a drastic improvement over the House welfare legislation, and, with the addition of the Dole-Daschle compromise, moves us more in the direction that I think is best for our Nation. So while it is with some reluctance. I have decided to cast my vote in favor of the bill before us today. I am doing so with the understanding that the American people want and demand action, and are seeking a new way of accomplishing what the existing system has not been able to accomplish. I am willing to try a new way, but acknowledge freely that without the minimal protections put into place by the Dole-Daschle agreement with respect to child care and other important provisions, I would not be voting ''yea'' today.

I cannot help hope that the conference committee will see fit to incorporate more of the provisions contained in the work-first proposal introduced by Senator DASCHLE, which I cosponsored. I still support and strongly prefer its provisions—its emphasis on transitioning welfare recipients to work, its understanding that providing childcare is a linchpin of successful reform, and its premise that, despite very real abuses of the current system by some welfare recipients, most people want to get off welfare and work at a job that provides a living wage. But I realize that the conference committee is more likely to move this bill in a direction that I cannot support, by being more punitive to parents and, in the process harming children who have not chosen their parents or their circumstances.

Mr. President, it would be my intention, should the bill return from the conference committee stripped of these moderating provisions, or including any of the more draconian provisions we defeated during the Senate debate, to cast my vote against the conference report. I hope that this will not be necessary and that we will be able to pass a conference report that really does move the Nation in the direction that we all want to see toward workable reform that moves this generation off of dependency while ensuring that the next generation does not suffer from its parents' failures or misfortunes.

Ms. SNOWE. Mr. President, I rise today to speak in support of a comprehensive overhaul of our Nation's welfare system.

I would like to commend the distinguished Majority Leader, Senator DOLE, and many of my colleagues for bringing a much-needed and timely bill to the floor of the Senate for action.

I am also looking forward to what I believe can be a genuine spirit of bipartisanship as we seek to address some of the aspects of our welfare system that have hurt, rather than helped, Americans forge a better future for themselves and their families.

Although it has been characterized as such, welfare reform should not be a conservative-versus-liberal issue, or a Democrat-versus-Republican issue. It should be an issue where we seek to involve and include various constructive points of view for a cause whose worth stretches beyond partisan political lines.

Simply put, what we must strive for in this debate is to end welfare as a way of life for millions of Americans and their families, while at the same time preserving a safety net for those in our society who need a leg-up rather than a hand-out to succeed in their personal quest of the American dream.

What we must be compelled to accomplish is to require more individual responsibility, a strengthened work ethic, and a sense of discipline and order to the family, all while continuing to maintain our historic and compassionate commitment to those who need our help in those dark times that are a part of everyone's life at some time or another.

Mr. President, I believe we can—and must—give them change with a human face. It is not necessary to be less compassionate or less understanding, but it is possible to be less spendthrift and less generous to those who have taken undue advantage of our system.

As we begin to meet these challenges and others, I am eager to work with all my colleagues to further improve this legislation and, in the process, craft a better America and set our Nation on a new and more responsible course into the 21st century.

Everything we and our parents have worked for to give us a better life and instill in us a sense of national purpose as well as personal responsibility is at stake in this debate.

We, in America, all too frequently judge our Nation and measure our country's worth as a people by standards of economic statistics, by gold, silver and bronze medals won at world tournaments, or by military might as the world's greatest democracy.

But to judge America in terms of a society, clearly we are lacking in many respects.

In today's society, it is hardly uncommon for an individual to be smoking or drinking by the time they are 10; to be caught stealing by the time they are 11; to be hooked on drugs by the time they are 12; to be sexually active by 13 years of age; to be pregnant by the time of their 14th birthday; to be on welfare at 15; to be a high school drop-out at 16; and to have the American dream be nothing more than a pipe dream at 17.

Mr. President, to many this may be nothing less or nothing more than a worst-case scenario. But, unfortunately, in the 1990's it has become an acceptable scenario in America. How tragic; and how wrong.

Welfare in America has become a way of life, a culture of despondency, a tradition of dismay, and has bequeathed a sad inheritance of dependance for millions of our citizens.

Our challenge in these proceedings is not to make their lives more difficult by our efforts here, or to perpetuate any negative stereotypes, or to treat harshly those people in need of help; our solemn challenge is to give them a new chance, a new beginning, and to show them a different and better way of life.

In the 1960's, when many welfare programs were designed and implemented by the Federal Government, we were willing to risk the involvement of central government in people's lives for the benefit of helping them to help themselves.

Instead, welfare in the 1990's is out of touch, out of cash, and out of tune with people's lives. In an August 1993 Yankelovich poll, respondents were asked, ''Do you think our current welfare system helps more families than it hurts, or hurts more families than it helps?'' Twenty-four percent said that it helps more, while a commanding 62 percent said it hurts more.

Many might wonder what it is that we have bought with over $5 trillion in welfare funds over the past 30 years. Many might wonder what the returns have been on an investment we made three generations ago.

It is a disappointing litany of our shortcomings as a society and as a compassionate democracy.

Mr. President, what we are doing is rewarding the failure of the individual spirit to strive for greatness and personal responsibility. As one pollster said, ''Welfare rewards what life punishes.''

Moreover, these social and cultural trends play a major role in other trends involving crime and violence, both on the streets and in our homes; they affect education, urban decay, and our economy. Their link to each other is unmistakable.

As former Education Secretary William Bennett said:

> Over the last three decades we have experienced substantial social regression. Today, the forces of social decomposition are challenging—and in some instances, overtaking—the forces of social composition. And when decomposition takes hold, it exacts an enormous human cost.

These figures exact the toll and tally that cost.

Since 1960, illegitimate births have soared by more than 400 percent; while only 5.3 percent of all births were out-of-wedlock in 1960, illegitimate births rose to 30 percent of all births by 1992.

The pregnancy rate among unmarried teenagers has more than doubled since the early 1970's, amounting to over one million—one million—teen pregnancies every single year.

While America's marriage rate has declined spectacularly for 20 years by almost one-third to an all-time low, America's divorce rate has increased by nearly 300 percent in the past 30 years, subjecting more of our children to more broken families than ever before.

The Congressional Budget Office reports that 77 percent of unmarried adolescent mothers become welfare recipients within 5 years of the birth of their first child. And many of them are staying on welfare for a long time. In fact, more than half of the 9.5 million children receiving AFDC have parents who never married each other.

Single-parent families account for 65 percent of poor families with children, and they account for over half of all poor families. I should mention that studies show that almost 1 out of every 4 children from one-parent families will be in poverty for 7 years or more, compared with only 2 percent from two-parent families.

And, despite an explosion in welfare spending, more children live in poverty today—22 percent—than in 1965; 15 percent, which is when the famous—or infamous—War on Poverty began. What does 22 percent mean in real terms? Try over 15 million children living in poverty in America today.

The percentage of all American children dependent on AFDC welfare increased from 3.5 percent in 1960 to over 13 percent in the 1990's.

While we are talking about AFDC—it has become a $23 billion Federal-State program supporting approximately 14.5 million people—and that is a 31-percent increase not over 1960 or 1965 or even 1970, but a 31-percent increase over 1989; only 6 short years ago.

Probably worst of all, among these terrible numbers, are these:

First, of the 4.5 million households currently receiving AFDC benefits, well over half will remain dependent on the program for over a decade—10 years—and many will remain dependent for 15 years or even longer.

Second, and even worse, children raised in single-parent families are three times more likely to become welfare recipients themselves as adults—a clear continuing legacy of failure and the unmistakable mark of what the Heritage Foundation calls intergenerational dependence.

That is highlighted by the fact that 60 percent of welfare recipients today are the children of welfare dependents from the previous generation.

As I mentioned, America has spent $5 trillion in welfare assistance since the start of the War on Poverty.

Mr. President, we are losing—badly losing—the war within our borders against poverty and social decay.

But through the haze and maze of this debate, we can learn from some of the success stories of people who were once on welfare and had the courage and stamina to leave the system and seek a better life.

For some, welfare meets a critical need; sometimes, a critical lifeline in troubled times. Our challenge is to reform this system so that it works for more people, encourages more to leave the system for good and return to wage-earning jobs, and yet retains the vital portions of the safety net for the neediest among us.

It can happen. It can work. We can make it a reality.

I know because I have met the success stories firsthand. Take Melissa Brough from Portland, ME. She succeeded in welfare. Sadly, she succeeded despite the system, not because of it. Listen to what she has to say:

> I started out just needing some subsidized child care so I could find a job to support us. I ended up trickling down through the system for 4 years. What a way to build self-confidence and self-esteem!
>
> It's no wonder people get trapped in the welfare system, when competing resources seem to have money and statistics in mind instead of individuals * * * [L]et's provide the resources and support * * * to help people along the road to self-sufficiency.

Mr. President, Melissa is right. Self-sufficiency should be our goal, and the system we design must provide the resources and support to help people along that road.

Sometimes, getting to success and self-sufficiency requires short-term sacrifices and tough choices. But there are stories to show that they are worth it.

Tecia Girardin is a proud mother of three sons living in Readfield, ME. She works 50 hours a week and takes home $350 weekly in pay through her job at Progressive Distributors, a warehouse distribution center. She is now getting $345 a month in child support, and 2 years ago put a downpayment on 48 acres of land, where she hopes to build a house in the near future.

But it was not always this way for Tecia and her boys. Years ago, she counted on food stamps to put food on her table at night. She used to rummage for aluminum cans to pay for the rent.

Looking back, Tecia recalls, ''It was a nightmare, but we made it.'' She adds, ''I was determined to make it on my own. I just do not think a life of dependency is good—whether it is dependency on alcohol, drugs, or government assistance * * * I wanted to be free of welfare.''

With her pride and her self-confidence, Tecia broke the shackles of welfare and took several tough jobs before landing a position at Progressive Distributors, where she has now been for 5 years. She is off food stamps and off Medicaid, and it is been 4 years since her last benefit check. But times are still tough for her and her family.

We still need to do more to help people like Tecia break free of the system.

I believe the majority leader's plan makes a good attempt to help people break free of the labyrinth of welfare.

This legislation recognizes that the Federal Government does not have the ability to create a one-size-fits-all welfare program. Instead, it has made a necessary and bold change: States are awarded block grants to design a local program that meets unique State needs.

I support this basic concept, and believe it is essential that welfare reform give States the flexibility to address the unique problems of their citizens. At the Federal level, we simply do not know what will work. Each State should have the flexibility to address the problem as they understand it.

In Maine, the principle reason that families go on welfare is divorce or separation. That is the No. 1 reason: 42 percent of all AFDC recipients are forced onto welfare as a result of divorce or separation. In Maine, 61 percent of adult AFDC recipients have obtained their GED. The people behind these statistics may require quite different welfare programs than people in densely populated States.

That is why flexibility is a crucial tool—missing from existing welfare programs—that must be extended to the States.

I also support the restoration of AFDC as a temporary assistance program, rather than a program which entangles and traps generation after generation after generation.

The legislation before us allows States to provide benefits for 5 years, but after that point benefits are terminated. As soon as a recipient is work ready, he or she will be required to work for their benefits. All recipients will be required to work after receiving benefits for 2 years.

Nothing like a time-limited welfare system has ever been tried in this country. But we need to send a message to recipients that there are responsibilities associated with receiving a welfare check: responsibility brings dignity. And to promote responsibility, there must be consequences to action or inaction.

This bill also makes progress in another critical area of concern, one that, for many welfare recipients, has forced them into poverty: child support enforcement.

Child support enforcement is one of the most important provisions in our campaign to revamp the welfare system of this country. It affects every State—children at every income level—and it affects both single-mothers and single-fathers. As a national problem, child support enforcement merits a national solution. And we must demonstrate our leadership by providing it.

I am proud to have worked in a bipartisan manner with the majority leader, Senator DOLE, and the Senator from New Jersey, Mr. BRADLEY, to develop a sound and comprehensive national child support enforcement solution. The major provisions of our legislation have been incorporated into this proposal.

To strengthen efforts to locate parents, the bill expands the federal parent locator system and provides for State-to-State access of the network.

To increase paternity establishment, the bill makes it easier for fathers to voluntarily acknowledge paternity and encourages outreach.

To facilitate the setting of effective child support orders, it calls for the establishment of a National Child Support Guidelines Commission to develop a national child support guideline for consideration by Congress, and provides for a simplified process for review and adjustment of child support orders.

And to facilitate child support enforcement and collection, the bill expands the penalties for child support delinquency to include the denial of professional, recreational, and driver's license to deadbeat parents, the imposition of liens on real property, and the automatic reporting of delinquency to credit unions.

This provision has proven very effective in my own State of Maine, where the State has collected more than $21 million in child support payments by sending letters to delinquent parents with a very real threat to revoke professional licenses.

This bill also grants families who are owed child support the right of first access to an IRS refund credited to a deadbeat parent and permits the denial of a passport for individuals who are more than $5,000 or 24 months in arrears.

Mr. President, as I have pointed out, this legislation seeks to implement on a national level some of the successful child support enforcement mechanisms being utilized by some innovative States, like my home State of Maine.

Clearly these efforts pay off. But we can—and must—do much more. We have the tools to replicate the successes of States like Maine on a national level and begin to ease and eventually lift the economic and emotional burdens caused by delinquent child support payments.

Mr. President, as we reform the system to encourage welfare recipients to work, we must also ensure that we provide for appropriate and adequate child care for mothers with young children. And in instances where that child care is not available, we cannot penalize mothers with young children at a very fragile and unstable time in their lives as they struggle to make ends meet.

When we in this chamber talk about the need to protect the neediest in society and to protect some of our less fortunate citizens by casting a so-called safety net, nothing could represent that support more than helping mothers care for their children as they seek to make the move from the world of welfare to the world of work.

We must not condone a situation where a woman would be forced to choose between her children's well-being and her job and benefits.

We cannot allow, for example, a woman to leave her two young children at home alone, unattended, because she is required to work. To do so would be to give them a Catch-22 choice, a choice between the devil and the deep blue sea.

And many more women could be faced with that difficult choice than ever before under this bill. By requiring work participation rates to reach 50 percent by fiscal year 2000, it is estimated this will add an additional 665,000 children to those currently in need of child care.

The truth is, we have a long way to go before we can assure access to child care—let alone affordable child care. In dozens of States across America, there are long waiting lists for child care. In Alabama, for example, there are nearly 20,000 children on the waiting list for child care, adding up to an average wait between one and one-and-a-half years.

In Texas, a staggering 35,692 children are on the waiting list, with waits as long as two years. In my home State of Maine, there are more than 3,000 children on the child care waiting list.

Fortunately, there is light at the end of what for many women in this country is a very long tunnel.

I am extremely pleased to be able to say that the majority leader has decided to incorporate a major provision, I authored along with some of my colleagues, into this proposal to help address the issue of child care for parents on welfare. This is a critical issue for welfare reform, and one I have been working to address since the debate on welfare began.

With this new provision incorporated into the proposal, States will be prohibited from sanctioning mothers with children aged 5 or under if the State cannot provide adequate and affordable child care for those recipients whom it requires to go to work.

This is important considering that the Department of Health and Human Services has estimated that almost 62 percent of welfare recipients have children aged 5 or under.

I am also pleased to have been involved in a bipartisan effort by working with Senators ORRIN HATCH, CHRISTOPHER DODD, BILL COHEN, JOHN CHAFEE, JIM JEFFORDS and NANCY KASSEBAUM to allocate an additional $3 billion over 5 years in child care services funding.

Under this agreement reached with the majority leader, the States will be required to match child care funds at the Medicaid match rate.

This additional funding, when combined with the $1 billion that Senator HATCH's amendment sets aside for child care, will go a long way to ensuring that we make our welfare reform proposals viable and realistic options for single parents who need care for their children in this country.

Adequate child care funding is a major issue that the Governors themselves—in a letter to Majority Leader DOLE dated September 13—called the largest part of the up-front investment needed for successful welfare reform. And they are right.

This provision on child care funding is a significant point of agreement and consensus for all of us in this historic legislation, and I am heartened to see its addition to the bill.

We have also made progress in another area that I consider critical to our reform efforts—and that is the important issue of State maintenance of effort.

I, along with many of my colleagues, believe this area is a central component to the success of the reforms before us because we believe it is essential to continue the shared Federal-State partnership in welfare.

Since 1935 when title IV of the Social Security Act was signed into law, welfare has been a shared Federal-State responsibility. As we move to reengineer the system, both sides must renew their commitment to the partnership—and by this I mean both their moral commitment and their financial obligations.

Indeed, the States, like the Federal Government, face many competing forces for funding.

With the mandate from the public to reduce spending and balance State budgets, Governors and State legislatures face the same tough choices that we in Congress are in the process of making.

Some have written that this ''is not a question of trust.'' But I believe it is, and some States are working hard to meet that trust, and they are succeeding.

Many States, like my State of Maine, have already made a strong commitment to welfare reform and I know that they will continue to do so. But my concern is that some States—precisely because of those competing forces for funding—may not.

States have a tremendous stake in the success of our welfare system. They should have a financial commitment as well, both in the cost as well as in the potential savings.

That is why we must include provisions requiring States to continue the Federal-State partnership.

Let me be clear about one point: We are not asking the States to increase their financial contribution, but we need to make sure that they do contribute. Toward that end, I supported and was cosponsor of the Breaux amendment to make those figures a 90 percent contribution over five years.

In response, the leadership agreed to include language that would require States to provide 80 percent of their fiscal year 1994 contribution to welfare for 5 years—the full lifespan of this bill.

Mr. President, let me conclude by saying that, like all broad-reaching Government reforms, this is not a perfect solution to the vast challenges that face our welfare system. There are some aspects that can—perhaps should—be improved. But I believe that this legislation moves us closer to a workable solution.

We have already spent countless billions on a welfare system that has made little progress in resolving the problems of the poor. We cannot afford to simply do nothing—to maintain the status quo, with all of its perverse incentives.

Instead, we must act now, and begin the process of ending welfare as a way of life, and restoring welfare assistance to its original purpose, to provide temporary help to our neighbors in need.

Americans have long demonstrated their generosity and their commitment to help our neighbors, families, and children in need. Yet Americans deserve to see results for their efforts and their investment in assisting the neediest. For 30 years, our welfare system has delivered positive results sporadically at best. Americans are demanding more for their investment, and we in Congress must heed their call and help States achieve welfare's noble goals.

Thank you, Mr. President. I yield the floor.

Mr. ROCKEFELLER. Mr. President, for a very long time, I have argued for welfare reform. My fundamental goal for reform is to see parents work and accept personal responsibility. Welfare should be a temporary program to help people become independent, not a trap of long-term dependency. But at the same time, innocent children should be protected and not punished for circumstances beyond their control.

I rise to explain how I came to the conclusion to vote for the final version of welfare reform legislation before the Senate this afternoon. My vote is for the basic idea that the current welfare system can't be continued. It must be changed. This bill is now our opportunity for changing the rules and encouraging major reform. While I strongly opposed the original bill offered by the Majority Leader, BOB DOLE, I am relieved that the persistent, dedicated work of a team that I was proud to join has resulted in many changes—including some major improvements that were essential for West Virginia—to the legislation. In my view, there are still flaws and disappointments in this bill. But as someone who serves to achieve the most good possible through consensus and cooperation, I am voting for this bill to do just that.

West Virginians have told me for a long time why they are anxious for welfare reform. It is unfair to hard-working families when it is too easy for others to receive public assistance that does not end. And for parents who want to work or can work, the system has to emphasize the means to that end instead of the criteria for staying on welfare. None of this will be easy, but it is time for these changes.

This is not a new mission for me. I have worked on ways to reform our welfare system for years. In 1982 as Governor of West Virginia, I was proud to start a program called Community Work Experience Program in our State that required many parents on welfare to work in their community when they could not find private sector jobs, mostly because of high unemployment. This idea is more commonly known as workfare, and West Virginia was one of the first two States in the country to start this program and we are still using it today. I believe in workfare and community service as important alternatives when a private sector job is not available.

In the Senate, I continued to work on changing the welfare system, and I am proud of the efforts begun in 1988 under the Family Support Act that passed with strong bipartisan involvement and support. This legislation was an important first step. While we all know that the Family Support Act was not perfect, it began to change the system to move families from welfare to work. The Family Support Act also gave States the latitude to try various approaches to welfare reform which have now encouraged bolder efforts, today.

Based on my goals for West Virginia and my work as Chairman of the National Commission on Children, I participated in the welfare reform debate as a cosponsor and strong proponent of the Democratic Leader's bill, ''Work First.'' In my view, it was a mistake for the Senate to reject our amendment containing this bill. ''Work First'' would end welfare as we know it by eliminating the existing Aid to Families With Dependent Children (AFDC). The Democratic alternative would require work and promote parental responsibility, and yet at the same time provide the best safeguards for both children and State budgets during times of economic downturns. Unfortunately, this strong package was not taken seriously by the Republican side and was defeated.

So in good faith, Democrats did not disappear from the process to enact welfare reform, nor did we surrender on the goals we think the American people share, too. We have spent the last week on the floor to push for consensus and compromise on very important issues. It was discouraging to deal with the original Republicans' bill that made promises without the means to keep those promises. The early refusal to work in a bipartisan spirit was unnecessary, and made it very difficult to work through decisions that will have consequences for taxpayers and poor families in our States. But we persisted in order to make our best attempt at achieving welfare reform and protecting principles represented in the ''Work First'' alternative.

As a result, major changes have been made to the Republican bill on the Senate floor, including adding a maintenance of effort requirement to ensure that States continue to invest their fair share to help needy children and their families. This was a victory for the principle of responsible government and a major step in reserving adequate resources for poor children.

Child care funding is another fundamental change to the original Dole bill that is absolutely crucial if we are serious about moving parents from welfare to work. We should insist that parents go to work, but we also must be realistic and acknowledge that a lack of safe, affordable child care remains a barrier. Democrats worked very hard to secure additional funding for child care. I still worry that this final compromise might be short on funding, but I am relieved that we secured the additional funds for something that families literally can not go without. Let us remember that parents are put in jail for leaving children unattended. Government can not require parents to be at work if they do not have a way for their children to be cared for. When we talk about family values, child care belongs in how to turn our rhetoric into reality.

If we make the huge leap from an entitlement to a block grant program, one of my early goals has been to secure a contingency fund to provide additional help to States when poverty rises. Under the Democratic ''Work First'' alternative, we maintained the historic Federal-State shared responsibility for this population so there was no need for a contingency fund. But under a block grant approach, there is a need for some type of safeguard in times of high unemployment, natural disasters, or other unforeseen reasons that increase the number of very poor families in a State.

As a former Governor who led my State of West Virginia through a severe recession with double-digit unemployment rates, I am keenly aware of this problem. Families who always worked and never wanted welfare were temporarily forced to seek assistance because of harsh economic conditions in my State in the 1980s. Then, Federal assistance was there to help needy families through hard times even though our State revenues declined, and it would have been impossible for West Virginia to serve needy families without additional Federal help. Even with a contingency grant fund, I worry how a block grant approach will work when a State or several States face problems of high unemployment or a natural disaster. But after a hard battle, we managed to get a provision into this final legislation that will make the contingency fund a grant program, instead of loans, and which will offer real help when families and States hit difficult times.

As we think about the problems of unemployment, it brings to mind the worries of what happens to families who hit the time-limit in the midst of a deep recession? I know numerous personal stories, because I know families on welfare in West Virginia who would eagerly work, but the jobs just are not there. I submitted two specific amendments to this bill designed to give States the option of waiving the time limits for good reasons—such as high unemployment or if adults simply could not work because they were ill, incapacitated, or caring for a disabled

child. In my view, it would be best to spell out limited reasons for exceptions. While my criteria were not adopted, our success in winning an increase in the States' hardship waiver from 15 percent to 20 percent will achieve the same goal. I appreciate the strong support for my amendments that was voiced by the National Governors' Association, State Legislatures, and other officials who know the practicalities involved in real welfare reform.

I also want to note why it is so essential to maintain the Senate approach on child welfare, foster care and adoption assistance. In the Finance Committee, we specifically stated our intention to retain current law so that the Nation's basic commitment to abused and neglected child would continue. Child welfare is very different than general cash assistance for poor children. Child welfare serves children at risk of abuse and neglect in their own homes. We should not reduce or cap Federal aid to such vulnerable children. That means we must maintain the entitlement nature of foster care and adoption assistance. There is support from both sides of the aisle for this in the Senate, and I specifically want to commend Senator CHAFEE for his leadership on the important issue. The Senate approach on child welfare and foster care system must be preserved in the conference, and I am personally determined that we not retreat from the country's important guidelines and reliable support that abused and neglected children rely on.

Bold changes in child support enforcement are a real victory in this legislative package. Because this was one section developed in a bipartisan manner from an early point, it has not attracted much debate or public attention. But West Virginians and our fellow Americans certainly know the significance of child support and insisting on parental responsibility. There are billions of dollars owed to children by absent parents. I cosponsored the bipartisan legislation offered by Senator BRADLEY which provided a good framework for the tough provisions in this legislation that will help collect those dollars. Getting tough on child support is a priority.

In addition to changing the rules, we also need to change attitudes. It is pathetic that adults are more responsible about paying their car loan payments than their child support. This is unacceptable and must be turned around.

As Chairman of the bipartisan National Commission on Children, I have been working on the issue of welfare and families closely for years. I want to find creative, bipartisan ways to strengthen and stabilize families. Our Commission issued a unanimous report that called for a whole new approach on children and family policy at all levels—Federal, State, and in our communities. The legislation passed today reflect some of the direction recommended by the Children's Commission. I strongly support the idea that States and local communities must take a leadership role in helping all families, including those needy families on welfare.

And again, I repeat my hope that this country will maintain a nationwide, steadfast commitment to safeguarding children. Our country has a stake in every child, whether a child is born to a poor family in rural West Virginia or a family in an inner city. A child born to an unwed mother has the same basic needs and the same potential, as a child who is more fortunate and born into a stable, wealthy family. I honestly don't believe that the legitimate cry we hear for welfare reform is a demand to forget or abandon children.

As I said at the outset, I believe in welfare reform, and it is obvious that the American public demands it.

As someone who has fought for children and families for years, I hope that the States receiving so much new responsibility for the fate of their poor citizens will take it very, very seriously.

Children are two out of three people who depend on welfare today, and they should not be punished. Because of this deep concern, I was one of the members who pushed very hard to incorporate an evaluation amendment into this legislation. We should acknowledge that this legislation is a huge experiment. We are eliminating the Federal safety net that has assured minimum support for needy children and families for over 60 years, and this legislation will replace it with a new approach. While AFDC has serious flaws and must be changed, this approach is new and untested. I feel a strong moral obligation to thoroughly study and evaluate how this new approach serves children and families. Optimists and staunch supporters of the Work Opportunity Act predict this bill will reduce dependency and move families from welfare to work. Critics warn that children will end up on the streets.

I am willing to try, and I am willing to vote for this legislation. But I insist that we monitor it closely to evaluate carefully how children are affected. Because of our evaluation amendment, we now have this commitment and obligation.

I truly hope that this bill fulfills its bold promise to help move families from welfare to work and to end the cycle of dependency. When a conference is established to negotiate the final welfare reform bill to send to the President, I hope that the debate and revisions that have taken place here in the Senate will be taken extremely seriously. And if and when a welfare reform bill is signed into law, and if the warnings of the critics are true and children are abandoned, we must swiftly revise the law and try again.

My fundamental principle remains that children should be protected. From my work on the National Commission on Children, I believe in building consensus and trying creative approaches. For the sake of our children, and the future of our country, we need to chart a bipartisan course that emphasizes cooperation on behalf of children and families. Children should not become pawns in a partisan rhetoric and politics, and I hope that the conference on welfare reform will adopt such an approach so that common ground and reasonable compromises will be achieved.

I congratulate the numerous Senators, staff members, and experts who devoted untold hours and energy into preventing the original Dole bill from succeeding and working out important, vital improvements. West Virginia was better served through the process of these revisions, and will be better equipped to prod and help poor families avoid dependency. I worked hard to achieve the changes most important to my State, and I hope they will remain in the final welfare reform legislation that must be negotiated with the House.

Welfare reform must also work in the real world. We have seen in the recent months once again how attractive the words are to politicians and others who see advantage in dividing people, scoring cheap points, and pretending that the country's problems are easy to solve. That is an injustice to all Americans, to taxpayers frustrated with the welfare system and to the families who find themselves poor for whatever reason. We know that America feels best when we succeed in achieving ambitious goals by pulling together, living up to our Nation's principles, and making the effort required to get the job done. Welfare reform is a very ambitious goal, and the passage of this bill takes us one step further to accomplishing the real results and true change that Americans expect.

Mr. GORTON. Mr. President, 30 years ago President Johnson had a dream of a ''Great Society'' where the United States Government would undertake to lift the poor out of their wretchedness. Today, the intended nobility of his dream has been obliterated by the horrors of crime, drugs, illegitimacy and total family breakdown. Mr. President, I am not just saying that welfare does not work; I am saying that it is hurting those it purports to help.

Hundreds of thousands of Americans are suffering because the Federal Government insists on centralized control over a system that is not living up to its promises. Thirty years of welfare state have not eradicated poverty, not made a dent in poverty; if anything, poverty in America has become more wretched than ever before.

What we know now, Mr. President, is a Federal bureaucracy that has shown itself virtually incapable helping needy people. More Federal mandates are not the answer. Control over welfare must be relinquished to State and local governments. Federal control certainly does not work, and the only way we can determine what kind of public assistance program will work is if we let

States and local communities experiment.

Mr. President, I have heard from people in Washington State who have knowledge of and experience with the present system and who fervently believe in disassembling welfare as we know it.

This year, Washington State legislators tried to overhaul the State welfare system. Their frustration mounted as their innovative ideas were killed by overwhelming amounts of waivers, directors and general red tape from the Federal Government.

Social workers are often too busy keeping up with paperwork and complicated, sometimes conflicting, Federal regulations to help people get jobs and become self-sufficient.

I have listened to people who are on or have been on welfare. Their stories alone are enough to convince me that the system has to be charged. Welfare, you see, punishes people for trying to get out. One woman in Whatcom County was not allowed to participate in a job training program because she hadn't been receiving public assistance long enough.

Mr. President, the faults and iniquities of welfare run wide and deep. We must face the problem. We must stop pretending that by tinkering here or changing a bit there that everything will be better. What we must do is completely restructure public assistance in America. It is well past time for Washington, DC to relinquish control over welfare to States and local communities.

There are a lot of things the Federal Government is good at—handing out checks and creating bureaucracies are particular areas of expertise. But the Federal Government is not so good at setting people free from its control.

The current system pits people against government institutions. it prohibits innovation. When local communities try to implement new ways to combat poverty, unemployment and illegitimacy, the bureaucracy balks, throwing up barriers to new ideas and community involvement, and enforcing the same old mandates.

Frankly, Mr. President, bureaucracies do not care if people get off welfare or stay on it for the rest of their lives. But there are many of us who do care, who do want to relieve the plight of so many of our fellow Americans.

The liberals who have supported the Welfare State these many years are reacting with vehemence against proposals to let States and local communities have more of a say in public assistance programs. This reaction points to the distrust most liberals have toward people, as opposed to government institutions. Does it make sense to say that a bureaucrat in Washington, DC cares more about needy people in Spokane, WA, than do the actual citizens of that community? I do not believe so.

Mr. President, the only way to stop the dependency, the illegitimacy, the family breakdown, and the hopelessness of the current system is to truly change—not merely tinker with—the way it is run. If our goal is to improve people's lives, then we can't continue on the path we're on now.

We must allow people the opportunity to make their own lives, to provide for themselves and their families, to feel the pride of honest work, and to be the deciders of their fate—not to have the Federal Government as their master.

Mr. President, I support the majority leader's welfare reform bill because it provides the best means for giving responsibility back to local communities and ending the Federal Government's control over how money is spent and programs administered. This legislation, America's Work and Family Opportunities Act of 1995, does not fall into the trap of trying to manage the system from Washington, DC. State and local governments, instead of being told what to do by Federal bureaucrats, are allowed to experiment and come up with solutions that meet local needs.

The last thing we need is yet more Federal mandates to stifle local innovations and solutions. Mandates that sound wonderful in the Nation's Capital can wreak havoc when they are put into practice—in truth, we have no way of knowing if they will work. Giving States flexibility will produce programs both successful and unsuccessful; when we can distinguish one from the other, perhaps more Federal guidance will be in order.

Our only hope for ending welfare as we know it, Mr. President, is to end the bureaucracy, end the incentives for staying on the rolls and out of work, and end the institution which has bred social disintegration. Washington, DC is going to have to do something entirely foreign to its nature: give up some of its power and mind its own business.

Mr. President, it is no longer enough to say that we mean well, that we have the proverbial good intentions. Let's stop the arrogant, self-important assumption that we can single-handedly run things out of Washington, DC. In the case of welfare, that's what we've been doing for 30 years, and its been a disaster.

My goals is reforming welfare area straightforward: Do away with the current system, and replace it with one that encourages work, discourages illegitimacy, and stops the cycle of family destruction. I believe America's Work and Family Opportunities Act of 1995 will best accomplish these goals.

Mr. DODD. Mr. President, although I vote today in support of welfare reform, it is with strong reservations.

We all agree that our Nation's welfare system needs reform. Members on both sides of the aisle, most of our constituents, our Governors, everyone agrees that the current system does not work.

And while we all have agreed that the system needs change, there has not been agreement on the right approach. The original Dole welfare proposal was totally unacceptable. It failed to designate a dime for child care, would force parents to leave kids home alone, and did not focus on actually getting our current welfare recipients into real work.

Enough significant improvements have been made, however, to lead me to vote for this bill. It looks totally different from the House version and is no longer the bill introduced by the majority leader.

The bill now emphasizes work. Unlike its original version, it now measures work instead of participation rates. It recognizes that child care is essential to getting people with young children to work. The bill now includes a work bonus for States and includes other provisions that truly commit us to moving adults off the welfare rolls and onto payrolls.

The current version of the bill also includes many more protections for children. The original Dole bill designated no money for child care. We now have $8 billion over 5 years to help ensure that no child is left home alone. I initially pushed for $11 billion, the amount we have heard is necessary to make the work requirements effective, and came close to securing that amount.

In the original Dole bill, women with infants and toddlers, in effect, would have been told to leave their kids home alone or face penalties. The bill we vote on today says that mothers with children under 6 cannot be sanctioned if they cannot find child care. The modification also says that States can limit required work hours for parents with kids under age 6 from 35 hours to 20 hours per week.

Democrats made significant improvements in other areas too. The bill now includes a maintenance of effort requirement for States so that taking care of our Nation's poor children remains a joint responsibility between the Federal and State governments. And the bill provides a limited contingency fund for States to deal with downturns in the economy. It is not as much as I would like to see, but it recognizes that flat-funded block grants do not address sudden or prolonged changes in a State's economy.

The bill also, now, provides money for second chance homes—as a way to really try and get at the problem of teen pregnancy. The original Dole bill had no money for these homes. I also am pleased that punitive measures that would have required all States to impose the family cap and deny benefits to teen mothers have been defeated and excluded from the bill.

While I am pleased with the changes we were able to make in the bill, problems remain. It includes no protection for children whose parents meet the time limit. Republicans opposed even allowing States to decide whether or not they would provide vouchers for children whose parents met the time

limit. The absence of this provision—a safety net for kids—troubles me.

Also of concern, the contingency fund offers States only $1 billion where we sought $5 billion. I worry, ultimately, about the impact of these deficiencies on States that face economic downturns.

But ultimately, all of us must make a choice here today, and despite the measure's deficiencies—I intend to vote to move the process forward. But I want to make myself perfectly clear: if it returns from the House, looking less like the bill we have here today—if it destroys child protection programs, if it takes away school lunches, if its child care provisions do not reflect the significant progress that's been made in this body over the passed week—then this bill and welfare reform is in real trouble.

So I hope that a strong vote for the bill today will not be construed as an indication of support for whatever comes back from conference. This is simply not the case. A serious retreat from what we adopt here today will lead me to stand up and oppose the legislation.

As I have said all the way along, I believe that going from welfare to work is something that ought to be supported. This vehicle gives us the opportunity to do that with the improvements that have been made in it. So, with reluctance, I will support this legislation and await the outcome of the conference.

Mr. KERRY. Mr. President, making significant alterations in a governmental service or program that affects many people almost always will be controversial. The Senate will act today on a bill that falls into that category. The welfare reform legislation addresses a vexing set of social problems, a portion of our population that indisputably has great need, and our society's hopes and desires that people, especially children, be treated humanely but that all adults able to do so contribute to the Nation in which they live and achieve self-sufficiency to the extent of their potential.

There are some component issues about which there is widespread agreement. The existing welfare structure fails in far too many cases to provide a sufficient incentive to adults—and the various kinds of temporary assistance they need—to move toward self-sufficiency. The abuses of the existing system—while they very likely are statistically infrequent—are sufficiently frequent and sufficiently provocative that the system has lost the support of the American people. The commendable benevolence of the American people toward those who truly have experienced misfortune due to no fault of their own and need some help in getting back on their feet, has been sorely tested.

Indeed, my patience with the existing welfare system has been exhausted. It is my judgment that our welfare system badly needs overhaul. It is failing to contribute sufficiently to the self-sufficiency of those it is intended to help. Instead, all too often it perpetuates dependency.

Welfare reform was a prominent objective of those whose party won the elections last fall, and who gained control of both Houses of the Congress. They produced legislation to dramatically alter the existing welfare structure and system. Earlier this year, the House of Representatives passed a far-reaching bill. That bill basically takes the welfare problem and dumps it in the lap of State governments. It announces in effect, ''Henceforth, the wellbeing of impoverished adults and their children will not be a Federal problem.'' That bill takes the Federal funding now being spent on welfare, and, after cutting the amount, simply hands it to the States and says ''Go solve this problem. Good luck.'' While that is admittedly a dramatic oversimplification of the bill, it is a bill I could not support.

The majority leader, Senator DOLE, brought a welfare reform bill to the Senate floor in August—a significantly modified version of legislation reported earlier by the Senate Finance Committee. Mr. President, that bill was not satisfactory to me. It was excessively punitive—it appeared to penalize the poor harshly for conditions not infrequently beyond their control. It, like its House counterpart, appeared to be a headlong rush to dump the problem of welfare on State governments, with little concern for the impact on the impoverished or the States or the social fabric of our Nation.

But I'm pleased and relieved to say that, to a considerable extent, the legislative process our Founding Fathers established worked as it was designed. A number of colleagues on this side of the aisle, some on the other side, and I offered a series of amendments designed to transform the bill into a bill worthy of the term ''reform.''

The results of this process confront us today, Mr. President. It is not a perfect bill, not by a long shot. It differs in a number of ways from the bill I would design were I in a position to decree the complexion of our Nation's welfare system.

But in the face of great need to shore up the way in which our Nation deals with its impoverished population, a widespread demand by the public to make major changes in our welfare system, and the social imperative to focus our available resources on moving poor adults into self-sufficiency and provide a path from poverty for poor children, I believe this is a bill that meets the threshold test for acceptability. It turns the corner from a street going the wrong direction onto a street pointing toward our objective.

One has only to look at the alterations made in the bill while it was being considered on the floor.

While the ultimate responsibility for poor people is shifted to the States, the States are required, for the next 5 years, to continue to spend a minimum of 80 percent of the amounts they spent for welfare in past years and 100 percent of the amounts they have spent for child care. The original Dole bill contained no such maintenance of effort requirements.

The original Senate bill contained no funding whatsoever for child care for children of adults required by the bill to seek work. The bill on which we will vote today authorizes $8 billion for this purpose.

The original bill measured its success in moving persons from welfare to work on the basis of participation rates. The bill on which we will vote today will measure actual work.

The original Dole bill raided existing job training funds to include them in the welfare block grants to the States. The bill before us today drops the job training titles, and the Senate will return to address those separately at a later date.

The Dole bill required all adults on welfare to seek work and accept jobs when offered. The bill on which we will vote today exempts mothers of infants less than 1 year old.

The Dole bill made no distinction between women with very young children and women with school-age children. The bill we consider today permits the States to comply with the work requirement if mothers of children under age 6 work a minimum of 20 hours a week.

Mr. President, I am confident this bill will pass the Senate today. I intend to support it. Should this bill, or one substantially like it, become law, it will establish the national laboratory desired by the Governors and legislators of many of our States. The attention will now shift to the States—to see if they can, as they have fervently maintained, achieve economics never realized by the Federal Government, and, in particular, to see if they can move adult welfare recipients into work. I am very hopeful that the advocates—both at the State level and here in Washington—knew what they were talking about and will show themselves to have merited our trust and confidence on these very important matters.

This course is not without risk, but the imperative for reasonable action demands that we take some risk. That is the only way we can leave behind a psychology of dependency and instill a psychology of self-help with temporary, transitional government assistance. It is the only way we can redefine welfare so that, for the able bodied adult population, it means assistance in preparing for, finding, and holding gainful employment. I support these changes in direction; consequently I will vote to pass this bill.

In conclusion, Mr. President, I want to emphasize two key considerations. First, the conference action on this bill will be critical. The safeguards and moderations added to the bill on the Senate floor are vital to my support and that of a number of my colleagues.

I am very hopeful that the conferees, particularly those of the majority party, will keep this in mind, and that they want to enact a bill that has the support from both parties that will be necessary to secure enactment.

Second, if this bill passes today—even if this bill becomes law—no one should prepare to relax. Some of the vexing problems confronting our society are addressed in this bill. But by and large this bill deals with persons who already have been left behind by our society. Its provisions are remedial. The bill does nothing to reach out to this Nation's greatest resource—our children—and provide to them the educational opportunities and the opportunities for participation in positive activities ranging from Boy and Girl Scouts to athletics that will weave them into the fabric of our culture, prepare them to take their place as self-sufficient and psychologically stable adults, and give them an alternative to falling into the activities of the street that can spell alienation, lives of crime, or even untimely death. We have much, much more to do, Mr. President, and this is only the opening chapter.

I commend those who struggled to make this bill more realistic, more humane, and more likely to live up to the grand promises it pronounces. I share the hope of those who vote for the bill that it will, indeed, change the course of public assistance for the benefit of the children and adults directly affected, our communities, our taxpayers, and our Nation as a whole.

Mr. ROTH. Mr. President, the American people are united by the fundamental issues of welfare reform which have divided us throughout much of this debate. It is clear that they have demanded a dramatic change to a system which they view as ineffective and indeed as an impediment to the progress of both the individual and society as a whole. The $387 billion welfare system has sapped the spirit of many, most especially of our young people, and our national economic strength.

It has now been 60 years since the Social Security Act was passed which created the aid to families with dependent children program. According to the act itself, the purpose of title IV of the Social Security Act, is in part, to help maintain and strengthen family life and to help such parents or relatives to attain or retain capability for the maximum self-support and personal independence.

For too many, this is no longer a system which helps to maintain and strengthen family life in America. Many, in fact, believe the welfare system has the opposite effect on families. The theories which supported public policy in the past have been dispelled by the last 30 years of experience. The misplaced hope that Washington could somehow correctly calculate the formula to solve the problems of poverty is simply wrong. What happens in the home, in the neighborhood, in schools and churches is far more powerful than the Federal Government. We have known this all along.

But knowing is different than doing. Today is the day we do something about what we know.

We know that work is necessary to attain self-support and personal independence, Today, we elevate the value of work to its proper level of esteem in public assistance programs. We know that if welfare is to be only a temporary means of support, the key to personal independence is work. We know this basic fact of life is true for all families, at all levels of income. It is true for past generations. It is true for this generation and all future generations. Work is not only necessary as the means for obtaining our daily bread, it is part of our social fabric. Whether in the neighborhood or in the world, work brings order to chaos. Many other freedoms flow from the freedom to work.

We know the current welfare system is designed for failure. Under the heavy hand of the ponderous and paralizing bureaucracy of the Potomac, non one is accountable for results.

Today, we will provide the States with the responsibility and authority they need to break down the barriers and false promises of the present system. Properly understood, welfare reform is about reforming how Government works. The American people will greatly benefit from the rejuvenation of the States' role in our system of federalism. The lines of accountability have been blurred for far too long.

Mr. President, today is the day to leave the past behind. To sum up what this debate is truly about, let me quote from a letter sent last week by Governor Allen of Virginia:

> What the debate really boils down to is who does the U.S. Senate trust to make these policy decisions—the Federal bureaucracy or the elected representatives of the people at the State level. This is a basic philosophical question. The choices you make will determine whether the bold innovations that are occurring in Virginia and other States can move forward, or whether Federal bureaucrats will continue to micromanage and second guess the decisions of the people of the States and their duly elected representatives. I respectfully urge you to place your trust in the States, which are leading the way.

Mr. President, I urge my colleagues to put our confidence and faith in the sovereign States. Let us break from the past and free the States and the families who need a temporary hand-up from the system which has failed us all.

Mr. President, there are a number of Members and staff who deserve our recognition and appreciation for moving this legislation forward. Above all, the majority leader has done a masterful job in delivering on the promise of welfare reform. At several points over the past few months, it looked as though a comprehensive bill would slip through our fingers. Once again, he has demonstrated his skills as a true leader.

I congratulate Senator MOYNIHAN on his tireless efforts on this legislation. His knowledge of these issues cannot be matched.

Let me also thank those Senators who did remarkable jobs managing this legislation under very demanding and trying circumstances, especially Senators NICKLES, SANTORUM, GRASSLEY, CHAFEE, HATCH, and SIMPSON.

Few people will understand or appreciate the enormous job done by the staff in helping to get this legislation passed. The bill itself was nearly 800 pages long at the beginning of consideration. We added more than 200 amendments into the process. The staffs from Finance, Agriculture, and Labor Committees as well as from the leadership offices, the Congressional Budget Office, and legislative counsel accomplished a rather remarkable feat. In particular, let me thank and commend Sheila Burke in the leader's office, and Lindy Paull, Kathy Tobin, Rick Grafmeyer and Joe Zummo from Finance for their great efforts and dedication. Other staff members who deserve our thanks are Dave Johnson, Peg Brown, Susan Hattan, and Shannon Royce. From the Democratic side, Margaret Malone, John Secrest, Joe Gale, and Mark Patterson made special contributions to this legislation.

There is still much work ahead of us as some of the details differ between this legislation and welfare reform as passed by the House last March. But the most important test, the strength of our will to break the cycle of poverty, has been met. I look forward to completing our work and to sending real welfare reform to the President.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank the distinguished managers and the Senator from Wisconsin for permitting me to speak for 5 minutes at this point on the welfare reform package. I have been engaged for the past several weeks, almost continuously, with the Ruby Ridge hearings, but I did want to make a few comments and have them printed in the RECORD before the vote.

Mr. President, I think we have passed a reasonable welfare reform package today with overwhelming, bipartisan support. The issue of welfare reform has been one that I have been very much concerned about for many years, having introduced welfare reform legislation going back to the 99th Congress, with Senate bills S.2578 and S.2579, and then in the 100th Congress, with Senate bills S.280 and S.281.

I especially compliment my colleague, Senator SANTORUM, for his outstanding contribution on this bill and all the Senators for working on a bill which has broad bipartisan support—a virtual consensus—of 87 votes in favor of this bill.

I am very much worried, frankly, about the admonition of our distinguished colleague from New York, Senator MOYNIHAN, who has issued the concern, the warning, that we may find

children sleeping on grates. As we have structured this 5-year reform package, we have to be vigilant on that. Certainly, we have seen the development of a homeless class in America as a result of the release of people from mental institutions in the late 1970's without appropriate community support.

I am pleased to see that there have been significant improvements on this bill, characterized by the Congressional Quarterly this week at page 2805, September 16, 1995, commenting about how centrist Republicans have been able to achieve significant results with what you might characterize as the balance of power, coming in with a very strong stand on important matters like child care and maintenance of effort provisions for the States.

The bill did contain a provision, on which I worked from the outset of the welfare reform debate, that would not sanction the benefits of a single, custodial parent with a child under 5 who demonstrated an unmet need for child care.

There were a couple of important provisions where, frankly, I casted a couple of votes I was not happy about but did so in order to set the stage for compromises. One of them was an amendment to fund child care offered by Senator DODD, which was defeated narrowly, 50 to 48. My principal concern for opposing the amendment was a lack of an offset for six of the eleven billion it proposed. But that negative vote was cast in anticipation of a compromise which was later reached, providing for some $3 billion over 5 years exclusively for child care.

The second issue was the maintenance of effort provision, where Senator BREAUX offered an amendment requiring States to maintain 90 percent of their 1994 match on welfare spending for 5 years—the duration of the bill. I opposed the Breaux amendment with the assurance from the managers and the distinguished majority leader, Senator DOLE, that a 80 percent provision on maintenance of effort for the States would be inserted and would be fought for in conference as opposed to the 90 percent provision which would not be retained in conference. As usual, the better is the enemy of the good. I supported the majority leader's position, voted to defeat the Breaux amendment, and we have eight-tenths of the loaf with an 80 percent maintenance of effort.

Senator DOMENICI led a very important battle on the vote to strike the family cap, which was agreed to by a very substantial number, 66 to 34.

So that as we have come to the end of the debate on welfare reform, I think we have a reasonably good bill. Of course, we will all be watching it very, very closely to see what the outcome is from the conference. Beyond the conference report, we will have to maintain a very close vigil over this very important subject to make sure that the prediction and concerns expressed by Senator MOYNIHAN do not eventuate, where we do not find the situation where children are sleeping on grates.

Mr. DOLE. I yield 1 minute to the Senator from Michigan, Senator ABRAHAM.

Mr. ABRAHAM. Thank you, Mr. President.

For 30 years we have tried to fight the war against poverty and after 30 years, poverty is winning that war. We talk about helping children, yet today more people are below the poverty line than when we began the war on poverty—most of them children.

It is hard to argue that the programs that have been in effect are the ones that help children when you see the results of those programs up close, as we do in my State of Michigan. The last few years, through waivers, we had more flexibility in our State and we have been able to address many of the welfare problems much more effectively than any other State in the country.

This bill gives all States the kind of flexibility to deal with these problems the way we are dealing with them in Michigan. I believe it will succeed in moving more people to work and helping more children than the present system possibly could allow.

Mr. President, this bill also addresses, I think for the first time, the illegitimacy problem in this country. It may not go as far as some would like but takes an important first step in that direction. And, above all, I think by requiring tough work sanctions, it finally places the welfare debate, I think, where most persons would like to see it, where people who are the beneficiaries of Federal support and State support perform some type of community service or work in order to make a contribution to the process.

As a result, I think the majority leader deserves great credit for what he has done in 9 short months here. We have really ended business as usual. When we pass this bill today, we will be saying business as usual in welfare is over.

Thank you, Mr. President,

Mr. DOLE. I yield 2 minutes to the Senator from New Mexico, Senator DOMENICI, chairman of the Budget Committee.

Mr. DOMENICI. Mr. President, fellow Senators, first I want to join in complimenting Senator DOLE on putting together a bipartisan bill.

I have been sitting here listening to those who oppose this bill and it seems to me they are talking about a program, talking as if we have a welfare program that works. The problem is, we have a welfare program that does not work. We are not the only ones saying it does not work. About 90 percent of Americans say it does not work.

Why would we keep something that does not work? It would seem to me that we ought to try something new and different.

My second point is a very simple one. We are talking here as if the only one that knows how to take care of poor people is the U.S. Government. As a matter of fact, Mr. President, and fellow Senators, there is no welfare in America unless the States put up money. If the States have decided they do not care about children and they do not care about need, there would be no welfare program in the sovereign States of America.

All we are saying, since they put up the money, at least part of it—half of it or more—let them try to run the program. Some would have us think that that money they will get for 5 years from us they can spend on highways. They have to spend it on those people that are needy in their State.

We are giving them some flexibility to try to do it better. What is wrong with that? Essentially, we are saying to our States, ''You have been paying for a program. We have been telling you how to run it. Now we would like you to run it yourselves.'' And the only way that the ominous predictions of those on the other side who have opposed this would be anywhere close to true is if the States in America, the Governors and the legislators, decide that they are going to purposely ruin the program. And even at that, they cannot spend the money on anything else.

I believe we are going to have better welfare programs, more responsive programs, that people are going to go to work if they are able-bodied—and I stress able-bodied—and I do not think there is anything wrong with that experiment.

It is as noble as the experiment that has failed.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Louisiana.

Mr. BREAUX. Mr. President, I yield myself 2 minutes of the Democratic leader's time.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, my colleagues in the Chamber today should vote for this bill, not because it is a perfect bill, because it is not, but because it is a good start. Some have said this bill is a block grant and for the first time Washington, DC, gets out of the way. My concern is that, being a block grant, it does nothing to solve the problems of welfare reform. It just puts all the problems in a box and mails it off to the States and hopes the State do a good job.

Someone said ''Today, Washington, DC, gets out of the way.'' The original Republican proposal said and allowed for the Federal Government to, perhaps, pay for 100 percent of the costs of welfare reform. That is hardly saying that Washington would get out of the way, but rather that Washington would get stuck with the entire bill for welfare reform.

This bill really does address work. For the first time it says people should go to work within 6 months. Welfare

reform is not about programs, it is about creating good jobs for people on welfare. This bill is a step in the right direction.

Reform should be about taking care of children, and while this bill is not perfect, it provides $8 billion for child care because of the efforts of many of us—my colleague from Connecticut on this side included. When it left the Finance Committee it had zero money for child care. This bill puts $8 billion in it for child care.

In addition, it says the State should do something. That is reform. The Finance Committee bill said the States had to do nothing whatsoever, and that was going to be reform. This bill says the States have to maintain at least 80 percent of what they were doing.

Mr. President, we should pass this bill. It can become a better bill. That is our hope.

The PRESIDING OFFICER. The time of the Senator has expired. The majority leader.

Mr. DOLE. Mr. President, I yield 3 minutes to the Senator from Pennsylvania, Senator Santorum.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the leader for yielding. Mr. President, I want to say, we have come a long way. Having worked on the House task force, 2 years ago, on welfare reform, and having introduced a bill and worked on it diligently since then, I do not think anyone, in as short a time as 2 years ago, would have expected us to pass a bill as dramatic, as progressive, and as focused in trying to create a dynamic system to try to help people out of poverty as we created in the Senate today, and I am proud of the accomplishment.

I want to recognize several people who turned this ship around when it did not look like it was going to sail. First, I thank Senator PACKWOOD from the Finance Committee. He put together the shell of this bill and really did work diligently with Senator Ashcroft and Senator GREGG, two former Governors, in putting together this shell that we then filled in as the process of negotiations off the floor and on the floor continued.

I also thank Senator HUTCHISON. I think, if we had not figured out the financing mechanism, the formulas, this bill would just simply not have been able to sail. She just did yeoman's work in putting that together, and really deserves a lot of credit for moving this bill forward.

For what happened all throughout the process, but particularly at the end, I thank the leader. He really had faith in the process to continue to move it forward, to bring it up when many thought it could not be done. He continued to push forward, finding common ground between the moderates and conservatives, bringing people together, constantly bringing people together to keep moving. Because I think he recognizes, as all of us do, the importance of solving this serious problem for millions of Americans. He deserves a lot of credit for this bill.

This bill is dramatic. You are going to hear reported it does not go as far as the House bill, and this is a minor reform, and they are going to downplay this. All they are going to talk about in the press is how we differ from the House. But I tell you, this bill goes so much father than anyone could have anticipated just a short time ago. It ends the entitlement to welfare. It requires work. It puts a time limit on welfare benefits, which again is a dramatic change in the current system.

I have heard people say we have eliminated the safety net. I do not know what safety net they are looking at, but I tell you, when you see millions of people trapped in poverty for their whole lives, generation after generation, that is not a safety net, it is a fisherman's net. You are trapping people in a fisherman's net, and what we are trying to do is cut back the net so people can climb out, not so people fall through.

That is the difference between what has been proposed in the past and what we are proposing today, and it is dramatic. It is significant. And I can tell you, the difference between the House and the Senate, while it will be played up in the press, is not that significant. What we have are the frameworks of two bills that are very similar. We are going to move in the same direction. I believe, when we get to conference, we will be able to get a bill and I do not think it is going to take as long as people think.

We have a lot of common ground here. We understand it is important to get this bill in for reconciliation and I believe we will do it. I, again, just want to tip my hat to the leader for his tremendous work on this bill. If it was not for him, we would not be here today.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

The Senator from Connecticut.

Mr. DODD. Mr. President, I ask consent to speak for 2 minutes under the leader's time.

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

Mr. DODD. Mr. President, I will be very brief. First of all, let me commend those who have been involved in this debate. We talked about a number of Members here today. Let me point out, as I have on numerous occasions, the distinguished senior Senator from New York, who has forgotten more about this issue than most people ever remember. I commend him and thank him for the enlightenment which he has shed on this particular issue.

Having said that, I am going to vote for this bill. I do so with a high degree of reluctance, as my colleagues know. I think this is a narrow call, but in my view, the product we vote on now is a substantial improvement over what was originally proposed. I say that with all due respect to my friend and colleague from Kansas, the majority leader. There are improvements here. And, it is substantial in its difference over what was passed in the House of Representatives. Of course, there are fundamental differences which may never be resolved over issues such as the entitlement.

But, because of the 20 or so improvements that were made to this bill by amendments offered from people on both sides of the aisle, principally on this side, this is a bill which I think can be supported today. It goes much further than the original proposal, certainly, in the area of child care. There was zero money designated for child care in this legislation at first. My colleagues know that I would have done more in the child care area. I would have liked to have seen as much as $11 billion over 5 years. We ended up with $8 billion over 5 years—still, a substantial improvement.

Let me say to those who will be responsible for moving this product forward, if this bill comes back from the House with any kind of serious retreat from what we have adopted here, then I will stand up and vehemently oppose the legislation and recommend that the President veto the legislation.

This is a bill that, in my view, can be supported. It steps in a direction, and no one can say with absolute certainty where it will take us. I appreciate that. But, clearly, the system does need changing and this proposal offers us that opportunity.

As I have said all the way along, I believe that going from welfare to work is something that ought to be supported. This vehicle gives us the opportunity to do that with the improvements that have been made in it. So, with reluctance, I will support this legislation and await the outcome of the conference.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Wyoming, Senator SIMPSON, a member of the Finance Committee.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I never dreamed, when I came on the Finance Committee, we would be involved with so many vigorous activities. Of course, this was the principal beginning, and now, within these next hours, our committee will meet to decide how to trim some $470 billion from Medicare and Medicaid. And that is a must or else that program will go broke in the year 2002.

Welfare reform is long overdue. We have had 2 weeks of debate on all of the issues. It is time to pass this in a bipartisan way, give these programs over to the States. What we have done before has failed. So change is difficult, but something is very, very wrong with welfare. We know it. The Democrats know it. The Republicans know it. The President knows it. Now is the chance—to have a chance for the States to run these programs with

much less Federal regulation, much more flexibility. They have recognized the needs of so many of us in this body.

I want to commend leader DOLE, BOB DOLE, Senator DOLE, on listening to our concerns, paying careful attention to our needs at every level, every State receiving necessary attention to the things that concern us and, because of his efforts, this is now a bipartisan effort with most Senators voting to support this legislation. He has accommodated many of the Democratic concerns, including much needed child care, State maintenance of effort, and a contingency fund for the States.

I thank him for his efforts. We will wait for the conference report but, hopefully, those of us who have been involved in this one so long know it is better to get a crumb when you cannot get a loaf, in this type of work.

Thank you very much.

Mr. MOYNIHAN. Mr. President, I yield myself the remaining 3 minutes in opposition.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, the word reform means to restore to an earlier good state. Sir, there was no earlier good state of our present welfare system. It began as a widow's pension, a societal transformation program.

In 1988, with the Family Support Act we began to say that welfare cannot be a permanent way of life; it has to be a transition. It has to be an exchange of effort between the society, and the individual caring for children.

A year and a quarter ago on this floor, I introduced S. 2224, the Work and Responsibility Act of 1994. This was the administration's welfare reform measure. I introduced it on behalf of myself and Mr. Mitchell, the majority leader at that time, Mr. BREAUX, Mr. DASCHLE, Mr. DODD, Mr. KENNEDY, and Mr. ROCKEFELLER. It had taken a year and a half to get to it, but it was welcomed, and it was in the tradition that we have upheld for a good 20 years now.

The table of contents sets the tone. Title I, JOBS—job opportunities and basic skills; title II, work; title III, child care; title IV, provisions with multi-program applicability; title V, prevention of dependency; title VI, child support enforcement; title VII, improving Government assistance and preventing fraud; and title VIII, self-employment and microenterprise demonstrations. That was the track we were on. The Family Support Act of 1988, to which this was to be a successor, came out of this Senate floor 96 to 1.

I fear we have lost that tradition. We are ripping out a portion of the Social Security Act today. I fear we may be now commencing the end of the Social Security system.

The one thing not wrong with welfare was the commitment of the Federal Government to help with the provision of aid to dependent children. We are abandoning that commitment today.

Mr. President, I thank the Chair. I thank all concerned.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I ask unanimous consent that both the majority leader and I have each have 10 minutes remaining in the final moments of this debate.

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

Mr. DASCHLE. Mr. President, first let me begin by thanking Senators MIKULSKI, BREAUX, DODD, and MOYNIHAN for the great effort they have put forth to bring us to this point. Were it not for their leadership and their participation, we would not be here today.

I also want to thank the majority leader for his willingness to work with us and address many of the concerns that we have raised during the course of the last several months.

Most of us began this debate with the realization that the current welfare system needs repair. It does not enable people to become self-sufficient. It does not contain the resources to put people to work. It is not flexible enough for many States. It sends the wrong messages to welfare recipients—that work does not pay and that welfare can become a trap.

As a result, most people agree that reform—or whatever term we may want to use to address those problems—be addressed legislatively. We recognize that there is no perfect solution. There is no easy solution. As Senator MOYNIHAN has said, in spite of our best efforts, we have not found one today.

The disagreement really has been about the solution. In the view of most Democrats, the original Republican bill was extreme and misguided. It boxed up all of the current system and shipped it off to the States, saying, ''You do it.'' It was our view that that was not reform.

The bill we have before us today is a better bill. The bill before us today requires that the States provide at least an 80 percent maintenance of effort, and 100 percent maintenance of effort for child care. There is a $1 billion contingency grant fund, and there are no mandates from the extreme right wing.

In our view, the original bill was not about work. In fact, the Finance Committee bill did not even require work. It did not measure work. It only measured what we call participation in the welfare system. No work was required for two years, and in our view that was not reform.

We have a better bill now, a bill reached in agreement over the last several days that measures real work and provides a work bonus when States exceed the goals that we lay out in this legislation. It sets out $8 billion in child care funds, dollars that can only be used for child care and nothing else. It requires 80 percent maintenance of effort from states. It deletes the job training titles that ought to be outside the realm of welfare itself, and provides for them to be addressed in other legislation later on.

It establishes a personal responsibility contract very similar to the parent empowerment contract that was required in the Work First bill. It allows a work exemption for mothers with children under 1, and requires work after 3 months.

Mr. President, we have made very significant improvements in many areas of the legislation that I believe warrant our support today. The original bill hurt children. It included no funds for child care. In fact, many of us originally called it the ''home alone bill'' simply because of our concern for what it meant for children whose mothers and fathers would have to go out and find jobs.

It sanctioned mothers who could not find or afford child care. It allowed 30 percent of the funding under the child care development block grant to be transferred. It included no safety net for children and only a 10-percent exemption to the time limit. And that, in our view, was not reform at all. That is aiming at the mother and hitting the child.

But we have a better bill now, reached in agreement over the last several days—$8 billion in child care: $5 billion as part of the block grant, and $3 billion in additional funding to address the very needs that we have talked about for the last several weeks. One hundred percent maintenance of effort is required on child care. Transfer of funds from the child care development block grant is prohibited. Mothers with children under 6 will not be sanctioned if they cannot find or afford day care.

We gave States the option to allow mothers with children under 6 to work no more than 20 hours per week in lieu of the 35 hours per week that was originally required. We increased the time-limit exemption from 15 to 20 percent. We require teen mothers to stay at home or live in an adult-supervised environment, just as required in the Work First bill. We provide $150 million for second chance homes, and we do not have any mandates that deny aid to teen mothers or impose family caps.

This is a better bill. The original bill was an unfunded mandate of enormous proportion. It provided no funds for child care, even though child care is the linchpin between welfare and work. Although work rates increased from 20 to 50 percent, the CBO originally projected that 44 States would have failed to meet them. There was no contingency grant fund for uncontrollable circumstances.

That is not reform. That is shifting the welfare problem to the States. That is telling local taxpayers that they have to pick up the tab.

But Mr. President, it is a better bill now. Through agreements reached over the last several days, we provide the $3

billion in additional child care money, and $1 billion in contingency grant funds. We passed an amendment offered by the distinguished Senator from Minnesota, Senator WELLSTONE, to revert the Food Stamp Program back to an entitlement if the number of hungry children increases.

It is a better bill now. It is not perfect. It is not the bill I would have drafted alone. It is not the bill that would have passed 5 years ago or perhaps even last year. It does reflect, in my view, the political reality of today. It is the best bill that we are going to get under the circumstances that exist in the caucus, in the Senate, in the Congress, and in the country.

I have a number of reservations about this bill. There were provisions in the Work First bill that I regret were not adopted. I regret, for example, that the bill does not have the vouchers we proposed to address the needs of children after the time limit.

I regret that the bill ends the Federal-State matching responsibility for all those who qualify based on State-set criteria.

I regret the bill does not exempt families from time limits based upon specific criteria like high unemployment or serious disability.

I regret that there is no increased funding, beyond child care, for States to really put people to work.

I regret that the contingency fund is probably underfunded and we will likely have to revisit that issue again in the future.

I regret that the food stamp block grant option was not eliminated. Many food stamp recipients are working poor trying to stay off welfare; similarly, many food stamp recipients are elderly, and their problems will only be exacerbated. I remain concerned about the food stamp block grant choice.

So, as other Senators have indicated, we will be watching what the conference does. We were successful in enacting more than 20 major changes in this legislation, and those changes, Mr. President, are absolutely critical to retaining our support in the future. If the conference bill is not very close to the Senate bill, I will oppose it and I will recommend the President veto that bill when it reaches his desk.

The American people want a welfare system that is truly reformed. The American people want changes, not through rhetoric, but through reality. They want able-bodied adults to work. But they also want children to be protected. Children left home alone is no good for anybody. Arbitrary time limits alone will mean local taxpayers pick up the tab.

We have to ensure that we maintain the broad bipartisan support that final passage in just a few moments will represent. We will be watching the conference closely.

This is the beginning, Mr. President. If we can, indeed, come back from the conference with what we have accomplished in the Senate intact, then I believe it is the beginning of a series of changes over the course of the next several years that can move us to a welfare system that truly will work as we want it to. This cannot be the final word on what happens on welfare this decade. I support this legislation with reservations. I will watch closely as work continues in the conference committee.

I yield the floor.

Mr. DOLE. Mr. President, I thank the distinguished Democratic leader. I thank him for his support and his cooperation in getting us this far. I think we are going to have a display that we have not had recently of bipartisan support for major legislation, which I believe the American people will appreciate.

The Senate began debating welfare reform on August 7, and I predicted in my opening statement we were going to have a lot of contentious votes, a lot of debate, tough votes, and I also said that throughout all the debate we could not lose sight of two overriding facts. No. 1 was that our current welfare system had failed and, No. 2, it was our duty to fix it—talking about the Senate, not Republicans or Democrats.

So we have had about 100 hours of debate since that time, and some of it contentious, and we have now had I think 40 votes; 41 will be the final vote.

My colleagues remember the first week in August we thought we might be able to take up and finish welfare reform. But it appeared we had reached a roadblock after a couple days, and I recall some of the headlines. The media was quick to report that the Senate Republicans had failed and that welfare reform was on its last legs. The media got the story wrong because what is on its last leg in this Congress is the status quo.

Today, I am proud to say that the Senate has kept its promise—no more business as usual, no more tinkering around the edges with a system that has cost American taxpayers $5.4 trillion—that is with a ''T''—in Federal and State spending over the past 35 years. Instead, we are fulfilling our duty. We are not only fixing welfare, we are revolutionizing it. We are writing truly historic landmark legislation, legislation that ends—ends—a 60-year entitlement program. And in the process we are closing the books on a 6-decade-long story of a system that may have been well-intentioned but a system that failed the American taxpayer and failed those who it was designed to serve.

So today we begin to write a new story, a story about Americans who earn a paycheck rather than drawing a welfare check, a story about an America where welfare is no longer a way of life and where people no longer will be able to receive endless Federal cash benefits just because they choose not to work, a story about an America where power is actually transferred away from Federal bureaucrats in Washington and given back to our 50 State capitals and our Governors, Democrats and Republicans, and our State legislatures, Democratic or Republican, a story about an America that recognizes that the family is the most important unit in our society.

Mr. President, there are some in this Chamber, including Senator MOYNIHAN from New York, for whom I have the greatest respect, who believe the story we write today may turn out to be a harsh one. I disagree. I believe nothing could be more harsh on American men and women and children in need than to continue with the system that has failed them year after year after year. And rather than being harsh, I believe the vast majority of Americans agree that the system we create today is fair, it does help those in need and, above all, it is based on common sense.

It is common sense to require welfare recipients who are actually able to work to do just that. It is common sense to put a 5-year lifetime limit on welfare benefits so it does not become a way of life. It is common sense to give our States the flexibility to devise programs that meet the specific needs of their citizens.

I remember what Governor Thompson of Wisconsin told a group of us in my office, speaking to the Governors, that we were talking about mandating Governors, strings, conservative strings in this case, and Governor Thompson said, ''Who do you think we are? We are elected by the same people you are. Do you think I am going to allow somebody to go without medical treatment or without food in the State of Wisconsin?''

It is common sense. It is putting our faith in elected officials who are closer to the people. It is common sense to put a cap on spending because no program with an unlimited budget will ever be made to work effectively and efficiently. It is common sense to require that teenage mothers who have children out of wedlock stay in school and live under adult supervision in order to receive benefits. Otherwise, they have no chance to move off welfare. It is common sense to grant our States the ability to try to reduce our alarming illegitimacy rate.

Mr. President, the American people should know that this legislation is not perfect. It is not going to magically solve all the problems, regardless of how we vote today, whatever the conference vote may be when it comes back. But the Work Opportunity Act does put an end to a failed system. It does offer hope and opportunity to millions of Americans. It is a revolutionary step in the right direction, and it is further proof of the commitment this Congress has made to the American people.

At the risk of forgetting someone, Mr. President, I wish to thank a number of my colleagues on both sides of the aisle who helped make today's victory for the American people possible.

There have been references to my colleagues, Senator BREAUX and Senator DODD and certainly the Democratic leader and others on that side of the aisle. All members of the Senate Finance Committee, including Senator PACKWOOD, who was our chairman when we started this revolution, certainly deserve credit. Senator PACKWOOD put the original bill together, brought it to the floor and we have made changes. Senator HUTCHISON was instrumental in reaching agreement on the formula which kept the bill alive. Senator FAIRCLOTH led the fight for important amendments regarding abstinence education.

I wish to say a special word of thanks to our remarkable freshman class. They sunk their teeth into this issue from day one and never let go. Senators Abraham and Snowe and Ashcroft authored important amendments, and particularly Senator Santorum, who was in the Chamber every day, almost every minute, making certain the debate was moving forward. And he understands the program because he worked on it on the House side. I think he did an excellent job. And I know there are others I may have forgotten. But I thank also America's Governors, Republicans and Democrats—particularly Republicans because I work closely with the Republican Governors, whether it is Governor Voinovich of Ohio, Governor Engler of Michigan, or Governor Edgar of Illinois or Governor Thompson of Wisconsin, Governor Pataki of New York. They worked very closely with us throughout the process and so did State legislators and local governments because they are going to have the authority.

We are going to follow the 10th amendment. We are going to return power to the people, power to the States that the 10th amendment and Bill of Rights say we should.

So we are going to cast our votes in a few moments. It is not the end of the process; as the Democratic leader has indicated, we have to go to conference. We will have to reconcile our differences.

In the Senate-passed bill, I think we save between $65 billion and $70 billion. The House has more savings. About $40 billion of our savings, I think, are under the jurisdiction of the Finance Committee. I think we will iron out the differences we have, and then we will send a historic bill to the President of the United States, who has indicated, at least preliminarily, he will sign the bill.

I hope he will join with this Congress and the American people in writing a new chapter in the history of this great Nation.

As I listened to the debate and I listened to the Senator from Illinois and the Senator from Minnesota, I regret that they believe we are going to punish America's children. I disagree with that, because I believe we are creating a better opportunity for our children in this legislation, a future of more hope and more opportunity.

All of us come from different places in our lifetime. We have different backgrounds. Many come from hard-scrabble backgrounds and some not so hard scrabble. I can recall a long time ago in my family, in the small town of Russell, KS, when every member of the family worked. There were four children. Both my mother and father worked.

I can remember a time, even in those days, because of the Dust Bowl and a lot of other things that were happening, we could not make ends meet. We moved into the basement, six of us, and rented out the upstairs so we could make ends meet.

I think all of us can go back into our lives and say we had it tough. I remember coming to the Congress and working with Senator George McGovern from South Dakota on the Food Stamp Program, the WIC Program, and a lot of other programs that I believe protect children, contrary to what the Senator from Minnesota may have indicated.

I also can think back to the days when I was a county attorney in my small county of Russell County. One of the responsibilities of the county attorney in those days in my State was to sign every welfare check that left the office. In a small county, you know everybody who received those checks. In fact, it was old age assistance at the time. I knew two of them, my grandparents, who were caught up in the Dust Bowl days, in the dust storms and who had no other recourse but to seek help.

So I think when we vote on this bill, we should understand that, obviously, some are going to be in need and they are going to be taken care of and they are going to be young and old. But it is our hope that what we have demonstrated here, based on a lot of hearings and a lot of debate, is that we want to help people move out of this cycle of welfare, generation after generation, back in the mainstream, working, regaining their dignity and their self-esteem. That would be the goal of any welfare reform plan that I can think of.

So I know how tough it is for some people to accept assistance, and I have always had the view that people want to work. If given the opportunity, they will work. We call our bill the Work Opportunity Act of 1995. It is not going to be perfect but, in my view, it is a big, big step in the right direction.

I urge my colleagues on both sides of the aisle to vote for this bill. It is a big, big step in the right direction. The American people, by a vote of 88 percent, said this is the way they want to go, and I hope we will follow their lead.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that Senators vote from their desks and that their vote be announced.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall the bill pass, as amended?

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

The PRESIDING OFFICER (Mr. THOMPSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 87, nays 12, as follows:

[Rollcall Vote No. 443 Leg.]

YEAS—87

Abraham	Exon	Lott
Ashcroft	Feingold	Lugar
Baucus	Feinstein	Mack
Bennett	Ford	McCain
Biden	Frist	McConnell
Bingaman	Glenn	Mikulski
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Breaux	Gramm	Nickles
Brown	Grams	Nunn
Bryan	Grassley	Packwood
Bumpers	Gregg	Pell
Burns	Harkin	Pressler
Byrd	Hatch	Pryor
Campbell	Heflin	Reid
Chafee	Helms	Robb
Coats	Hollings	Rockefeller
Cochran	Hutchison	Roth
Cohen	Inhofe	Santorum
Conrad	Inouye	Shelby
Coverdell	Jeffords	Simpson
Craig	Johnston	Smith
D'Amato	Kassebaum	Snowe
Daschle	Kempthorne	Specter
DeWine	Kerry	Stevens
Dodd	Kohl	Thomas
Dole	Kyl	Thompson
Domenici	Levin	Thurmond
Dorgan	Lieberman	Warner

NAYS—12

Akaka	Kerrey	Moynihan
Bradley	Lautenberg	Sarbanes
Faircloth	Leahy	Simon
Kennedy	Moseley-Braun	Wellstone

NOT VOTING—1

Hatfield

So the bill (H.R. 4), as amended, was passed.

Amend the title so as to read: ''An Act to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.''.

Mr. DOLE. I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate insist on its amendments and request a conference with the House, and the Chair be authorized to appoint conferees.

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

● Mr. PACKWOOD. Mr. President, I would like to take this opportunity to praise the magnificent work of the people on the Senate Finance Committee, majority office, and in my personnel office who were at the core of my welfare reform team and who helped develop and reach a consensus on much of the historic welfare reform legislation that has passed the Senate today.

These individuals have been working tirelessly and at length this entire year with me and with other Senators, crafting policy that ends the broken welfare system as we currently know it. The reforms will help our Nation's poor develop self-respect, train them for jobs, lessen the burdens on the hard working taxpayers of this country, give our Governors the greater flexibility they have been asking for, and leave the safety nets of aid and nutrition in place for families, for the elderly and for the disabled. Well deserved praise and my thanks to Lindy Paull, Rick Grafmeyer, Kathy Tobin, Joe Zummo, and Rob Epplin of the Finance Committee, and Marcia Ohlemiller and Ginny Worrest on my personal staff.●

Mr. LAUTENBERG. Mr. President, I would like to take a few minutes to tell my colleagues why I voted against the Dole welfare reform bill.

Mr. President, we live in the greatest Nation on earth. We are the wealthiest country in the world. But it is clear that some in our society do not share in this wealth. They are poor. They are jobless and in some cases homeless. And they must rely on public assistance to survive. In America, this is unacceptable. And we should be committed to improving their lives.

Mr. President, there is no question that the current welfare system needs reform. But the central goal for any welfare reform bill should be to move welfare recipients into productive work.

This will only happen if we provide welfare recipients with education and job training to prepare them for employment. It will only happen if we provide families with affordable child care. It will only happen if we can place them into jobs, preferably in the private sector or—as a last resort—in community service.

But the Dole bill is not designed to help welfare recipients get on their feet and go to work. It's only designed to cut programs—pure and simple.

It's designed to provide funds so that Republicans can provide huge tax cuts for the rich. That's what's really going on here.

Unfortunately, Mr. President, the radical experiment proposed in this legislation will harm our society while producing defenseless victims.

Those victims are not represented in the Senate offices. They're not here lobbying against this bill. They don't even know they're at risk.

The victims will be America's children. and there will be millions of them.

Mr. President, the AFDC Program provides a safety net for 9 million children. These young people are innocent. They did not ask to be born into poverty. And they don't deserve to be punished.

These children are African-American, Hispanic, Asian, and white. They live in urban areas and rural areas. But, most importantly, they are American children. And we as a nation have a responsibility to provide them with a safety net.

The children we're talking about are desperately poor, Mr. President. They're not living high off the hog. These kids live in poverty.

Mr. President, it's hard for many of us to appreciate what life is like for the 9 million children who live in poverty and who benefit from AFDC.

I grew up to a working class family in Paterson, NJ, in the heart of the Depression. Times were tough. And I learned all too well what it meant to struggle economically.

But as bad as things were for my own family, they still weren't as bad as for millions of today's children.

These are children who are not always sure whether they'll get their next meal. Not always sure that they'll have a roof over their heads. Not always sure they'll get the health care they need.

Mr. President, these children are vulnerable. They're living on the edge of homelessness and hunger. And they didn't do anything to deserve this fate.

Mr. President, if we're serious about reforming a program that keeps these children afloat, we won't adopt a radical proposal like the Dole bill. We won't put millions of American children at risk. And we won't simply give a blank check to States and throw up our hands.

Mr. President, this Republican bill isn't primarily a policy document. It's a budget document.

Mr. President, if the Republicans were serious about improving opportunities for those on welfare, they would be talking about increasing our commitment to education and job training. In fact, only last year, the House Republican welfare reform bill, authored in part by Senator SANTORUM, would have increased spending on education and training by $10 billion.

This year, by contrast, the bill before us would cut education and training dramatically, with the bill's total cuts exceeding $65 billion.

So what's changed? The answer is simple. This year, the Republicans need money for their tax cuts for the rich.

Mr. President, shifting our welfare system to 50 State bureaucracies may give Congress more money to provide tax cuts. But it's not going to solve the serious problems facing our welfare system, or the people it serves.

To really reform welfare, Mr. President, we first must emphasize a very basic American value: The value of work.

We should expect recipients to work. In fact, we should demand that they work, if they can.

Of course, Mr. President, that kind of emphasis on work is important. But it's not enough. We also have to help people get the skills they need to get a job in the private sector. I'm not talking about handouts.

I'm talking about teaching people to read. Teaching people how to run a cash register or a computer. Teaching people what it takes to be self-sufficient in today's economy.

We also have to provide child care.

Mr. President, how is a woman with several young children supposed to find a job if she can't find someone to take care of her kids? It's simply impossible. There's just no point in pretending otherwise.

Unfortunately, the Dole bill doesn't address these kind of needs. It doesn't even try to promote work. It doesn't even try to give people job training. It does little to provide child care.

All it does is throw up its hands and ship the program to the States. That's it.

Mr. President, that's not real welfare reform. It's simply passing the buck to save a buck. And who's going to get the buck that's saved? The people the Republicans really care about: Those who are well off.

Mr. President, the Senate did adopt the leadership amendment that made some improvements in the Dole bill. This amendment increases funding for child care, limits State cuts in welfare to 20 percent, and includes a $1 billion contingency fund.

Mr. President, I commend the Senators who crafted these improvements. But they do not change the basic design of the bill, which remains deeply flawed.

This bill would take away the safety net we established for poor children 60 years ago. It does far little to move recipients from welfare to work. And, when you get right down to it, it's main effect will be to take from the poor so that Congress can give a huge tax cut for the rich.

This was a historic vote, Mr. President. And I fear we are making a bad situation even worse. I only hope I am proved wrong.

I yield the floor.

Mrs. MURRAY. Mr. President, the Senate voted to approve welfare reform legislation by a vote of 87–12 this afternoon. I have spent weeks thinking about my vote on this issue, and today, after listening to people on all sides of this issue, including my family and my colleagues, I reluctantly cast my vote in favor of the Dole bill, as amended. In my brief tenure here in the U.S. Senate, this was one of the most difficult votes I have cast. Mr. President, I would like to explain why.

From the beginning of the welfare reform debate, my No. 1 concern has been about finding a way to rebuild American families. I have always believed we can only do that by emphasizing

real personal responsibility, providing adequate child care for both working poor and welfare families, and ensuring our children can count on help from adults.

It has been my hope that we could achieve some positive changes to the current system. If there is one thing everyone can agree on, it's that the current system is flawed. It needs fixing, and I vowed to support reform. My challenge has been to influence that reform in the most constructive direction possible.

As someone who came to the Senate during the 1992 election year, I know we cannot continue to do things the way we always have. We must take a hard look at the sum total of our Government programs, and rework them to accurately reflect society's strengths, weaknesses, and needs.

We entered the debate with two bills, the Dole version and the Daschle Work-First bill. I cosponsored and voted in favor of the Daschle bill. I supported it because I felt it was the right place to start. It reflected a genuine commitment to helping poor families move up and into the work force.

Unfortunately from my perspective, a majority in the Senate rejected the Daschle bill. But I didn't give up there. I and others began devoting our energies to improving the Dole bill.

First, we offered an amendment to require full funding, and full protection for child care and children's programs. It would have provided the full $11 billion estimated by the Department of Health and Human Services to be necessary to meet child-care needs. Again, this amendment was narrowly defeated, 50–48.

Given the closeness of this vote, Senators DOLE and DASCHLE were able to reach a compromise that strengthened the Dole bill, but fell short of our original amendment. It includes provisions which: require States to maintain their welfare spending at a minimum of 80 percent of current levels; strike the job training title—which had no business in a welfare bill to begin with, establish a contingency grant fund to take care of States in times of economic downturns, and provide a total of $8 billion for childcare services nationwide. I support this compromise, though I feel ultimately we will have to do more.

Following the child-care debate, I cosponsored an amendment to establish greater protection for victims of domestic violence. I believe domestic violence to be the single, most destructive force against families in America today. No one, not the Senate, the President, or anyone else, can place a value on the price paid by mothers and their children attempting to survive an abusive household. This time the Senate agreed, and my amendment was adopted unanimously.

Having worked hard to improve the Dole bill, I found myself faced with a very difficult decision. I could either vote against the Dole bill based on its shortcomings for children, or I could vote to affirm the improvements we made to it.

I believe the Dole bill to be deeply flawed. I believe it draws into question the welfare of poor children throughout the Nation. But I also believe we have to start somewhere. The current system needs to be changed, and the Dole bill changes it fundamentally. Therefore, I voted yes.

Mr. President, change of any kind always involves risk. We will never know how great that risk is until we try something different. What we do know, however, is that change brings new responsibility.

We do not know whether this bill will make it into law. If it is enacted, we don't know if it will work. It may prove a fabulous success, or it may only prove to make problems worse for the poor.

But today, we have created a grave new responsibility for this Senate: to be watchdogs for our children. More than ever before, all Senators have an obligation to make the law work in favor of poor children, All Senators have a responsibility in the future to consider the successes and failures they have created this day, and to be prepared to make changes later if things don't work out.

The most unfortunate part of this debate, in my opinion, is that people don't think of children when they think of welfare. People think of dependency, complacency, poverty, and all the worst stereotypes. This troubles me because it is children who face the most difficult struggles. It is children who are most deserving of our care.

The outcome of this debate does not change one iota this basic fact: we need a national commitment to children in this country. I believe this to the very core of my being.

Children are under assault every single day in this country. In their homes, in school, on the streets, and yes, in this Congress. We see it in cuts to education and dismantling of crime prevention. We see it in Medicaid cuts, defunding of AmeriCorps, and elimination of student loans.

Today, I voted for change, to try something new. But I also took responsibility to live with that change, ad to work even harder promoting a broad, national commitment to our children. Mr. President, I urge my colleagues to accept that responsibility with equal sobriety, and with equal vigor.

The outcome today was not in doubt. Nor is this the end of the debate. There will be a conference committee. We may even debate a conference report. More likely, we will see this bill again in the budget reconciliation yet to come.

I think we can change welfare for the better, and move more people into the work force. I look forward to working with you, Mr. President and all my colleagues, to this end; but also to build a stronger commitment to children. We must do this in welfare reform, and across the whole spectrum of issues we consider this session. The future is simply too important. And unlike before, it is our new responsibility.

Thank you, Mr. President. I yield the floor.

CHANGE OF VOTE

Mr. ROCKEFELLER. Mr. President, on rollcall 440 I voted aye; my intention was to vote no. I did not know it was a tabling amendment.

I ask unanimous consent that I be permitted to change my vote, which in no way will change the outcome of the vote.

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

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1976) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

The Senate continued with the consideration of the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EXCEPTED COMMITTEE AMENDMENT ON PAGE 83, LINE 4, THROUGH PAGE 84, LINE 2

Mr. COCHRAN. Mr. President, what is the pending business, I inquire of the Chair?

The PRESIDING OFFICER. The pending question is the committee amendment on page 83 of the bill.

Mr. COCHRAN. Mr. President, 4 minutes remains to be debated on the amendment before we conclude debate on this subject?

The PRESIDING OFFICER. The Senator is correct.

Mr. PRYOR. Mr. President, there is not order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, for the information of Senators, 4 minutes remain in debate time on this amendment. We have agreed Senator BOXER will use the first minute and the managers 2 minutes and then Senator BOXER will close the debate for the remaining 1 minute.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I hope my colleagues will listen to this because it is such a common sense issue.

If I were to tell you that hot is cold and cold is hot, you would think I was kidding. And if I told you that freezers keep things warm and ovens keep things cold, you would think I had lost it. And then if I told you that chicken frozen to 1 degree was fresh you would question my brain capacity. And yet, every day in America's supermarkets, our consumers go in and buy chicken products, turkey products—they are marked fresh and they are hard as a rock. They are as low as 1 degree. And the Food Safety and Inspection Service finally has remedied that by saying if you are going to put a label on it, it has to reflect the condition of the product; fresh is fresh; frozen is frozen.

The committee amendment would stop that rule from going into effect. So I am going to move, at the appropriate time, to table that amendment.

They are going to tell you this is a parochial issue. It is not. It is a consumer issue. Every consumer organization thinks this rule should go into effect. I hope Senators will vote to table the committee amendment.

I reserve my 1 minute to close this very intriguing debate.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Mississippi.

Mr. COCHRAN. I yield 1 minute to the distinguished Senator from Arkansas [Mr. BUMPERS].

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, this is one of those issues that if you look at it you would think the California Senators had the high ground. They do not.

In 1992 the California Poultry Association went to the California legislature and said, ''We cannot compete. We have to do something.'' These chickens are coming in here at 26, 27, 28 degrees, which they have been for decades. They are not frozen hard. We are not talking about zero degrees. They said, ''We cannot compete.''

So the California Legislature adopted a rule which a Federal court promptly ruled out of order because we had preemption on it. So what happened? They go to the Agriculture Department. The rule we are talking about is exactly what the California Legislature passed.

I want to tell you this, we have shipped—Southern and Southeastern States have shipped billions and billions and billions of poultry all over the United States. Not just California, everywhere. One complaint, from the California Poultry Federation. They do not even want to allow you a 2 to 3 percent plus or minus allowance. It is the California Poultry Federation bill.

The PRESIDING OFFICER. The Senator has used 1 minute.

The Senator from Mississippi.

Mr. COCHRAN. I yield myself the remainder of the time.

It is clear from the evidence that this is an effort to protect California poultry producers from competition from outside the State. There is no doubt about it.

Somebody asked me a while ago, they said, ''I do not understand this. Are we being told that if something is frozen that it is not fresh?'' The point is, the Food Safety and Inspection Service has concluded, somehow, that fresh is the opposite of frozen. Fresh is the opposite of stale or unfit for consumption or something that does not taste good.

The fact of the matter is, this poultry is being sold in California that is being processed in Mississippi or Arkansas, Louisiana, Oklahoma, Virginia, Delaware—Senator BIDEN talked about his industry there. We would not be able to see our poultry processors ship any poultry into the California market because of this rule. The rule as promulgated is that it has to be at no less than 26 degrees, flat 26, no variance, no exceptions. Think about a truck going across the country to California and you have to maintain that exactness.

There is going to be a patrol of inspectors waiting on you from California to see if you have met these strict rules? They need to reexamine it. The amendment says no funds will be used to enforce this regulation until they review it. That is what we insist upon.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from California.

Mrs. BOXER. Mr. President, I heard my colleague mention California 13 times. I find it amusing. It was under the Bush administration that this truth in labeling started, in 1988; in 1988. This is a consumer issue and finally we have a chance to make sure that our people who walk into supermarkets, who take care of their families, who buy poultry, will know what they are getting. They know the fat content now. They know how much calcium is in a product now. They know how many minerals are in a product, how many calories are in the product, how much protein is in the product. They only thing they do not know is if a product has been previously frozen.

Sometimes they take it, throw it in the freezer, defrost it again, which is bad. It is a bad thing to do for the health of their families.

This is a consumer issue and the consumers are watching us. That is why every consumer group is on our side and says, ''Please, vote to table the committee amendment.''

The fact of the matter is, this is simple common sense. You can turn it around, you can say ''California'' 22 times—it does not change the fact. Fresh is fresh. Frozen is frozen.

All time has expired, so I move, at this time, to table the committee amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on the motion to lay on the table the committee amendment on page 83, line 4 of the bill.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

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

The result was announced—yeas 38, nays 61, as follows:

[Rollcall Vote No. 444 Leg.]

YEAS—38

Akaka	Feingold	Mikulski
Baucus	Feinstein	Moseley-Braun
Bingaman	Glenn	Moynihan
Boxer	Gorton	Murray
Bradley	Graham	Packwood
Bryan	Harkin	Pell
Chafee	Kennedy	Reid
Cohen	Kerrey	Sarbanes
Daschle	Kerry	Simon
DeWine	Lautenberg	Snowe
Dodd	Leahy	Thompson
Dorgan	Levin	Wellstone
Exon	Lieberman	

NAYS—61

Abraham	Frist	McCain
Ashcroft	Gramm	McConnell
Bennett	Grams	Murkowski
Biden	Grassley	Nickles
Bond	Gregg	Nunn
Breaux	Hatch	Pressler
Brown	Heflin	Pryor
Bumpers	Helms	Robb
Burns	Hollings	Rockefeller
Byrd	Hutchison	Roth
Campbell	Inhofe	Santorum
Coats	Inouye	Shelby
Cochran	Jeffords	Simpson
Conrad	Johnston	Smith
Coverdell	Kassebaum	Specter
Craig	Kempthorne	Stevens
D'Amato	Kohl	Thomas
Dole	Kyl	Thurmond
Domenici	Lott	Warner
Faircloth	Lugar	
Ford	Mack	

NOT VOTING—1

Hatfield

So, the motion to lay on the table the excepted committee amendment on page 83, line 4 through line 2, page 84, was rejected.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion to table was rejected.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2688, AS MODIFIED

Mr. COCHRAN. Mr. President, as I understand it, the pending business is the Brown amendment to the committee amendment.

The PRESIDING OFFICER. The Senator is correct. Under the previous order, the Senate will proceed to consideration of the Brown amendment No. 2688, on which there shall be 60 minutes under the control of the Senator from Alabama [Mr. HEFLIN], and 30 minutes under the control of the Senator from Colorado [Mr. BROWN], with a vote on or in relation to the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the pending

amendment be temporarily laid aside so that I can offer an amendment on behalf of Senator BINGAMAN which has been agreed to on both sides.

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

AMENDMENT NO. 2693

(Purpose: To reduce the energy costs of Federal facilities for which funds are made available under this act)

Mr. BUMPERS. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for Mr. BINGAMAN, proposes an amendment numbered 2693.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from the average previous three fiscal year levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the Secretary of Agriculture (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved: and

(C) specify the actions that resulted in the reductions.

Mr. BINGAMAN. Mr. President, I rise today to commend the two floor managers of the bill, the distinguished Senator from Mississippi, Senator COCHRAN, and the distinguished Senator from Arkansas, Senator BUMPERS, and their staff, for their excellent and efficient management of the fiscal year 1996 Appropriations Act for the Department of Agriculture.

I would like to take a few moments to discuss an amendment I am offering on this appropriations bill. My amendment encourages agencies funded under the bill to become more energy efficient and directs them to reduce facility energy costs by 5 percent. The agencies will report to the Congress at the end of the year on their efforts to conserve energy and will make recommendations for further conservation efforts. I have offered this amendment to every appropriations bill that has come before the Senate this year, and it has been accepted to each one.

I believe this is a commonsense amendment: the Federal Government spends nearly $4 billion annually to heat, cool, and power its 500,000 buildings. The Office of Technology Assistance and the Alliance to Save Energy, a non-profit group which I chair with Senator JEFFORDS, estimate that Federal agencies could save $1 billion annually if they would make an effort to become more energy efficient and conserve energy.

Mr. President, I hope this amendment will encourage agencies to use new energy savings technologies when making building improvements in insulation, building controls, lighting, heating, and air conditioning. The Department of Energy has made available for government-wide agency use streamlined energy saving performance contracts procedures, modeled after private sector initiatives. Unfortunately, most agencies have made little progress in this area. This amendment is an attempt to get Federal agencies to devote more attention to energy efficiency, with the goal of lowering overall costs and conserving energy.

As I mentioned, Mr. President, this amendment has been accepted to every appropriations bill the Senate has passed this year. I ask that my colleagues support it.

Mr. BUMPERS. Mr. President, this is an amendment that requires the Department of Agriculture to use essentially a 3-year base for energy uses and requires them to cut their energy use by 5 percent.

Mr. COCHRAN. Mr. President, we have reviewed the amendment, and we have agreed to it with some modifications being made to the amendment by the Senator from New Mexico. We urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2693) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

AMENDMENT NO. 2688, AS MODIFIED

Mr. HEFLIN. Mr. President, is the pending business the Brown amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. HEFLIN. I yield such time to Senator NUNN, of Georgia, as he may consume.

Mr. NUNN addressed the Chair.

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

Mr. NUNN. Mr. President, I rise to oppose the Brown amendment No. 2688, which would prohibit the outlay of any Federal funds for salaries and expenses of U.S. Department of Agriculture employees who carry out the peanut program.

I know the Senator from Colorado and the Senator from Alabama and the Senator from Georgia have spoken on this amendment. It is my hope there are going to be some changes in the amendment.

I speak to the amendment as it now exists. Mr. President, I oppose the Brown amendment on three basic grounds. No. 1, while well-intentioned, I am sure the amendment is poorly drafted. No. 2, even if the Brown amendment was drafted correctly, it singles out the administrative cost of the peanut program and raises questions that are beyond the scope of the bill, and No. 3, the Brown amendment preempts the legislative process and, I think, would undermine a very serious effort by a bipartisan group of Senators who are working for reform in the authorization bill to greatly lower, if not eliminate, the cost of the price support program from the agriculture budget.

First, let me speak to the language of the amendment. The amendment has two basic sentences. The sentence No. 1 says:

None of the funds made available under this act may be used to pay the salaries and expenses of USDA employees who carry out a price support or production adjustment program for peanuts.

And then No. 2:

Assessment.—The Secretary of Agriculture may charge producers a marketing assessment to carry out the program under the same terms and conditions as are prescribed under section 108B(g) of the Agriculture Act of 1949.

Mr. President, as I read this amendment, this means that an Agriculture Department employee who might spend 1 percent of his or her time administering the peanut program and 99 percent of his or her time administering the cotton or the CRP program or other programs will not receive any salary.

The amendment says that no funds may be used to pay salaries and expenses of anyone who runs the peanut program, period. It does not say ''unless that money is reimbursed.'' That is what the second sentence implies, but that is not the way the amendment reads.

Even if a peanut grower paid the portion of the salary of a CFSA employee who administers the peanut program, that person, under a literal reading of the Brown amendment, could not receive a Federal salary at all for administering other commodity programs—

cotton, feed grains, CRP program, and others.

The peanut program is run by county employees of Consolidated Farm Service Agency, and these same employees administer the other programs in the Department of Agriculture. So if read literally, as I think any interpretation would have to read it, the Brown amendment could terminate the operation of every Federal farm program in every county where peanuts are grown. Again, I do not think that is what the Senator from Colorado means, but that is what the amendment says.

Second, the Brown amendment singles out peanut producers to pay for the administrative costs of their own program. Notwithstanding the Brown sense-of-the-Senate amendment adopted yesterday on tobacco, no other group of producers has been asked to pay for the administrative cost of their program.

Furthermore, the other American groups, like bankers, do not pay for the cost of administering the banking program, the FDIC program and many other programs.

If we are going to do this, it ought to be done on a broad basis and not simply for one commodity. Why not do it for the feed program, sugar, dairy, and so forth? If this kind of reform is going to be undertaken, and there may be some merits for it, it would imply a much broader set of reforms going far further than the Department of Agriculture and really encompassing our entire Federal Government. That is not to say that the support price of it should not be addressed, and I am sure it is going to be addressed in the reform bill that is now occurring.

Finally, this amendment preempts the legislative process. Later this week, the Senate Agriculture Committee, I understand, will begin marking up commodity titles for the 1995 farm bill which will be part of the reconciliation bill. The Brown amendment, as I view it, would undermine a very serious effort by a number of Senators who are working for reform of the program in the authorization bill.

Peanuts are grown in 72 of Georgia's 159 counties. Yesterday, the junior Senator from Georgia, Senator COVERDELL, noted that in 75 percent of those counties, the poverty rate exceeds 20 percent. If we make an unreasoned and abrupt change, rather than an evolutionary change, in the peanut program, the economies of these counties will be hit very, very hard. That means that farm workers, not just landowners, will be deeply affected, as well as small and rural communities.

The top two peanut-producing counties in Georgia are Worth County—I believe that is the birthplace of our good friend from Alabama, Senator HEFLIN—and also Early County. In 1993, 9.71 percent of the population of Worth County received aid to families with dependent children benefits and 19.4 percent received food stamps. In Early County, 13.38 percent of the population received AFDC benefits; 28.9 percent of the population received food stamps.

Mr. President, no question about it, farming and the peanut program are vital to these economies. Nevertheless, peanut producers have not circled the wagon and said they are against all change. They have not rejected cost reductions. Indeed, peanut producers are working with Senators on both sides of the aisle toward a sound, workable program that will eliminate the taxpayers' cost of the overall support program. I do not believe we want to send a signal that a process like that will be thrown out the window by an amendment to the appropriations bill.

I concur with the Senator from Colorado that Government expenses ought to be eliminated from the peanut program to the greatest extent possible. I know that my colleagues, Senator COVERDELL, Senator COCHRAN, and Senator HEFLIN also generally agree with this sentiment.

I also agree with the Senator from Colorado that the program must be reformed to reflect new challenges and new opportunities presented by both the NAFTA Agreement and the GATT Agreement, but the amendment by the Senator from Colorado does not help in that regard. I think it impedes progress for real reform. Many in the peanut program did not support GATT or NAFTA, but these major trade programs passed, and they have been enacted into law. I voted for them.

We are now working through the farm bill to make sure the peanut and other programs reflect these new realities. This amendment would short circuit that process. NAFTA and GATT will require peanut producers to face new realities. They understand that. Our authorizers in the Agriculture Committee are working on orderly, but effective, reform of the peanut program.

Mr. President, I am a cosponsor of the bill, S. 1155, the Agriculture Competitiveness Act of 1995, which was introduced by Senator COCHRAN last month. This legislation eliminates the cost of the price support program to the U.S. Treasury. The Senator from Colorado mentioned that the peanut program cost $120 million last year. I agree with him that that cost has to be driven down. As I understand S. 1155, these costs would be eliminated over a period of time under that bill.

Mr. President, I am particularly proud of the leadership of Georgia's peanut growers in supporting legislation that will eliminate the costs of the price support program. The peanut title in S. 1155 is a real reform measure. It delivers real savings to the Government—$96 million in fiscal year 1997, according to the Congressional Budget Office.

In closing, Mr. President, let me reiterate that I agree with the Senator from Colorado that the costs of the peanut price support program to the taxpayer should be eliminated. I also agree with him that with the enactment of GATT and NAFTA, the program must reflect the realities of foreign competition. I am confident that under the leadership of Senators HEFLIN, COVERDELL, and COCHRAN, the Senate will produce peanut legislation that meets both of those goals. But the Brown amendment undermines this process.

I urge that the amendment of the Senator from Colorado be defeated. Unless it is substantially redrawn, I hope it will be defeated. It is my hope, after talking with the Senator from Alabama and the Senator from Colorado and others, that there may be some redrafting underway.

I yield back any time I have remaining that was yielded to me by the Senator from Alabama, and I thank him for yielding me the time.

Mr. WARNER. Mr. President, I rise today in opposition to the amendment offered by the senior Senator from Colorado.

The Agriculture Committee, of which I am a member, has been working diligently over the past several months to craft the 1995 farm bill. I have been working closely with other members of the committee to craft a bill that will achieve the cost savings necessary to reach a balanced budget, make our farm programs more market oriented, and ensure the continued success of the American farmer.

We have nearly reached that goal. As I am sure you are aware, there exists disagreement over the future of farm policy. But members and staff of the Agriculture Committee are working to forge a consensus.

Last month, I was pleased to join with six of my colleagues on the Agriculture Committee, including the Senator from Mississippi, to introduce the Agricultural Competitiveness Act of 1995. This bill sets forth our vision for the future of agriculture. Part of our consensus rests on the peanut program.

My colleagues and I on the committee have set forth a reformed peanut program that will operate at no cost to the taxpayer—none. We have outlined a program that will contribute upwards of $400 million towards deficit reduction and our ultimate goal of achieving a balanced budget. And we have championed a plan that will ensure the continued success of the family farmer, to ensure that he will be there producing the highest quality, safest, and most abundant food supply in the world.

All parties recognize the need for reform. And we all know that the budget is driving the debate over agriculture. So, I commend my colleague from Colorado for his contribution to the cause.

But as my colleague from Mississippi mentioned yesterday, we are crafting a comprehensive farm bill, one that will address farm policy in a coherent, unified manner. And that is a goal I believe we will have achieved, when all is said and done.

But we cannot address farm policy in a piecemeal manner on an appropriations bill, singling out not just farmers, but one type of farmer—our peanut farmers—to bear an extra burden.

Let me speak to that burden. This amendment is nothing more than a tax on farmers. During my travels around the State and my discussions with Virginia farmers, one message is delivered: Reduce the regulatory and tax burden on the farmer. This amendment does the opposite.

In addition, this amendment singles out one type of farmer: the peanut farmer. Now, I know the calls to reform this program have been heard. As I have said, in the Agriculture Committee, we are working on a reformed peanut program.

But some insist on attacking the farmer wherever they can. Appropriations is not the vehicle for setting farm policy—particularly when it's bad farm policy.

The Federal Government administers numerous programs. I see no reason why peanut farmers should be singled out for what is nothing more than another tax. If we are going to proceed with this policy, then let's apply it across the board, and make everyone pay for the incidental administrative expenses associated with their programs. But let's not just single out one group of farmers.

Reasonable people will disagree about the future of farm policy. But this is the very debate we are undertaking in the Agriculture Committee.

This is a battle for another day. I urge my colleagues to oppose this amendment.

Mr. BROWN. Mr. President, I yield myself such time as I may consume.

Mr. President, I thank the distinguished Senator from Georgia, Senator NUNN, and also Senator COVERDELL for their helpful comments in this area. It is clearly an area they are very knowledgeable in, as well as the distinguished Senator from Alabama, who has been very helpful in this regard.

The Senator from Georgia is right when he says the normal job of dealing with this is in the authorizing committee. I have served in Congress now for 15 years—10 of it in the House and the remainder here in the Senate—and through that entire period of time, I would find it difficult to name a single time when the authorization bill was really on the floor and available for markup in either body. It may have been because of what was going on when I was in each particular House. But in the House of Representatives when it came up, there were restricted rules.

Frankly, what happens is reform in this area is difficult to come by because it is difficult to author. Why do you need reform? For this reason: This program hurts the consumers of America. The world price of peanuts runs in the neighborhood of $350 a ton. Members will appreciate that it varies, as any commodity price does. But the established target price under the marketing control program here is $678. In other words, the price that American consumers pay for the domestic consumption is nearly double the real price. If somebody said you are going to pay double for this commodity what anybody else in the world pays, I do not think you would necessarily think they were consumers' friends.

This program clearly hurts consumers. This program hurts producers, too, Mr. President. How can that be? It hurts producers even though the program allows producers to produce other than products for the target price maintained under a special loan program. Even though it does allow them to produce additional peanuts that can be sold worldwide or inventoried to meet future quotas, what it does do is lead to the export of this industry.

This is a relatively new adjustment, but let me explain why I think it is so important that this be noted and that people understand why this program, as currently configured, does hurt producers. Under the new GATT market rules, access to the U.S. market has increased. Now, in the past, we could maintain a higher price in the world market because we had a protected market, because we not only restricted producers' ability to sell in the domestic market, but we restricted foreign competitors from selling under the U.S. rules.

Under the new GATT rules, foreign producers will gain greater access to the U.S. market. As that happens, it will be very difficult to maintain the target prices, and the cost of the program will skyrocket. Members want to do something about that.

Secondly—and this is perhaps the most important of all—it ought to be noted—this is, I think, quoted from Government sources, but I will quote it because I think it is so important here: ''However, future imports of peanut products from Mexico under NAFTA are exempt from this quota.'' There are some exceptions.

Mr. President, what that means is, with NAFTA, we have let the Mexicans produce peanuts and sell them into our markets. They have not produced as big quantities in the past as they will in the future. They are rapidly expanding production in Mexico, and that will come out of United States production, because they will have access to our protected market. They will have the benefit of the significantly higher prices, even though they are not part of our program directly.

What is happening right now is processors of peanuts are trying to decide as to whether they pick up their processing equipment and move it to Mexico. If they do, they accommodate the vast expansion of competition for us in Mexico, and incidentally, they reduce our ability to process and maintain an industry here in the States.

So whether we want to deal with this or not, we are being forced to. Having signed the trade agreement under NAFTA, we have new competition in Mexico, and that Mexican competition can produce peanuts at world prices, and those prices can dramatically undercut what we have in this program. Unless we act to change the program, we will drive much of this industry overseas.

It is a shame because American farmers are the best in the world. They are the most efficient, productive, and creative, and they are some of the hardest working people anywhere on the globe. To lose an industry that we do not have to lose because we cling to an out-of-date, above-market-price program would be a tragedy; it would be a tragedy for the good farmers and for this country's competitiveness.

Mr. President, I am sensitive to the argument that was so eloquently made by the Senators from Georgia and Alabama and other Members who have spoken on the floor about this. I think they are right when they say the best way to draft these reforms is in committee. I do not want this moment to pass without having this body go on record that we ought to at least address that and that it ought to be part of the consideration of a new farm bill.

So, Mr. President, at this point, in an effort to move the body forward, I would like to offer for consideration for the Senate a compromise that I believe has the approval of Members on both sides, which assigns this task of redrafting this area to the committee. But it puts the Senate on record of doing exactly what this original amendment was intended to do, and that is to add an assessment that goes to the people who enjoy the benefit of the program, have that assessment be big enough to cover the administrative costs.

Having stated clearly in this bill that it is the sense of the Senate that we should do that, I think it gives a strong foundation for the authorizing committee to do just that when they reauthorize this program and reconsider the changes that need to be made in it.

AMENDMENT NO. 2688, AS FURTHER MODIFIED

Mr. BROWN. Mr. President, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment, as further modified, is as follows:

At the appropriate place, insert the following:

''It is the Sense of the Senate that the current nonrefundable marketing assessment for the peanut program should be amended to direct that the current assessment is utilized in a manner to help defray the cost of the peanut program, particularly to cover all administrative costs of the peanut program, including the salaries and expenses of Department of Agriculture employees who carry out the price support or production adjustment program for peanuts.''

Mr. BROWN. I believe this amendment is approved by both sides. It says this:

It is a sense of the Senate that the current nonrefundable marketing assessment for the

peanut program should be amended to direct that the current assessment is utilized in a manner to help defray the cost of the peanut program, particularly to cover all administrative costs of the peanut program, including the salaries and expenses of the Department of Agriculture employees who carried out the price support or production adjustment program for peanuts.

Mr. President, at this point, I yield to the distinguished Senator from Pennsylvania.

Mr. SANTORUM. I thank the Senator. I thank him for his original amendment, which I think is in the right direction, I think, reducing this cost to the Government. He recognizes this as someone who sees this program as really a flawed, but futilely flawed program—not fatally, but futilely, as in ''futilism.'' He recognizes this is a much bigger issue than just the administrative costs. We are talking about literally millions or more dollars to the consumers of America in paying more for peanuts.

I think the key point, I think that Members who may not be familiar with the peanut program, the key point that the Senator from Colorado pointed out is that this system is doomed to fail. It cannot be sustained because of what is going to happen with NAFTA and with other trade agreements.

Mexico is in the process right now of planting more peanuts. They come into this country without the restrictions in place. They are going to replace growers here in this country, which means of course that we will be paying more money here at the Federal level to maintain that target price.

I think it is a system that if you talk to peanut growers and people who hold the quotas, as the Senator from Colorado pointed out, 70 percent of the quotas are held by people who do not grow peanuts.

It is a feudal system. You do not have to grow peanuts to own these quotas. To allow you to grow peanuts you basically have this passed down from your grandfather or great-grandfather. You hold and you collect all this money for someone else to grow peanuts on their land.

As I said, feudal system best describes it. Seventy percent are owned by people who do not farm the land. They are the ones getting rich on this program. They are the ones making all the money on this program. They are the ones running the ads that say, boy, you cannot touch the peanut program. I would not either.

I have a lot of peanut quota holders in Pennsylvania who do not like what I am doing, but I have a lot of jobs leaving the State of Pennsylvania from Hershey's, which just moved a plant to Mexico because of the sugar problem, which is another thing we need to talk about.

Peanuts is another problem. We lost jobs to Canada and other places in the confection industry, and by the hundreds.

If we were benefiting small farmers who are trying to grow their patch, that is one thing, but these are large quota interest holders who simply are making money because their granddaddy was around at the time they were passing them out.

I think that is not what our tax dollars should be used for. It is destroying the market. It is costing consumers literally billions of dollars a year.

The Senator had a very modest amendment. I agree with his modification in the sense that this should be worked out by the Agriculture Committee. It should be worked out in the reconciliation bill and in the farm bill.

We had meetings, as I am sure the Senator from Colorado did, today we had meetings in the Agriculture Committee on the Republican side and we will continue to meet to see if we can work out something to address this program, save the taxpayers' dollars and save the consumer money in peanut butter costs downstream.

I appreciate the Senator from Colorado who has really been a stalwart on this issue, who has been out here fighting this battle. I am a recent joiner of his forces. I want to congratulate him for coming to the floor, offering this amendment, keeping the pressure on the committee, keeping us moving forward so we can get rid of this system which is simply indefensible under any kind of budget restrictions.

I yield back the time of the Senator from Colorado.

Mr. HEFLIN. It is my understanding Senator DOMENICI desires to speak. Since this was worked out I did not intend to make a speech, but there have been certain statements that I do not want to leave that are erroneous.

No. 1, the peanut program does not have a target price and does not have a subsidy. It has a loan rate. Historically, the loan rate has every year been substantially lower than the price paid to the peanut farmer for his peanuts.

Historically over 10 years, the peanut program has averaged only $13 million a year in cost to the U.S. Government. It varies as to what may happen at various times.

In regard to the savings of the consumer, there was a GAO study that indicated that there could be savings to the first purchaser of peanuts.

In testimony before the Agriculture Committee of the House the GAO representative who was there testifying made a distinction between the first purchaser and the final consumer, and he went on to say that in the study they contacted the manufacturers and asked them, ''Will the savings be passed on to the consumer?'' The answer was ''Well, we may develop new products and have a different promotional program.''

There have been many studies over the years that have shown that as the price of peanuts goes up and down they are not passed on to the consumer. Purdue University has conducted two such studies and have traced over the history what the price has been.

I just wanted to make those statements. I can go into much more detail and make a further statement and speech but I see Senator DOMENICI is on the floor.

I yield 2 minutes.

Mr. DOMENICI. Mr. President, I might ask that chairman of the committee, as I understand it, Senator BROWN has changed his amendment to a sense of the Senate.

Mr. COCHRAN. The Senator is correct. Senator BROWN is on the floor and has modified his amendment substantially.

Mr. DOMENICI. Mr. President, let me say to Senator BROWN, it is a little known fact that New Mexico is a peanut grower. We all know about the South, but New Mexico grows a rare peanut called Valencia peanuts. They are a little bit different than peanuts grown in your State, Senator HEFLIN, or in Georgia.

Our program does not cost any money, and I understand that reconciliation is going to look at all the farm bill and all the commodity programs and in the process they will look at the peanut program, which would include New Mexico and a piece of Texas of the Valencia peanuts, and the industry is committed to a program that has no cost to the Federal Treasury.

As I understand it, Senator HEFLIN, that is not just what the Valencia peanut industry is saying but the peanut industry at large is committed to working out a bill in reconciliation with no cost to the Federal Government.

That is all I wanted to say. With that interpretation I assume we are not seriously opposed to this sense-of-the-Senate proposal that the distinguished Senator from Colorado offers.

I want to thank the Senator for leaving the issue—the real issue of how they go about doing that—to the Committee on Agriculture in the Reconciliation Act.

I was going to argue on your first amendment that you were not really saving money but I do not want to do that now. The truth of the matter is you would not have been, so maybe I will just say it.

Actually, unless you were willing to reduce the caps, that money would be spent by some other committee somewhere else. I was going to make that point, but you were judicious and amended it before we had to come down and do that.

I yield the floor.

Mr. BROWN. Mr. President, I want to thank the Senator from New Mexico for being enlightened, and I hope he has not given up on that task because I suspect that effort will be needed again.

I simply add to the RECORD, Mr. President, information included by the Congressional Research Service on this subject because we talked about the costs of the program.

CRS reports that in 1983 to 1986 the program averaged a cost of $9.9 million a year; in the periods of 1987 to 1991 the program averaged a cost of $15.5 million; more than a 50-percent increase;

the period of 1992 to 1996, the program averaged $54.8 million a year, which is 3.5 times what it was in the previous period.

As we have noted, the program last year appears to be in the neighborhood of $120 million. CRS says $119.5 million is their estimate. That is not a finalized figure.

Mr. President, the other point that I think is important, that the real cost of this program is not what it costs the taxpayers, which is significant and growing dramatically. It is what it costs the consumers of America, which CRS indicates may be in the neighborhood of $300 million to $500 million a year.

It is clear this is an area that merits reform. I appreciate my colleagues pointing out the proper role of the authorizing committee here. I hope we will make progress on it. Since we have reached agreement on the revised amendment, I believe Members will be comfortable in voting on this by voice. A rollcall vote will not be necessary.

Mr. COCHRAN. Mr. President, if the Senator would yield for a response, the amendment now is acceptable, I am told, on both sides of the aisle.

I understand, too, that the yeas and nays had been ordered but that we can vitiate the yeas and nays and no rollcall vote would be necessary.

If there is no objection, I ask unanimous consent that the yeas and nays be vitiated.

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

Mr. COCHRAN. I suggest to Senators who have time under the agreement if we yield back all time we can vote on the amendment on a voice vote.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I yield such time as I have.

Mr. HEFLIN. Mr. President, I yield back what time I have.

The PRESIDING OFFICER. All time having been yielded back, and no one wishing to speak on this amendment, the question now occurs on the Brown amendment, No. 2688, as modified, to the committee amendment on page 83, line 4 of the bill.

The question is on agreeing to the amendment.

The amendment (No. 2688), as modified, was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON COMMITTEE AMENDMENT, ON PAGE 83, LINE 4 THROUGH LINE 2, PAGE 84, AS AMENDED

The PRESIDING OFFICER. The question now occurs on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. COCHRAN. I move to reconsider the vote by which the committee amendment was agreed to.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to

The PRESIDING OFFICER. The Senator from North Dakota.

PRIME TIME TELEVISION—THE NEW FALL TV PROGRAM LINEUP

Mr. CONRAD. Mr. President, I would like to bring the attention of the Senate an article entitled ''Sex and Violence on TV'' from the most recent issue of U.S. News & World Report—September 11, 1995. The article reviews television network programming for the upcoming fall TV season. I am particularly troubled by the direction of the networks. The lead in the article describes the season as ''to hell with kids—that must be the motto of the new fall TV season.'' The article suggests that the family viewing hour—the 8 p.m. to 9 p.m. period—is dead, and that sex, vulgarity and violence rules prime time.

Tom Shales in his review this weekend of fall television network programming in the Washington Post makes similar observations. He remarked, ''vulgarity is on the rise. Sitcom writers make big bucks coming up with cheap laughs. Buried in the dust of competition is the old family viewing concept that made the 8 p.m. hour—7 p.m. on Sundays—a haven from adult themes and language.''

As my colleagues are aware, earlier this summer, the Senate and House of Representatives debated at length the issue of television violence as part of the telecommunications bill, S. 652 and H.R. 1555. Both the House and Senate bills include provisions requiring that new television sets be equipped with technology to permit parents to block television programming with violent, sexual or other objectionable content. The measure also encourages the development of a voluntary rating system by the television industry, a system that would enable parents to make informed decisions about television viewing for their children.

Mr. President, with all the attention focused on television violence over the past few months—including a recent pledge by my distinguished colleague senator ROBERT DOLE to clean up television and movies—it is astonishing that television networks are promoting a fall TV season that demonstrates so much disregard for the wishes of American families and the clear majority of the House and Senate. American people want television networks to develop programming with considerably less violence, sexual and indecent content. The new fall television schedule is a tragedy.

Time and time again, I, and members of the Citizens Task Force on Television Violence have been told by the media that Government intervention to reduce violent and objectionable television programming is not necessary. We were assured that the media will act responsibly. The networks argue that the technology for parents to block programming and a rating system for programming are not necessary.

Mr. President, the U.S. News & World Report's review of fall TV programming suggests otherwise. It is regrettable that the networks are demonstrating such disregard for the wishes of American families. The UCLA Center for Communications Policy's Network Violence Study released earlier today confirms some of these continuing concerns regarding violent programming. The UCLA study points out that while some programming shows improvement in the overall reduction of violence, the study identified serious problems regarding the level of violence in theatrical films on television, on-air promotions, children's television and the lack of parental advisories. I urge the American public to let their Senators and Members of the House of Representatives know their views on programming for the upcoming fall TV season, and to express strong support for the v-chip legislation when it is considered by the House-Senate Conference on the telecommunications bill. I ask unanimous consent Mr. President, that the text of the article from the U.S. News & World Report be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. CONRAD. Mr. President, I just want to conclude by saying the evidence is, really, overwhelming. I have been working on this issue for 5 years. I have put together a national coalition that involves church groups, law enforcement, all of the children's advocacy groups, the principals of America, the teachers, the National Education Association, group after group after group who have said, ''Enough is enough. Let us reduce the mindless, repetitive violence that is on television. Let us reduce that objectionable sexual content. Let us have television realize the promise that it offers the American people, to uplift, to educate, to inform.'' That is what our society desperately needs.

And over and over the networks have told us, ''Be patient, just wait. We are going to act.''

Now, we have the fall schedule and we can see how hollow those promises are. Over and over we have been told, ''We are going to do better. We are going to reduce the level of violence. We are going to reduce other objectionable content.''

Mr. President, they have not kept the promise. I call on my colleagues to stand fast. We passed here, by 73 to 26, the ''choice chips'' that will permit parents to decide what their children are exposed to. That is the appropriate response.

I, once again, call on the networks to take action to keep their promises and, hopefully, to support this legislation that will provide ''choice chips'' in new television sets so parents can choose;

so parents can decide what their children are exposed to.

EXHIBIT 1

[From U.S. News & World Report, September 11, 1995]

SEX AND VIOLENCE ON TV

(By Marc Silver)

The family hour is gone. There's still a splattering of guts in prime time, but the story of the fall lineup is the rise of sex. Will the networks ever wise up?

To hell with kids—that must be the motto of the new fall TV season. You want proof? Look at the network lineups. Many of the wholesome sitcoms that once ruled the 8 p.m.-to-9 p.m. hour have gone to the TV graveyard, replaced by racier fare like ''Cybill'' and ''Roseanne.'' As a *Wall Street Journal* news story put it in a recent headline, ''It's 8 p.m. Your Kids Are Watching Sex on TV.''

Vulgarity also rules in the first hour of prime time. In ''Bless This House,'' an 8 p.m. CBS show starring shock comic Andrew Clay as a blue-collar dad, the mom accuses her 12-year-old daughter of ''spend[ing] all morning staring at your little hooters.'' Chatting with a promiscuous chum who's said to be so eager for sex that she'd ''do it on the coffee table,'' the mother wonders, ''My God, don't you ever get your period?''

Say goodbye to the ''family hour,'' the 8 p.m.-to-9 p.m. period ABC, CBS and NBC once reserved for you and the kids, and say hello to the Fox in the henhouse. The success of sexually frank programs like the Fox network's ''Beverly Hills 90210'' at 8 p.m. has uncorked a wave of me-tooism in the quest for a young (but not too young), hip and urban audience. As Alan Sternfeld, an ABC senior vice president, says of shifting ''Roseanne'' and ''Ellen'' to 8 p.m.: ''We get reimbursed by advertisers when we deliver adults 18 to 49.''

Despite the outcry over TV violence this year, it is the rise of sex on TV that is the real story of the fall lineup. Some media critics are pointing to moralistic plots on shows like ''ER,'' ''Roseanne'' and ''Seinfeld'' as evidence that network TV is becoming as wholesome and earnest as *The Little Engine That Could*. But that's just a small part of what's happening in prime time.

''A lot of Hollywood says, 'If you criticize us about violence, then let's have some good, wholesome sex at 8 p.m.,'' says Lionel Chetwynd, a prominent writer, director and producer who has worked in TV for 20 years. ''The idea that family viewing includes some sense of sexual propriety doesn't seem to have sunk into the Hollywood community.''

Chetwynd sees a defensive reaction from his colleagues. They complain that they're an easy target, and also believe that only someone on the far right could possibly be upset by sex on TV. But that's not so. Plenty of ''lifestyle conservatives''—a term coined by film critic Michael Medved—are fed-up viewers despite their moderate or liberal political views.

Those lifestyle conservatives have plenty to grouse about. A groundbreaking study by Monique Ward, a postdoctoral fellow in education at the University of California at Los Angeles, tracks and analyzes sexual content in the 1992–93 prime-time shows most popular among youngsters 2 to 12 and 12 to 17. On average, 29 percent of all interactions involved sex talk of some kind. ''Blossom'' at 58 percent and ''Martin'' at 49 percent led the pack. Sex is most often depicted as a competition, a way to define masculinity and an ''exciting amusement for people of all ages,'' Ward found. Looks are everything. In an episode of ''Blossom,'' a teenager's grandfather says of a blind date: ''In case she's a dog, I can fake a heart attack.'' Ward's study will appear in the October *Journal of Youth and Adolescence*.

Then there's soap-opera sex, talk-show sex chatter, sex crimes on the news—how do kids process all that? Little academic work has been done in this area. Yet, researchers are moving ahead gingerly, and certain conclusions are emerging. In a study of how middleclass teenage girls react to sex in the media, Jane Brown, a professor in the school of journalism and mass communications at the University of North Carolina at Chapel Hill, identified three types of viewers: sexually inexperienced teens who find the whole thing ''disgusting'': ''intrigued'' girls who ''suck it up,'' buying into the TV sex fantasy, and ''critics,'' who tear irresponsible sexual messages to shreds. ''but the media are so compelling and so filled with sex, it's hard for any kid, even a critic, to resist,'' says Brown. ''I think of the media as our true sex educators.''

Kids agree. This year, Children Now, an Oakland, Calif., advocacy group, polled 750 children ages 10 to 16. Six out of 10 said sex on TV sways kids to have sex at too young an age. Some shows to promote teenage abstinence or conversations about the consequences of sex, but that's the exception. One suggestion endorsed by Douglas Besharov, a scholar at the conservative-leaning American Enterprise Institute: Force TV honchos to show their products to their spouses, kids and parents.

Murder at 8 p.m.—Violence also is barging into the early evening this fall. Fox's ''Space: Above and Beyond,'' a 7 p.m. sci-fi spatterthon, features flamethrowers, stun guns and, for nostalgia buffs, a crowbar and a noose of chains. ''John Grisham's The Client,'' an 8 p.m. CBS drama, serves up two corpses and two bloody, on-screen murders in the first 15 minutes. That's more grist for politicians on the warpath about TV violence.

The ''V-chip'' is currently a favorite solution. Both houses of Congress have supported legislation requiring that new TV sets come with a chip enabling parents to block violent programs. The technology is a snap. Deciding which shows deserve a ''V'' for violence is the problem. The networks aren't eager to cooperate. A government committee raises the specter of censorship, along with thorny questions—for example, would violence in ''M*A*S*H'' be in the same category as shootings in ''The Untouchables''?

In any event, the V-chip is a few years away. In the interim, children will see thousands of violent acts on TV. A study by the American Psychological Association figures that the typical child, watching 27 hours of TV a week, will view 8,000 murders and 100,000 acts of violence from age 3 to age 12. (Of course, that wouldn't apply to fans of ''Mister Rogers' Neighborhood'' or sitcom viewers.)

An upcoming report by the UCLA Center for Communication Policy sees some improvements on the TV-violence front. ''The networks know what the public is looking for,'' says Jeffrey Cole, director of the center, which was hired by the networks to conduct what is arguably the most thorough review ever of violence in prime-time media. Looking at nearly 3,000 hours of television, the report concludes the overall level of violence is dropping.

Bloody promos.—But gratuitous violence is on the rise. ''All violence is not equal,'' says Cole. ''Context is everything, and in some instances, violence is unwarranted and not helpful to the plot. Some movies and made-for-TV movies about crime are just vehicles for violence.'' Promos for violent shows are especially prone to ''condensed violence'' with no context.

Hollywood isn't convinced that media mayhem inspires the real thing. ''When I was little, I went to the movies every week and saw violent cartoons and two or three Westerns in which the entire Sioux nation was massacred by the cavalry,'' recalls Steven Bochco, creator of ''NYPD Blue.'' ''I never had a question that what I was watching was make-believe, because I was raised by a family that gave me a moral compass.''

On the other side of the debate stand 1,000-plus studies establishing links between TV violence and the way people behave in real life. In a 1970 study at Pennsylvania State University, psychologist Aletha Huston and a colleague regularly showed cartoons of fist-flying superheroes to one group of 4-year-olds and bland fare to another. Among kids in both groups known to be above average in aggressive behavior, those who saw the action heroes were more likely to hit and throw things after watching. Nor do the effects of TV violence fade after childhood. Psychologist Leonard Eron of the University of Michigan's Institute for Social Research has tracked 650 New York children from 1960 to the present, looking at viewing habits and behavior. Those who watched the most violent television as youngsters grew up to engage in the most aggressive behavior as adults, from spouse abuse to drunk driving.

The flaw in Bochco's argument, Eron says, is that not all homes have a moral compass. Besides, no one's saying that all violence is inspired by television. One estimate, based on an analysis of 275 studies by George Comstock, S. I. Newshouse professor of public communication at Syracuse University, is that perhaps 10 percent of antisocial and illegal acts can be linked to TV. ''But wouldn't it be great if we could reduce the occurrence of violence in this nation by 10 percent?'' asks Eron.

Family fare?—Fans of family TV won't find much to cheer about in the fall 1995 season. ''More channels doesn't mean more choices,'' says Kathryn Montgomery of the Center for Media Education, an advocacy group in Washington, D.C. In fact, one of the best family dramas on television, CBS's ''Christy'' was canceled this spring despite a slew of awards. ''Christy,'' the story of a young teacher in backwoods Tennessee in 1912, had superb writing and acting—and lovely lessons about life with nary an ounce of schmaltz or sex, violence or swearing. The audience of about 10 million weekly viewers was ''fairly substantial and intensely loyal,'' says David Poltrack, executive vice president of research and planning for CBS. But the young adults whom advertisers crave weren't watching in force, so ''Christy'' got the ax. Reruns will air on the Family Channel on Saturdays at 7 p.m. starting in October.

Since most new network shows weren't designed with a family audience in mind, Warner Bros. new WB network is trying to fill the 8 to 9 p.m. void with ''family friendly'' fare. On the menu this fall: a fairly clever carton called ''Steven Speilberg Presents Pinky & the Brain'' on Sundays at 7 p.m., about a smart lab rat trying to take over the world, and supposedly wholesome sitcoms that are, in fact, generally mediocre and occasionally offensive. In ''Kirk,'' the lame tale of an older brother who assumes custody of three siblings, the younger brother brags of peeping into a nearby apartment and seeing a beautiful woman in a ''Wonderbra and nothing else.'' Turns out the gal is a guy, even though he has ''girl things.''

Raunchy family fare is nothing new. In an episode of CBS's ''The Nanny,'' a returning show that pitches itself to kids with promos during cartoons, the nanny comes home

drunk and mistakenly stumbles into bed with her cold-ridden boss. The next day, neither can recall if they had sex. ''We try to do a sophisticated 8 p.m. show,'' says ''Nanny'' Co-executive Producer Diane Wilk. ''We wouldn't want to put anything on the air we wouldn't want our children to see.'' Counters Debra Haffner, president of the Sexuality Information and Education Council of the United States: ''I wouldn't let my 10-year-old daughter watch. 'The Nanny'—or practically any other prime-time show—without me, so I can discuss the sexual messages with her.''

Smart TV.—On Saturday mornings, network cynicism is symbolized by ABC's canning of ''Cro,'' one of the few genuinely educational cartoons around. ''Cro'' wasn't the greatest show ever produced by the Children's Television Workshop, creators of ''Sesame Street.'' But it managed to tuck science lessons into the adventures of a prehistoric tribe and did win its time slot last season. ABC says the show ''underperformed.'' As ''Cro'' bowed out, an animated version of the movie *Dumb and Dumber* joined ABC's Saturday lineup. ''This is beyond irony,'' says Reed Hundt, chairman of the Federal Communications Commission. '' 'Dumb and Dumber' is a description of this decision, not just a title.''

PBS still has a fine roster of educational fare. But ''Ghostwriter,'' a popular show for ages 6 to 11 that stresses reading skills in the mysteries it weaves, will have no new episodes, just reruns. Corporate money dried up for the series, and two commercial networks weren't interested in new episodes for Saturday mornings. ''Wishbone,'' a new PBS daily series, debuting October 9 and aimed at the same age group, is a strong breed. The eponymous star is a terrier who imagines himself in literary works like *Romeo and Juliet*. The dog is appealing, yet a purist might wonder if this is the best way to introduce kids to great literature.

But ''Wishbone'' is a gem compared with Disney's new, allegedly educational syndicated series ''Sing Me a Story: With Belle.'' To keep costs down, Disney is recycling old cartoons with new didactic voiceovers. In one episode, the lesson is: Friends are good, friends are good, friends are good. The live-action host is Belle, star of *Beauty and the Beast*.

Nonetheless, Disney could be the salvation of family-friendly television when it takes over ABC. Dean Valentine, president of Walt Disney Television and Television Animation, predicts the glut of adult-oriented 8 p.m. shows will provide an opening for something different. ''In the next year or two, the hit shows will be family programs from Disney at 8 p.m.,'' he says.

Parents don't have to just sit and wait for better TV. Public outrage can play a role in reforming the media—that's why Calvin Klein decided last week to pull controversial ads for jeans depicting young people in various stages of undress. Then again, few have lost money being crass in the vast wasteland.

A GUIDE TO MEDIA LITERACY—WHAT TV-SAVVY PARENTS CAN DO TO HELP THEIR KIDS

As TV gets wilder and wilder, more parents are opting to junk television altogether. Those not ready for this drastic step can find solace in media literacy—the art of deconstructing television. Schools in Canada have taught media literacy for years, explaining to students that programs exist to deliver an audience to advertisers, that sex and violence sell and that TV news isn't all the news that's fit to air—it's more likely the news that gets the best ratings. American schools are just beginning to catch up. Here are six key precepts for a crash course at home.

1. Rethink your image of TV.—Newton Minow, former chairman of the Federal Communications Commission, suggests imagining a stranger in your house blathering on to you and your children about sex and violence all day long. No one dares interrupt or tell the stranger to shut up or get out. That stranger is your TV set.

2. Keep a diary.—Ask your kids how much TV they think they watch. Then have them write down everything they watch for a week. Parents might do the same. Both generations may be shocked by the results. A reasonable goal for kids: two hours a day. Several primers help with this and other steps: *The Smart Parent's Guide to Kids' TV* by Milton Chen (KQED Books, 1994, $8.95); ''Taking Charge of Your TV,'' from the National PTA and the cable-television industry (free copies from 800–743–5355 or *http://www.widmeyer.com/ncta/home.htm* on the Internet); and guides from the Center for Media Literacy (call 800–226–9494 for a free catalog).

3. Be choosy.—You wouldn't stroll into a library and pick up the first book, and you shouldn't just turn on the TV and watch whatever's on. Media literacy mavens suggest choosing a week's worth of programs in advance. Sorry, no channel surfing.

4. Watch with them.—Unless parents are confident that a show is safe for youngsters (rarely the case these days), they should watch with their kids, then talk about controversial content. Sample queries: ''Why was that the lead story on the news?'' ''Could a cop really be back at work a week after being shot in the chest?'' ''When the star of the sitcom decided to have sex with a woman he just met, should she have suggested that he use a condom?''

5. Just say no.—And also why—which means you first need to watch the series in question. ''My daughter, who's 11, wanted to see 'Married . . . With Children,' '' says Karen Jaffe of Kidsnet, a children's media resource center in Washington, D.C. ''I said no. I don't like the way the parents talk to the kids or the kids talk to the parents.''

6. Media literacy isn't a cure-all.—No child can be immunized against all the bad stuff on TV. So parents (and children) need to make their objections known. Letters to the local station, with a copy to the local newspapers and the FCC, can carry weight, especially if you use the words feared by TV executives: ''failing to serve the public interest'' and ''doesn't deserve to have its license renewed.''

DOES KIDS' TV NEED FIXING?

Officials are debating whether to toughen the Children's Television Act: Should they require stations to air more quality kids' programming?

The Children's Television Act is either the last best hope for children's programs or an irksome symbol of how government meddles where it shouldn't. Enacted in October 1990, the act requires local stations to meet the ''educational and informational needs of children'' to renew their licenses. The act's supporters want to strengthen its terms by requiring, among other things, that a specific number of hours be devoted to children's programming; its critics say Uncle Sam has no business regulating a local station's schedule.

Pro:

Without government intervention, the television industry will not produce enough quality children's programming.

Broadcasters must serve the public.—They use spectra owned by the public and it's only right that their work benefit the public interest. ''The law requires that broadcasters uphold public-interest standards regardless of the share of 18-to-49-year-olds that they capture for advertisers,'' said Federal Communications Commission Chairman Reed Hundt in a recent speech.

Children need an advocate.—Federal courts have already recognized that government has a role in protecting kids' interests that extends beyond the constitutional protections of free speech. One recent decision affirmed that role when it upheld the FCC's regulations restricting ''indecent'' programming to certain hours.

Broadcasters cut corners.—The children's Television Act vaguely defines educational as furthering ''the positive development of the child in any respect.'' Broadcasters love that loophole. The Center for Media Education says some station license renewal applications have listed cartoons like ''Casper'' and ''GI Joe'' as educational. The definition of the word educational must be firmed up so that shows airing prior to 7 a.m. should not qualify and local stations are required to air a certain number of hours per week.

Threats of regulation bring results.—When presidents threaten to regulate the television industry, more educational shows are produced for children. Former ABC children's television chief Squire Rushnell has charted the relationship: Richard Nixon and Gerald Ford both advocated that there should be more educational children's programming or else the government would insist on it. As a result, the networks averaged almost 10 hours of such programming per week by 1975. By the end of Jimmy Carter's term, in 1980, the total was up to 11¼ hours. By 1990, after Ronald Reagan's tenure, it dropped to 1¾ hours. (Broadcasters dispute Rushnell's counting methods.)

Con:

While there is industry support for the Children's Television Act, the free market does a good job of creating quality shows without government edicts.

Strict regulations violate free speech.—When government tells broadcasters how much children's educational television they should produce and what time slots they should use for such programs, the First Amendment rights of those broadcasters are violated. ''It takes away the discretion of the broadcasters,'' says Jeff Baumann, general counsel for the National Association of Broadcasters.

Government cannot make children watch ''educational programming.''—If TV producers have to scramble to produce educational shows to fulfill a requirement, the result will be a spate of mediocre programs that won't capture the imagination of children.

Broadcasters have responded to the act.—FCC Commissioner Rachelle Chong points out that since the act took effect, children's educational fare has increased from about one hour per week to three hours on average. She believes that broadcasters are getting the message about educational fare and plans to follow up with broadcasters who promise her that the trend will improve. Quantitative guidelines should be ''our last resort.''

The free market works.—Cable stations like the Disney Channel, the Learning Channel and Nickelodeon and several satellite and online services have all come into being to serve children (though 36 percent of American homes do not have cable). With new players entering the entertainment business, the choices for children will only increase. ''If there's a program niche there, the marketplace will find it,'' says Ben Tucker, president of Retlaw Broadcasting and chairman of government relations for the CBS affiliate's advisory board.

The PRESIDING OFFICER. The Senator from Connecticut.

THE STATE OF TELEVISION TODAY

Mr. LIEBERMAN. Mr. President, I am, again, glad to join my colleague from North Dakota, Senator CONRAD, in commenting on the state of television today. I do not know that the Conrad-Lieberman review of the fall television season will rival Siskel and Ebert's review of movies. But I would say Senator CONRAD and I are quite clearly saying we give this fall TV season two thumbs down. That is, really, what I want to talk about today.

Three months ago this body voted overwhelmingly, on a bipartisan basis, in support of V-chip—or C-chip, C for choice—legislation that Senator CONRAD and I initiated. With that vote we said, in effect, that too much of television in America today has become so wild, so vulgar, so morally repugnant that it has actually become a threat to our children, a threat from which they need protection.

As Senator CONRAD indicated, there is new evidence out today on the extent of violence in television in the form of a study released by the Center for Communication Policy at UCLA which, while it does note some improvement, shows by its content that violence remains a serious problem in TV programming. But the American people do not need a study to tell them what they already know about the state of television today. Not only does violence remain a problem, but vulgarity is increasing as a problem.

I hear complaints whenever I go home and talk about this subject. Poll after poll depicts a citizenry fed up with the plummeting standards of the TV industry and the constant barrage of foul programming that is being thrown at our children.

Mr. President, our purpose—Senator CONRAD's and mine—in raising this issue today is to call our colleagues' attention to the industry's curious reaction to the public's anger about the state of television programming. For the fact is that the broadcast networks this week are embarking on a new fall season that is far more crude, more rude, and more offensive than anything we have seen before.

That is the conclusion reached by the television critic at Connecticut's largest newspaper, the Hartford Courant, James Endrst, who characterized a collection of new series this fall as the product of a ''slow but steady slide into the gutter involving the Nation's most pervasive and persuasive medium.'' He went on to say that ''viewers may be struck not so much by the shows, but by the scenes—TV moments signaling an aggregate acceptance of rude language, foul imagery and gross behavior in the entertainment mainstream.''

It reminds me of Senator MOYNIHAN's searing and profound comment that we are defining deviancy down by lowering the standards of what we accept on television, particularly in what used to be family programming hours. We are lowering the standards of what is acceptable in our society, and we are sending a message to our children.

The Cincinnati Enquirer's editorial page bluntly talked about the ''reeking crud of puerile trashcoms'' that are so common this fall season. And Tom Shales, respected critic from the Washington Post, used the words ''depraved'' and ''soul-killing'' after viewing some of the same shows.

Mr. President, I would encourage my colleagues to watch some of these new shows, new shows that are premiering this week. Those of you who once may have watched ''Car 54, Where Are You?'' will probably end up asking ''Common Decency, Where Are You?'' on television today.

Mr. President, I am going to reference and read from a few lines from these shows, and perhaps I should issue a warning to any children that may be watching on C–SPAN or their parents to remove them from the sets. So I am going to quote from shows that are shown in the family hour on television today. It makes me feel like my childhood was a long time ago, and I am sure parents are yearning again for the time when they could turn on the television and not worry about being embarrassed to sit there with their children and hear what they hear—being worried about letting their children watch without them.

So let me cite from some of the shows that are new to the television this year.

ABC's ''Wilde Again'' in which the lead character advises her stepdaughter to ''call me what you called me when we first met, 'Daddy's little whore'.'' Or, you can watch another ABC offering, a nighttime soap called ''The Monroes,'' which in its premier last week showcased a woman making what we once referred to as an obscene gesture with her middle finger. That may be the most fitting symbol to characterize what too much of television is saying to the American public today, and also to our concerns about the degradation of our culture.

One of the most controversial new shows is a sitcom on CBS called ''Bless This House.'' And it is controversial for good reason. On its premier last Monday night, the mother on the show tells her daughter that she would not need her own bathroom if ''you didn't spend all morning staring at your little hooters.''

What makes the crassness of ''Bless This House'' profoundly disturbing is that the network has made a decision to air the show at 8 p.m. during what we once thought of as the traditional family viewing hour.

Some of this stuff is obviously appropriate for adult viewing. But to put it on at 8 p.m. when families have been watching television is an insult to those families. The networks' commitment to that concept of the family television viewing hour has obviously eroded. But the fall season has slipped even further, as is evident from the number of what I would call sophomoric sitcoms that are being aired between 8 and 9 p.m. For instance, joining ''Bless This House'' is another CBS series, ''Can't Hurry Love,'' which has featured in its premier episode some truly outrageous language from the lead characters.

Mr. President, the abandonment of the family viewing hour is evident also in the networks' decision to shift the number of established sitcoms with adult themes—such as ''Cybill'' on CBS and ''Friends'' on ABC—to this earlier time period. Those two shows which I have watched can be very engaging, very witty, and very entertaining. But they are often clearly not appropriate for children, particularly younger children. That is exactly the point which Senator CONRAD and I are trying to make.

I must say just as jarring as the language on new shows are some of the comments from network officials to justify their programming decisions. One high-ranking official at ABC said, ''The society to some extent, has become crasser, and we move with that.'' That is not what I understood the purpose of entertainment to be, particularly not in the family viewing hours.

An executive from NBC explained that ''life includes sexual innuendoes.'' And another NBC official also went so far as to say, ''It's not the role of network television to program for the children of America.'' But the children of America are watching those programs. That official added that most small children ''are watching Nick at Nite.'' Most of them do not watch network television in prime time.

If many young children are indeed watching Nickelodeon or the Disney Channel, it's because their parents are deeply troubled by the content of the major network's programming, and are searching for refuge from the tawdriness that characterizes too much of television today.

But the reality is that many children are watching broadcast television and these tasteless trashcoms, and the legion of perverse and near-pornographic talk shows that air each afternoon. No matter how hard parents work to monitor their children's viewing, habits, and no matter how many technological gadgets they have at their disposal, many children will continue to watch these channels, and their behavior will continue to be influenced by what they see on TV.

Mr. President, I realize that the TV industry is not a monolith. There are many responsible leaders in that community, just as there are some outstanding. thought-provoking series on the major networks. Some of them, such as the hit ABC comedy ''Home Improvement,'' showed that you can be successful and funny, without being vulgar.

PBS obviously continues to offer both adults and children a number of engaging, challenging, thought-provoking, and entertaining series. And even among the new network offerings NBC

is earning favorable reviews for a family-oriented program called ''Minor Adjustments,'' a show about a child psychologist which will appear on Sunday nights.

But there is a clear direction that the networks are moving in. It is not just Senator CONRAD and I who see it. It is all or most of the TV critics who have reviewed this current fall season. We have reason to be deeply troubled about it. I can tell you that I am troubled about it not just in my capacity as an elected representative, but as a father of four kids, one of whom is 7 years old. Television executives need to recognize that they are part of a larger civil society to which they, like we, have obligations, and that the first amendment is not a constitutional hall pass that excuses them from their responsibilities to that civil society.

Mr. President, in the end, the new fall season I hope will clear up any doubts that our colleagues have about the need for the leadership, or the V-chip, and the need to help parents protect their kids as best they can from the messages that television is sending them that are so often inconsistent with what the parents are trying to send and teach their own children.

When the telecommunications bill comes out of conference, I hope my colleagues will join us in calling on the networks to acknowledge their responsibility to society and the impact that they have on our society and to remember this important point. They are obviously private businesses, but they are using the public airwaves, and they should not use those airwaves to hurt the public. The networks need to be reminded that they would not exist if the public and we, their representatives, did not grant them access to those airwaves.

No one here wants to talk about censorship. No one here wants to talk about constraining the freedom of the networks to program. But the reality is that the networks are moving so far away from reflecting the values commonly shared by most people in this country, let alone the interests of most people in this country, that they are inviting a reaction unless they discipline themselves.

Mr. President, one of television's finest moments was the Edward R. Murrow documentary ''Harvest of Shame,'' which was broadcast four decades ago. I am afraid that the 1995 fall season might also be titled the ''Harvest of Shame.'' I hope its excesses will inspire a reaction from the American people, a reaction from us, their representatives, here in Congress, and ultimately a reaction from those who can do most to diminish this problem, and that is those who own, operate and program our television networks today.

I thank the Chair. I yield the floor, and I note the absence of a quorum.

Mr. COCHRAN. Mr. President, will the Senator withhold.

Mr. LIEBERMAN. Mr. President, I withhold my notation.

The PRESIDING OFFICER. The Senator from Mississippi.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The Senate continued with the consideration of the bill.

Mr. COCHRAN. Mr. President, the situation, for the information of Senators, is that we are at the point now where we can proceed to take the remaining amendments up and consider them, dispose of them, and move to final passage.

There are several amendments that have been listed in an agreement we entered into yesterday limiting amendments that we understand will be called up and we will have to consider them.

Senator STEVENS has an amendment on the salary of an Under Secretary position at the Department of Agriculture. That will be offered soon, we understand. Senator MCCAIN has an amendment dealing with education funds for tribal colleges, and we are happy to consider that amendment at any time the Senator would like to offer it. We may very well be able to work that out without a rollcall vote. We hope we can.

I am saying all this to let Senators know that we are making progress. We are getting to the point where we hope we will be able to move to final passage on this bill in the early evening so we will not have to stay in late on this bill tonight. We want to finish the bill tonight. The majority leader has indicated that we will stay in until we finish the bill. I am simply saying I am encouraged that we may be able to finish this bill early this evening if Senators will come and offer their amendments.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I would like to thank the manager of the bill and Senator BUMPERS for their patience. I should be ready to propose this amendment within a few minutes as soon as I get one additional piece of information.

Would the Senator from Mississippi want me to suggest the absence of a quorum while we talk?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

Mr. BINGAMAN. Mr. President, I understand that my colleague from Arizona, Senator MCCAIN, will shortly be offering an amendment to provide funds for American Indian postsecondary institutions. And I want to speak very briefly in support of this amendment.

Mr. President, Senator MCCAIN, as chair of the Committee on Indian Affairs, is offering this amendment which I am proud to cosponsor which will provide funds to those institutions that are authorized in the Equity in Educational Land Grant Status Act of 1994. That act was included as part of the Improving America's Schools Act, which we also passed in the last Congress.

Mr. President, I sponsored that legislation in the last Congress to rectify what I saw as an unjust situation. That is, that every State and territory in the country had a land-grant college that received funds by virtue of that designation, but none of the Indian-operated institutions were designated as land-grant institutions in spite of the very important work that they did preparing people for careers in agriculture.

Mr. President, we had the anomalous situation where the University of the District of Columbia was a land-grant college, but those institutions in my own State and elsewhere in the country which were dedicated to training Indian Americans to pursue careers in agriculture, as well as other careers, were not so designated. So the Equity in Educational Land Grant Act authorized land-grant programs for the 29 tribal and Indian-serving institutions, which came to be known as the 1994 institutions as a result of our passage of that legislation last year.

Those institutions serve 25,000 students from 200 different tribes. The legislation then passed in October 1994 had bipartisan support and had the endorsement of the Department of Agriculture, the National Association of State Universities and Land-grant Colleges, the 1890 historically black land-grant colleges and the existing land-grant colleges in States with tribal colleges.

The appropriation that Senator MCCAIN is calling for here would make funds available for four different purposes, as I understand it, for payment into the endowment, which would be much-needed; a certain amount of funding to strengthen curriculum in food and agriculture sciences in these 1994 institutions; a certain amount for capacity-building grants; and, again, a separate amount for competitively awarded extension programs administered through the existing State land-grant colleges in cooperation with these 1994 institutions.

The offset would be from a very small amount of the dollars provided for the benefit of the land-grant college system. I am persuaded that these funds will be well spent. The programs that the amendment provides for in all 29 colleges are roughly equal to the

amount that the Department of Agriculture allocates to fewer than one of the existing land-grant colleges each year.

This funding will develop expertise in training to improve the training and use of over 50 million acres of Indian agricultural and forest land. The most recent surveys of tribal colleges found that even in the economically depressed areas where these schools are located, tribal college graduates are employed at rates of 74 to 85 percent, generating very large amounts in Federal taxes.

For these reasons, Mr. President, I urge my colleagues to support Senator MCCAIN and his amendment. I hope it is adopted by the full Senate.

Thank you, Mr. President. I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I would like to thank my friend and colleague from New Mexico for his efforts on this issue but also many others that he and I have been involved in over a period of many years on behalf of native Americans. And, as he stated so eloquently, this is a matter of simple fairness.

I am pleased to note, Mr. President, that the distinguished manager, the Senator from Mississippi, and Senator BUMPERS have agreed to a compromise on this amendment which I will be proposing shortly. And, Mr. President, the compromise amendment that I will be proposing on behalf of myself, Senators DOMENICI, INOUYE, BINGAMAN, and CONRAD is fundamentally the same.

In the interest of time, I will make my remarks and then propose the amendment when the paperwork is finished, making the changes that are being implemented as a result of the compromise that Senator BUMPERS, Senator COCHRAN, and I have achieved.

Mr. President, this amendment would provide funding for extension education and capacity building and programs at the 29 tribally controlled community colleges in the United States.

These programs were fully authorized to be funded by the Department of Agriculture by the Improving America's School Act of 1994. I want to emphasize again, Mr. President, these programs were authorized in 1994.

What the distinguished chairman has agreed to is that we have approximately $4.1 million in funding for these 29 tribal-controlled community colleges. The funds necessary to fund these efforts, of course, will be small in comparison to the approximately $855 million that is provided in this bill for research and extension programs of the Cooperative State Research Education and Extension Service budget of the Department of Agriculture.

Mr. President, the tribally controlled community colleges and institutions in America share an unfortunate fact with other tribal organizations in Indian country: They perform an extremely important task on behalf of the poorer citizens in our country, yet they have been long ignored. While many colleges and universities in America are worried about protecting State and Federal funding, tribal colleges in Indian country are struggling to survive.

It is really not appropriate that while many universities continue to receive this great amount of money, tribal colleges live in fear of losing their accreditation due to an urgent lack of funds.

Recently, we have seen actions in this body that have not been favorable to native Americans, as we noted in the Interior appropriations bill. The 29 tribal colleges in America, often called the ''1994 institutions,'' due to the fact that Congress gave them partial status as land-grant colleges last year, are extremely important to the goal of providing access of native Americans to education.

Many of these colleges are the only chance native Americans have to pursue their dreams of acquiring the skills and education they so desperately need to pursue their dreams. I think it is likely many Americans, and perhaps many Members of Congress, are unaware of the importance of tribally controlled colleges in Indian country. These colleges include among the 29, the Black Feet Community College in Browning, CO; the Sinte Gleska University in Rosebud, SD; the Southwest Indian Polytech Institute in Albuquerque, NM; and the Turtle Mountain Community College in Belcourt, ND.

Mr. President, there is a problem that native Americans have many times when they enter a college or university. Many of these young people have spent their entire lives in remote parts of our respective States, sometimes never coming in contact with more than 50 or 100 or at most 200 people for most of their lives, and then they are thrust into a large university situation.

In my own State, there are two large universities of 40,000 students each. When a native American student goes from the very small and very lowly populated environment to this very large scenario, they find many times it is a culture shock which is very difficult to cope with. As a result of this, the dropout rates of our large universities across the country, but also in Arizona, is extremely high, as high as 85 and 90 percent.

We find that in the tribal community colleges that the environment is much different and the success rate is dramatically improved.

Last year, a bipartisan coalition of Senators took note of the important work of tribally controlled colleges and the difficult circumstances they face and passed legislation authorizing the Department of Agriculture to assist agriculture-related programs at these schools.

It is very fitting for Department of Agriculture funds to be used to support native American colleges, as this amendment would achieve. American Indian lands span over 54 million acres in the United States, with 75 percent of this total being agricultural land and another 15 percent forestry land.

Unfortunately, due to a lack of resources, millions of acres of these potentially productive lands lie fallow or are underutilized. The modest amount of funds provided by this amendment would empower tribally controlled colleges and students to assist their communities and effectively develop their agricultural resources.

Obviously, I believe this amendment is a matter of equity. The Congress and the President joined together last year to offer new hope to native American schools and students but are on the verge of failing to deliver a promise yet again due to the lack of funds in this bill. Tribal colleges will use very well this amount of money, and it will be vital to the existence of some of them.

Mr. President, I would like to, just for purposes of the Record, mention a couple of facts: The median age for American Indians residing on reservations was 20.7 years of age in 1990, the median age for the entire United States was 32.9 years.

Fifty-seven percent of the total American Indian population was age 24 or younger in the United States in 1990, as compared to 36 percent for the mainstream population of the United States.

The population age group 5 to 17 comprised an average 31 percent of the total American Indian population, as compared to the national average of only 18 percent.

The American Indian population increased 38 percent between 1980 and 1990; the total United States population increased by 9.8 percent in the same period.

The American Indian baby boom has now reached college and employment age. In 1989, 31 percent of American Indians lived below the poverty level; the national poverty rate was 13 percent in that same year.

Unemployment rates on Indian reservations averages 45 percent, while some reservations served by the tribal colleges have unemployment rates as high as 86 percent.

From a 1994 sample of 16 tribal colleges, fully 74 percent of tribal college graduates are successfully employed; 42 percent of tribal college graduates go on to continue their education in other postsecondary institutions.

Mainstream public colleges are geographically inaccessible to many young American Indians, and by depriving American Indians of an equal education, we are preventing American Indians from finding adequate employment opportunities.

Mr. President, 1,340 out of 1,575 graduates in a sample of six tribal colleges were successfully employed and paid a total of $2.73 million annually in taxes. This is a dramatic difference than there is, obviously, from the average

native American, and I think it proves that in the long run, educating Indian children is just as productive, in fact in some ways more so, than as it is non-Indian children.

I note the presence of my friends from North Dakota and from Hawaii on the floor. I will state, hopefully the amendment will be finished in a few minutes so I can formally present the amendment. In the meantime, I yield the floor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I wish to commend my friend, the distinguished Senator from Arizona, for his leadership and for his wise counsel in sponsoring this amendment. I hope that the Senate will adopt the amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I commend the distinguished Senator from Arizona, and others, who are supporting this initiative for working with the managers to craft the language so this will be acceptable. We are going to recommend the approval of the amendment. It is being drafted, and I understand as soon as it is, it will be offered, and we will recommend that the Senate adopt it on a voice vote.

I know other Senators are here with other amendments. Until we have an opportunity to formally act on the amendment, I will yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair.

Mr. President, I want to thank my colleague from Arizona, Senator MCCAIN, for his leadership on this amendment. Senator MCCAIN and Senator INOUYE have been true friends of the Indian peoples of this country. Over and over and over, they have taken initiatives to try to make a difference in the lives of people who desperately need that assistance.

The amendment that the Senator from Arizona has offered this afternoon is especially important to me, because I remember very well speaking at the Turtle Mountain Community College that the Senator from Arizona referenced. I spoke at their graduation. I wish my colleagues could have been there to see the difference these community colleges are making. The idea that people were having a chance to make the most of themselves, that there was an educational opportunity, that there was a chance to go beyond what had been the experience of their parents and their grandparents, that there was a chance to develop themselves, which had filled them with such hope and such a sense of self-worth that you could see it in the eyes of the hundreds of students who were there. You could see that pride when they reached out and received a diploma that said they had mastered the subject matter.

Mr. President, in all of the time I have been in the U.S. Senate, there has never been a time that I was as moved personally by what I saw as I was on that day at graduation at the Turtle Mountain Community College. I was absolutely persuaded that this is making a difference in the lives of people.

If you could have gone to that reservation, like I did 25 years ago, and seen the conditions there and seen the difference that community college is making today, it is so dramatic that it is almost hard to believe you are in the same place. They now have several industries that are at work, that are producing goods for the military of this country that are second to none. Their tribal industry built the water trailers used in Desert Storm, and the Army says they are the finest water trailers they have ever had, and they were absolutely critical in that conflict. They were made by people who were the graduates of that community college. It is precisely the kind of thing we ought to be doing.

I thank the Senator from Arizona for his leadership and initiative.

Mr. McCAIN. If the Senator will yield for a question, concerning the water trailers, were they constructed by the tribal authority?

Mr. CONRAD. The tribal industries had built the water trailers that were used in Desert Storm.

Mr. McCAIN. What kind of an impact does that have on the tribal economy?

Mr. CONRAD. It is very dramatic because their contracts run in the tens of millions of dollars a year. It has made a dramatic difference to the economy of that reservation. I might say to my colleague, not only has that industry made a difference, they have also—this is very interesting—formed a computer company. That computer company now does the work for the Treasury Department. They manage the computer systems of the U.S. Treasury Department. They have done a first-class job. They employ literally hundreds of people in doing that service, and they have done a superb job, by the way, an absolutely superb job, and they are graduates of that particular community college.

Mr. McCAIN. Finally, would they be able to conduct and manage both industries if they did not have the community college training that is provided at Turtle Mountain?

Mr. CONRAD. No, clearly not. That community college has formed the basis of providing an educated cadre of employees that make those firms successful.

I say to my colleague, if you could go there and see the difference it is making in the self-confidence of those people, in their sense of self-worth, it is just a dramatic thing. Again, I thank my colleague for what he has done.

Mr. McCAIN. I say to my friend from North Dakota, I would consider it a privilege to come up sometime and visit Turtle Mountain Community College, because I really believe that these 29 community colleges provide what, frankly, we are not able to provide.

As I said earlier, at the University of Arizona and Arizona State University, we get many native American students entering those schools. Those 40,000 students are probably more people than some of the native American students have ever laid their eyes on in their lives. It is culture shock. And the dropout rate is high. As much as we try to design what are almost affirmative action programs, and special tutoring in special areas, we have great difficulty keeping them.

Yet, at the community colleges—for example, Navajo Community College, the dropout rate is very small because the environment and the climate is so conducive to an atmosphere where they feel a great degree of comfort. I think when we look at these community colleges, they play a far greater role than, perhaps, we could ever appreciate.

Mr. CONRAD. I could not agree more with the Senator from Arizona. If any colleague had a chance to go there and witness what I have seen, they would conclude that this is the single best expenditure we have made in the country.

Mr. McCAIN. Mr. President, I believe I am about 1 minute from being able to dispose of this amendment. If my friend from Massachusetts will indulge me, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2694

Mr. McCAIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. DOMENICI, Mr. INOUYE, Mr. BINGAMAN, Mr. CONRAD, and Mr. DORGAN, proposes an amendment numbered 2694.

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

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

The amendment is as follows:

On page 25, line 14, strike ''$568,685,000'' and insert in lieu thereof ''$564,685,000''.

On page 15, line 13, after the semicolon insert ''$1,450,000 for payments to the 1994 institutions pursuant to Sec. 534(a)(1) of P.L. 103–382;''.

On page 15, line 17, strike ''$418,172,000'' and insert in lieu thereof ''$419,622,000''.

On page 18, line 2, after the semicolon, insert ''$2,550,000 for payments to the 1994 institutions pursuant to Sec. 534(b)(3) of P.L. 103–382;''.

On page 18, line 11, strike ''$437,131,000'' and insert ''$439,681,000''.

Mr. DOMENICI. Mr. President, I support the amendment which would provide $4.0 million in funding to support extension, education, and capacity building programs at the 29 tribally

controlled community colleges and institutions in the United States.

I would also like to thank the committee for the $4.6 million already in the bill for the Native American Institutions Endowment Fund.

The amounts already provided in the bill and the amount in amendment will enhance educational opportunities for Native Americans by building educational capacity at the 29 institutions.

These institutions are in urgent need for additional resources to educate their 20,000 students from over 200 tribes.

This funding would enhance student recruitment and retention for Native Americans, curricula development, faculty preparation, instruction delivery, and scientific instrumentation for teaching.

The programs that are funded under this amendment are authorized under last year's elementary and secondary education amendments which was signed into law in October, 1994.

I urge the adoption of the amendment.

Mr. MCCAIN. Mr. President, I do not believe that the amendment requires any further debate or discussion.

I yield the floor.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 2694) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 2695

(Purpose: To prohibit the use of appropriated funds for providing assistance to the United States Mink Export Development Council or a mink industry trade association)

Mr. KERRY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. BRYAN, Mr. SMITH, and Mr. LIEBERMAN, proposes an amendment numbered 2695.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . MINK INDUSTRY.

(a) FINDINGS.—Congress finds that—

(1) since 1989, the Federal government, through the Department of Agriculture Market Promotion Program, has provided more than $13,000,000 to the Mink Export Development Council for the overseas promotion of mink coats and products; and

(2) the Department of Commerce has estimated that since 1989 the value of United States exports of mink products has declined by more then 33 percent and total United States mink production has been halved.

(b) FUNDING.—None of the funds made available in this Act may be used to carry out, or to pay the salaries of personnel who carry out, the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623), in a manner that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

Mr. KERRY. Mr. President, I send this amendment to the desk on behalf of myself, my colleague, Senator BRYAN, Senator LIEBERMAN, and Senator SMITH. I know that Senator SMITH, I think, intends to speak on this amendment. But we will not take very long at all.

Over the course of the last few years, we have become accustom to identifying a series of programs on the floor of the Senate that most people have come to a quick conclusion do not make sense, against almost any standard or judgment. I think there are a lot of programs, we have come to realize, that have outlived original purposes, but they are still staunchly defended by entrenched special interests. There are a lot of other programs which never served the national interest at all, but they were initiated to satisfy a very powerful political interest. This appears to be one of those programs that may even fit both of those criteria, but which at this point in time does not make sense.

We had a debate earlier today about the Market Promotion Program. I joined as a cosponsor with colleagues in trying to do away with the whole program because there is, on its face, an enormous, legitimate question as to whether or not while we are cutting so much and so in so many other areas and particularly when we are making important judgments about the ability of the private sector to do what the private sector ought to do, there are huge concerns about the Government ponying up money to pay for what very big ongoing concerns ought to be able to do on their own.

There is even a greater concern—just on a philosophical basis—there is a huge concern about why the public sector ought to be subsidizing private sector entities that are entirely profitable, but we are subsidizing things that are wholly within the mainstream of the normal commercial business.

There is a second question about why we ought to do that at a moment when we are asking a whole lot of Americans to give up things.

So I am particularly asking my colleagues to think about a component, one component, of the Market Promotion Program which is the money that we pay to the Mink Export Development Council.

No matter where you fall on the political spectrum, it would seem to me that we ought to be able to reach the common sense rational conclusion that for the United States to be asking taxpayers to subsidize the sale of mink abroad does not meet any rational test.

Since 1989, we have spent $13.2 million for overseas promotions of minks. We ought to stop it now. We ought to signal to the country that we are prepared to stop it now.

That is an average, and it averages because it is different each year, about $2 million a year, of hard-earned taxpayers' money that goes to promote foreign fashion shows and advertising. It is precisely this kind of special interest that most Americans are saying, when are you going to cut out this nonsense?

We are about to say a teenaged mother is not going to be able to get child care paid for, for a certain amount when she goes to work, but we can pay $2 million to a company that makes a profit in order to help them promote mink sales abroad.

We will tell an elderly couple that we are cutting Medicare but we are going to keep the mink subsidy so this profitable company can sell mink.

We are going to tell a college student we have cut back on the PELL grants but we are not going to cut back on the mink subsidy.

We are going to tell a child we are not going to have Head Start but we are not going to cut back on the mink subsidy.

I think the arguments are very obvious and I do not need to belabor them.

I will share with my colleagues an advertisement which shows what this money is going to.

Here is money spent by the council on the sale of mink. This is in a Japanese magazine. It is in Japanese. I might add, nowhere does it say anything about America, or American mink or anything like that. It just says buy the mink.

Here is the translation: ''Announcing the newest and best mink collection. Excellent material and design. A step above the rest. With our pride we will provide you with a unique opportunity to upgrade your personal style.''

That is it. That is what the taxpayers of America are paying for.

Now, of the $13 million that we spent in the last few years, 90 percent of it has gone to three companies. One of those companies is a subsidiary of a large foreign-owned corporation, and every American ought to be outraged by that.

The two principal recipients of this largess are very large companies with significant revenues who simply do not need the average taxpayers of America giving them money to subsidize a foreign fashion show.

Mr. President, let me point to these two companies. From 1990 to 1994, Hudson Bay's North America Fur and American Legends received $11,840,866 during that period. North American Fur has revenues of $49 million and it is affiliated with a Canadian conglomerate that has 53,200 employees and $3.9 billion in sales.

This advertisement, this program, speaks for themselves. At a time of change in Washington this program ought to be included in that change. I hope my colleagues will join the House of Representatives who voted overwhelmingly to get rid of this ridiculous subsidy.

Mr. SMITH. Mr. President, I rise in support of the amendment of my colleague, the Senator from Massachusetts.

This is an amendment that is necessary. It should be so obvious, considering the types of debate we have been having about cuts and reductions in spending and balancing the budget.

I have always voted against market promotion programs but some like to refer to it as ''corporate welfare.'' I am satisfied with simply calling it a costly program that frankly does not work.

That is really the issue here. If you are going to be providing subsidies, it ought to be accomplishing something, if you take a position that subsidies are necessary.

The amendment that passed the House focuses on one particularly disturbing use of Federal tax dollars which the Senator from Massachusetts has outlined. That is a $2 million subsidy for the Mink Export Development Council.

I came in late and I apologize to the Senator from Massachusetts, I do not know if he got into the amendment specifically in terms of the language.

I will read that amendment verbatim, so we know exactly what it is that we are voting on. A virtually identical amendment passed the House by a vote of 232–160.

It is very interesting, the findings in the amendment. This is right out of the House of Representatives amendment:

(a) Findings, (1) since 1989, the Federal Government through the Department of Agriculture Market Promotion Program, has provided more than $13 million to the Mink Export Development Council for the overseas promotion of mink coats and products; and

(2), the Department of Commerce has estimated that since 1989 the value of the United States exports of mink products has declined by more than 33 percent and total U.S. mink production has been halved.

The third finding is in the area of funding.

None of the funds made available in this Act may be used to carry out, or pay the salaries of personnel who carry out the market promotion program established under section 203 of the Agriculture Trade Act . . . in a manner that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

Mr. President, if I had my preference I would zero out the entire MPP program. We do not need it. That is very obvious. That is not really what the Senator from Massachusetts is talking about here.

What we are saying is if we are going to continue to fund this program, do not use it to subsidize the mink industry. Since 1989 this program, as I indicated in the findings of the amendment, has funneled nearly $13 million into the pockets of mink producers.

What are the funds being used for? What is the use of these funds? Well, they put on fashion shows for mink coats in Europe. I am sure that people who work hard for a living every day trying to make ends meet are very thrilled about that, paying their tax dollars.

They take out advertisements to promote these shows. That is what some of the money is being used for.

Who is paying for that? Who is paying for it? It is not you and me. It is probably not even our children. It is our grandchildren and their grandchildren. They will pay for these fashion shows. They will pay for all of that interest that accumulates on the money we borrow to pay for the mink ads. That is who is going to pay, Mr. President.

So, some of my colleagues might say, what the heck is $2 million? That is nothing, $2 million.

I guess when you are talking about trillions it probably is nothing. But we borrow money at about 7 or 8 percent. Let us say 7 percent. So 7 percent of $2 million is $140,000 in interest on that $2 million we are spending on this subsidy. Talk about borrowing $2 million, not just 1 year, not just this year, every year, year after year after year, paying it all back with interest.

As I said many times in speaking about some of the spending in this place, there is not a big fund sitting in the Treasury Department that has a surplus in it. We have a big debt and a big deficit. So we are borrowing this $2 million from hard-working men and women across this country who are trying to meet their child care responsibilities, maybe somebody on Medicare who really needs the money who is going to see a cut in Medicare, and we are going to fund $2 million in mink subsidies for mink coats and advertisements in Europe. It is a wasteful, ridiculous and, frankly, embarrassing spending program. I commend the Senator from Massachusetts for bringing it here to the attention of our colleagues.

To fully understand how reprehensible this program is, there is another side to it. Some may not choose to get into it. It is the whole issue of the inhumane manner in which these animals are treated.

Some might say the funding is paramount, and it is. But I think, also, you have to look at this other issue. I would like to point it out. If it gets another vote and that makes a difference, then I am more than happy to point it out.

There are a couple of letters. The ASPCA, in a letter to me dated August 28 this year, said:

[They were] surprised to learn that the mink industry receives such a subsidy at all. Mink-rearing practices are extremely cruel. The animals often die by suffocation with hot, unfiltered carbon monoxide from motor vehicles, or are killed by lethal injection of the pesticide Black Leaf 40, diluted with rubbing alcohol. These wild animals are raised in small cages and exhibit classic signs of serious stress such as constant pacing, throwing themselves against the sides of the cage walls, and self-mutilation.

So I think that is an issue that may be of interest to some, the fact when you wear that coat you are participating in that cruelty and you are also spending a lot of hard-earned taxpayer dollars.

So another letter, which came to me from Wayne Pacelle, Vice President of Government Affairs of the Humane Society of the United States, in which he said:

The mink subsidy is not providing a good return on investment. While the taxpayer subsidy to the mink industry has increased by 20 percent over the last 5 years, total U.S. exports of mink pelts have declined by 35 percent.

We are not getting any return on the investment we are making. So the bottom line is, it is inhumane to the animals, No. 1. No. 2, it is costing taxpayers a lot of money they should not be asked to spend, under these difficult budget times.

We ought to respect the fact that this money belongs to the people of the United States of America. It belongs to the taxpayers. We are not respecting that. The mink subsidy is not only opposed by the ASPCA and other animal rights groups, it is opposed by the National Taxpayers Union, Council for Citizens Against Government Waste, the International Brotherhood of Teamsters, the Heritage Foundation, and the Competitive Enterprise Institute—liberals, conservatives, both sides of the political agenda; pro-business, pro-labor; Democrats, Republicans. All are opposed to a very wasteful program.

In fact, just this morning—I think the Senator from Massachusetts may have referred to it—the Washington Post ran an excellent article about this mink marketing program. Just a couple of paragraphs from that article in today's Washington post. The lead story by Guy Gugliotta:

Let's face it. At a time when Congress is talking about cutting off welfare mothers, student loans and low-income housing, it is pretty hard to argue that the nation's few hundred mink ranchers need a $2 million federal subsidy.

You cannot really say it much better than that:

It just looks bad for the feds to be paying for overseas advertising and fashion shows to promote the only item on Earth that blends naturally with diamonds and a Cadillac limo.

That really is not the image that I want to have as a Member of this Senate and it is wrong. I do not think we ought to be promoting it.

People just are not interested, frankly, anyway, for the most part, in wearing mink. That is why the exports have gone down. You can do all the marketing in the world, but if people do not like the product they are not going to buy it.

So, if we decided to start pumping millions of Federal tax dollars into

marketing zoot suits next, would people start buying them? I doubt it. But probably somebody around here might think up a Federal subsidy for zoot suits and probably would make an attempt to get it passed, if they made zoot suits in their State. But they are not in fashion. Frankly, mink coats are not in fashion anymore, either.

Where mink coats were once seen as a status symbol, now they are a symbol of cruelty. And, in addition, now, because we know they are being subsidized so extensively by the taxpayers, they are a symbol of Government waste. People are not interested in either one.

Over in the House, as the Senator from Massachusetts said, they voted to eliminate the mink subsidy. It was an easy decision. It was lopsided.

Yet here they tell me the vote is close. It is an easy decision for me. How can we tell men and women serving their country that we cannot afford to keep their military base open but we can toss away $2 million for overseas fashion shows? Or how do we tell a young man or young woman serving in some faraway country—maybe in Bosnia, in the very near future—at a recruit pay, basic pay, some of them on food stamps; we are going to tell them that we are going to fund the mink subsidy because that is more important than them?

Will you tell the thousands of other taxpaying businessmen and women who have never received a nickel of Government subsidy? I ask my colleagues to just think a little bit about the people in your State, business men and women whom you have run into in the past few years as you have campaigned or gone around meeting your constituents. Think about them: Barbers, construction workers, union guys, business guys. They work hard. Think about them. Do you think they would support this subsidy? You ought to ask them. Give them a call and ask them, if they support this kind of subsidy; that they think their dollars should go for this?

They have to save or even borrow money to pay college expenses or to perhaps promote their business, perhaps to buy a car, or even the basic essentials of life. Maybe they cannot afford to do that. So maybe they just go around and put a leaflet on the car promoting their business. I could find hundreds of ways to use the $2 million subsidies and so could they. Every one of them—think about it; $2 million. That is not how the free market works.

Most successful businessmen fully understand it. The brilliance of the competitive marketplace is if you provide a service that people want for a decent price there is no limit to your success. At the same time, if you are marketing a product that nobody wants, or very few people want, you will either go bankrupt, you will go out of business, or you will start making something else, some other product that somebody else might be interested in.

That is why stores do not have racks full of outdated clothes. Once they go out of style, people are not interested in them anymore so they get rid of them. When people stop buying them you take them off the rack and you replace them with the latest fashion. This principle has worked for over 200 years in this country—200 years, long before subsidies. You start confusing the system when you start to pump money into an industry that, frankly, cannot cut it, it cannot cut it on the open market, it cannot handle it. And we ought not to be putting Federal dollars, hard earned, working men and women's dollars into such an outrageous—outrageous subsidy.

For the Government to be using tax dollars to bring an outdated fashion back into vogue flies right smack in the face of the whole free market system. There are a lot of us in here on this side of the aisle, and some on the other side of the aisle, who profess to be strong advocates of the free market system. If you are a strong advocate of the free market, if people want to buy mink coats and there is plenty of mink out there, why do we have to have the taxpayers subsidize growing mink to provide those coats? Give me one good reason. I would like to hear one good reason.

If the voters said anything in the last election, they said cut spending and restore the free market principles to our country. That is what we are doing. This is $2 million, not a lot of money under a huge $1.5 trillion budget. But, my goodness, what a small, little step. If we cannot take this little, tiny step to stop subsidizing the production of mink coats, if we cannot do that, then I do not have a lot of hope that we are ever going to get to reconciliation and balance the budget. The House got the message. They supported this amendment 232 to 160. They did the right thing. Let us not be the laughingstock of the Congress and approve such an outrageous subsidy. That is an insult to every hard-working man and woman in this country. I would venture to say even the very few people left who wear mink coats would probably be opposed to this subsidy. How can anybody be for this subsidy? What is the justification for this subsidy? Let us show the voters that the Senate got the same message that the House got and not be the laughingstock of the Congress by passing such an outrageous, absolutely outrageous, subsidy.

I thank the Chair. I yield the floor.

Mr. BENNETT. Mr. President, my remarks will be brief.

I could rise to talk about the MPP program. But that is not what this amendment is about. This amendment is about excluding an industry from participation in this program simply because of a group that doesn't like mink, more specifically, mink coats—95 percent of which are exported.

The Senate voted yesterday to support the MPP program. The Senate has spoken. Why are we talking about fur? Why not grapes, cotton, raisins, wheat, or wine?

The Kerry amendment does not reduce spending for the MPP; it just prohibits funding for mink production. This amendment saves no money. Mr. President, that is the bottom line.

I urge my colleagues to oppose this amendment.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, for the information of Senators, the background of this amendment is that when the House, the other body, was considering this legislation, an amendment was offered on the floor which provides as follows: That no funds in the bill should be allocated under the Market Promotion Program to the U.S. Mink Export Development Council or any mink industry trade association.

So by this legislation there was a prohibition suggested in the amendment against allocating MPP funds for this purpose, to promote exports of U.S.-grown mink.

I think we have a big problem in trying to substitute our judgment for the decisions that the administrators of the Market Promotion Program have. This amendment does not seek to strike any funds. This amendment does not reduce the appropriation of money to the Market Promotion Program activity. As a matter of fact, we have already debated that issue. The issue was presented to the Senate by Senators BRYAN and BUMPERS. We debated it at length last night for a full hour. Most Senators had left for the evening. But we debated it, and we had a vote on it today. The vote was about 60–40, as I recall, to table the amendment.

The point was made during the discussion—I will repeat it here just briefly—that this program promotes the export of U.S.-grown agriculture commodities: food products, and the like. It is big business for the United States to sell what we produce in the export markets, and with the changes in the Uruguay round of GATT, more and more market opportunities are becoming favorable. This program has proved very helpful.

The difficulty I have as manager of the bill with this amendment is that it seeks to substitute the judgment of the Senate, and calls upon it to act on the floor of the Senate for the judgment of the administrators. I have received from the Department of Agriculture information about the program which says that mink exports in 1994 are estimated at about $100 million. That is a substantial increase from earlier levels.

The suggestion in the information we are given is that exports to Korea alone could exceed $40 million, which almost doubles the 1993 level. One of the associations that is involved in trying to promote the export of these products says that if it had not been for MPP funding here and the assistance that they provided to promote

U.S. mink industry products, we would not have a domestic mink industry in the United States. The fact is 28 States have mink production. In the State of Wisconsin, I remember the number is $19 million in the local economy which depends on this industry alone.

So I am hopeful that the Senate will approve our motion to table this amendment and not get into the business of trying to micromanage and legislate changes in this program on an appropriations bill. That is what is being sought.

So at the time when Senators have spoken as much as they want to speak, it will be my intention to move to table and ask for the yeas and nays.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I hope the distinguished manager will move to table literally within minutes. I just have one quick response, unless somebody else wants to speak. My friend from Mississippi is absolutely correct. This is a question of whether or not we want to substitute our judgment. That is exactly what it is. I think most Senators would agree this is an outrageous, stupid judgment. We are not talking about computers here. We are not talking about foodstuff that is the mainstay of some developing country like wheat or something. We are talking about minks that my friend from New Hampshire appropriately said, and the Washington Post said today, blends in with diamonds and Cadillacs.

If those folks want to, let them pay a little more for the cost of the advertising, which I always thought was the notion of capitalism. That is the private sector. You make your money. You go out and you do the cost of doing business. And everybody here has railed forever about the Government being involved in the process. Here is an opportunity to get the Government out of it. It is very, very simple and very straightforward.

So my friend is absolutely correct. Do we today want to substitute our judgment and suggest that the judgment of some people that want to spend this money is wrong?

I hope my colleagues will join together and say it is wrong. I am all for exports. I am not saying no to the mink industry. I have a mink farmer in Massachusetts. I hope my mink farmer in Massachusetts does very well, and continues to. That is fine. I just do not want the taxpayers subsidizing this particular endeavor. That is what this vote is about.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I move to table the amendment of the Senator from Massachusetts and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SANTORUM). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Tennessee [Mr. FRIST] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

Mr. FORD. I announce that the Senator from Louisiana [Mr. JOHNSTON] is necessarily absent.

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

The result was announced—yeas 18, nays 78, as follows:

[Rollcall Vote No. 445 Leg.]

YEAS—18

Ashcroft	Cochran	Hatch
Baucus	Craig	Kempthorne
Bennett	Domenici	Kohl
Bond	Feingold	Packwood
Burns	Gorton	Pressler
Campbell	Grassley	Specter

NAYS—78

Abraham	Glenn	McConnell
Akaka	Graham	Mikulski
Biden	Gramm	Moseley-Braun
Bingaman	Grams	Moynihan
Boxer	Gregg	Murkowski
Bradley	Harkin	Murray
Breaux	Heflin	Nickles
Brown	Helms	Nunn
Bryan	Hollings	Pell
Bumpers	Hutchison	Pryor
Byrd	Inhofe	Reid
Chafee	Inouye	Robb
Coats	Jeffords	Rockefeller
Cohen	Kassebaum	Roth
Conrad	Kennedy	Santorum
Coverdell	Kerrey	Sarbanes
D'Amato	Kerry	Shelby
Daschle	Kyl	Simon
DeWine	Lautenberg	Smith
Dodd	Leahy	Snowe
Dole	Levin	Stevens
Dorgan	Lieberman	Thomas
Exon	Lott	Thompson
Faircloth	Lugar	Thurmond
Feinstein	Mack	Warner
Ford	McCain	Wellstone

NOT VOTING—4

Frist	Johnston
Hatfield	Simpson

So the motion to lay on the table the amendment (No. 2695) was rejected.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 2695) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2696

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

The PRESIDING OFFICER (Mr. THOMAS). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2696.

On page 32 of the bill, strike lines 7 through 11 and insert in lieu thereof the following:

SEC. . For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by Congress for the Natural Resources Conservation Service, $677,000: *Provided*, That none of these funds shall be available to administer laws enacted by Congress for the Forest Service; *Provided Further*, That $350,000 shall be made available to the Secretary of Agriculture to administer the laws enacted by Congress for the Forest Service; *Provided Further*, That notwithstanding Section 245(c) of Public Law 103–354 (7 U.S.C. 6961(c)), the Secretary of Agriculture may not delegate any authority to administer laws enacted by Congress, or funds provided by this Act, for the Forest Service to the Under Secretary for Natural Resources and Environment.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, in 1948, the Congress passed a law that provided that ''no part of any appropriation for the Bureau of Reclamation contained in this Act shall be used for the salaries and expenses of a person of any of the following positions:''

Mr. BUMPERS. Mr. President, the Senate is still not in order. It is very difficult to hear the Senator from Alaska. That really means we are not in order.

The PRESIDING OFFICER. The Senator is correct. The Senate will please come to order.

Mr. STEVENS. Mr. President, I shall not take umbrage at my friend from Arkansas, because normally I can be heard. I do appreciate his concern.

As I was saying, in 1948, Congress passed a law which, in effect, cut off the salary for the Commissioner for the Bureau of Reclamation.

In 1987, under the leadership of the now deceased Jamie Whitten, chairman of the Appropriations Committee, the Congress passed Public Law 100–202, which read as follows, and I ask unanimous consent that this be printed in the RECORD at the end of my remarks.

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

(See exhibit 1.)

Mr. STEVENS. Mr. President, I want to read it:

Office of the Assistant Secretary for Special Services. For the necessary salaries and expenses to continue the Office of the Assistant Secretary for purposes of providing special services to the Department, $416,000: Provided, that none of these funds shall be

available for the supervision of Natural Resources and Environment activities, the Soil Conservation Service, or the Forest Service.

By that amendment, Mr. Whitten, in effect, defunded the salary of a gentleman named Dunlop. He held the same position in the Department of Agriculture that my amendment applies to. My amendment applies to the Office of the Under Secretary of Agriculture that primarily deals with the area of natural resources and environment. He has been supervising the Forest Service. I hope that the Senators from Colorado and Washington, and others, will address this matter.

I am concerned that the Secretary of Agriculture has considered this amendment to be an amendment that deals with a dispute as to policy.

Let me assure the former Member of the House and now Secretary of Agriculture, this has nothing to do with policy. This has to do with the decision of one person of the executive branch not to follow the law as enacted by Congress and adopted by the President.

Mr. Lyons was one of those who was the author of the President's Northwest timber plan that promised 2 billion board feet of timber. Under his leadership, the Forest Service produced 300 million board feet. After Congress released the timber sales in the recent rescissions bill, Mr. Lyons tried to prevent that sale from being released, and the Federal court immediately agreed with Congress. The Senator from Washington will discuss this. In terms of Alaska, Mr. Lyons has repeatedly refused to follow the law as passed by the Congress.

In Montana, he decided on his own not to follow the law passed by Congress with regard to a roadless area in Montana, basically making that area wilderness, although Congress had specifically decided not to designate it as wilderness.

In Alaska, we have had flagrant refusal to follow the law that has been passed by Congress. In recent months, we had an amendment that was adopted that asked the Forest Service to limit the so-called habitat conservation zones in the national forests to the size that was the largest size used for such zones in what we call ''the lower 48.''

Under Mr. Lyons' leadership in the Forest Service, he had designated over 600,000 acres of the area that was available for timber harvest in the State of Alaska as habitat conservation zones. One of them was one-fifth the size of Rhode Island.

After the Congress passed the law and set the maximum area for such zones, Mr. Lyons just simply refused to follow it. I do not think this is a disagreement policy. We have had our arguments on policy and we have them here. When a law is passed and that law is ignored and really just faces a complete refusal of the person with the authority to administer it, refusal of that person to follow the law, I think it sets a very bad standard for our country as a whole.

We expect our people to follow laws that are enacted by Congress. As a matter of fact, most of those people that are not in Government employment, if they do not follow a law passed by Congress, they are fined immediately. I have an appeal from one miner that was fined $48,000 for failing to follow a directive issued orally by a person in the Government. We have repeated incidents of members of the public who are cited and brought into court, and many other things are done when they do not follow the law.

In this instance, there is nothing to be done. That is why I have raised this question. I raised the question of whether or not the Congress wants to follow the example set on at least two previous occasions and, in effect, remove the area of the Forest Service from the delegated authority of the Under Secretary. I have not gone as far as Mr. Whitten did, or the 80th Congress, in totally defunding the function. All this amendment really does is says to the Secretary of Agriculture, we no longer have faith in this person to fairly and impartially administer the laws of the Forest Service and, therefore, we redelegate the authority back to the Secretary. It is a simple matter. There is no change in the money available to the Department of Agriculture. There is no change in the money available to the Under Secretary's office, as far as his functions are concerned. But the money for the supervision of the Forest Service is restored to the Secretary's office, and the Secretary is placed back in the position of full responsibility for the Forest Service.

I cannot believe that we would allow a person to completely disregard the acts of Congress and refuse to carry them out. I am hopeful, as I said, that the Senator from Oregon may have a comment; and the Senator from Colorado, I know, wishes to come to the floor. I hope they will come to the floor and speak on this amendment.

I consider it to be just a modest shot across the bow, Mr. President. We in the West are tired of this war against the West. We want the laws that Congress passes, after long battles here in the Congress, to be observed. They have not been observed by this man. He has refused to follow them. He has refused to even keep his own word, as you will hear from other Members, concerning what he stated he would do and what he has actually done in carrying out the authority delegated to him in the past.

I am hopeful that the Senate will adopt this amendment and the House will see fit to adopt it. If we do not take action and require these people to follow the law, how can we expect the public to obey the laws we pass?

Mr. President, to me, this is a matter of simple justice. This man has refused to faithfully follow the laws that have been passed by Congress in the area in which he has been delegated authority to enforce those laws. I believe this amendment is in order.

EXHIBIT 1

PUBLIC LAW 100–202—DEC. 22, 1987

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. Because the spending levels included in this Resolution achieve the deficit reduction targets of the Economic Summit, sequestration is no longer necessary. Therefore:

(a) Upon the enactment of this Resolution the orders issued by the President on October 20, 1987, and November 20, 1987, pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, are hereby rescinded.

(b) Any action taken to implement the orders, referred to in subsection (a) shall be reversed, and any sequesterable resource that has been reduced or sequestered by such orders is hereby restored, revived, or released and shall be available to the same extent and for the same purpose as if the orders had not been issued.

The following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1988, and for other purposes, namely:

SEC. 101.[1] (a) Such amounts as may be necessary for programs, projects or activities provided for in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1988 at a rate of operations and to the extent and in the manner provided for, the provisions of such Act to be effective as if it had been enacted into law as the regular appropriations Act, as follows:

* * * * *

ENROLLMENT ERRATA

Pursuant to the provisions of section 101(n) of this joint resolution (appearing on 101 Stat. 1329–432 changes made are indicated by footnote.

The words ''Government'', when referring to the Government of the United States will be capitalized, ''Act'', if referring to an action of the Congress of the United States, will be capitalized, ''State'', when referring to a State of the United States will be capitalized, ''title'' and ''section'' will be lower case, when referring to the United States Code or a Federal law. The capitalization of the foregoing words may be changed, and not footnoted.

OFFICE OF THE ASSISTANT SECRETARY FOR SPECIAL SERVICES

For necessary salaries and expenses to continue the Office of the Assistant Secretary for purposes of providing special services to the Department, $416,000: *Provided,* That none of these funds shall be available for the supervision of Natural Resources and Environment activities, the Soil Conservation Service, or the Forest Service.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $498,000.

RENTAL PAYMENTS (USDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Department of

[1] Copy read ''(a) Such amounts.''

Agriculture which are included in this Act, $49,665,000, of which $3,000,000 shall be retained by the Department of Agriculture for non-recurring repairs as determined by the Department of Agriculture: *Provided*, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 per centum of the funds made available for space rental and related costs to or from this account.

BUILDING OPERATIONS AND MAINTENANCE

For the operation, maintenance, and repair of Agriculture buildings pursuant to the delegation of authority from the Administrator of General Services Authorized by 40 U.S.C. 486, $20,024,000, of which $3,245,000 is for one-time purchase of systems furniture.

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of Advisory Committees of the Department of Agriculture which are included in this Act, $1,308,000: *Provided*, That no other funds appropriated to the Department of Agriculture in this Act shall be available to the Department of Agriculture for support of activities of Advisory Committees.

HAZARDOUS WASTE MANAGEMENT
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, except for expenses of the Commodity Credit Corporation, to comply with the requirement of section 107g of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607g, and section 6001 of the Resource Conservation and * * *.

* * * * *

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, never before in my career in the U.S. Senate have I considered or supported taking an action of this nature. Yet, I am convinced that, if anything, the proposal of the Senator from Alaska is too mild. Each and every one of us has had differences of opinion on matters of policy with persons in a national administration, sometimes with members of our own party, but more frequently with those of the other party. But these differences of opinion are cast in the terms of policy, not in the terms of either truthfulness or a willingness to abide by the law.

So I wish to emphasize as clearly as I possibly can that this amendment proposed by the Senator from Alaska does not stem from a difference of opinion over a matter of policy with Secretary Lyons. We differ with the entire administration on many matters of policy relating to the forests. But in the case of Mr. Lyons, we do not get truthful answers from him on questions of fact, and we get defiance with respect to the law, whether it has been on the law books for an extended period of time or is brand new, consistently. And there is a vindictive attitude toward any of those who disagree with him and toward almost all of those who are engaged in the profession of forestry in the private sector.

Let me give you just a few really very, very recent examples. Two of them come from the rescissions bill, which was passed by this Congress and signed by the President only a very few months ago. The most recent took place only last week. The bill on rescissions was, quite obviously, a controversial piece of legislation. And it carried with it, in addition to the cancellation of some spending programs, a number of substantive provisions. The first rescissions bill passed by this Congress was vetoed by President Clinton, as was his perfect right, on a number of grounds, one of which was the so-called ''salvage timber'' language that was included in that bill. During the period of time between that veto and the passage of a second rescissions bill, the language on salvage and other timber was negotiated literally line by line with the administration. And the administration was consistently represented by Assistant Secretary Lyons.

One of the issues was what timber was covered by one of the provisions in the bill. Secretary Lyons argued for a more restrictive provision. He ultimately asked those of us who were proponents of the language to give him a list of the timber sales that were authorized by the bill. That list of timber sales was given to him. The bill was passed. The bill was signed by the President of the United States, and immediately Assistant Secretary Lyons said that most of the contracts that were listed in the very list he had been given would not be released. He interpreted the section concerned in the manner he had advocated in these negotiations and was rejected by those negotiations.

His position has already been rejected by a U.S. District Court which stated that the meaning of the provision was absolutely clear. In spite of that ruling, Secretary Lyons has still not released the timber sales and a spokesman for his administration said, ''This ruling was not an order. It doesn't direct us to do anything.''

Obviously, requiring people to go back into court, once again, to enforce what Secretary Lyons understood to be the law before the law was passed, understood what it was after it was passed, understood it was after the court ruled, and understands what it is today.

Another provision in the same timber language for rescission had to do with other timber sales.

There was an extensive debate over the definition of a phrase ''known to be nesting.'' We stated it meant (A), Secretary Lyons insisted it be amended to have the meaning (B). Secretary Lyons' position was rejected and the land which was stated to have meaning (A) was adopted and signed by the President.

Secretary Lyons immediately interpreted it to mean what he had asked us to change it to unsuccessfully. That matter is now in court.

Just last week, Assistant Secretary Lyons caused to be issued a final rule for the implementation of a 1990 law entitled the Forest Resources Conservation and Shortage Relief Act of 1990, dealing primarily with the export of logs from State and Federal lands. Mr. President, that law was passed in 1990.

A proposed rule has been under discussion literally for years and the companies involved in this business have managed their business in accordance with that proposed rule.

On September 8, Assistant Secretary Lyons issued a final rule for the implementation of the 1990 law dramatically different from the proposed rule—dramatically different—without having had any hearings or having given any notification as to those changes, as to those differences.

That new rule will require dramatically different business practices on the part of persons in the timber industry, the failure to observe, which will subject them to great fines in business penalties. Yet, Secretary Lyons made the rule effective immediately.

The burden he has imposed is an impossible burden to meet. Later on this evening I believe that we here will adopt an amendment to this bill directing that there be a 120-day period after the time of the promulgation of that rule until it becomes effective, so that people can at least change their business practices so that they are operating in accordance with the law. Making it effective immediately can only have been designed to persecute business enterprises engaged in this business who had no notice of what was going to be included in this rule whatever.

Mr. President, other Senators have told me of numerous occasions on which they have been given specific assurances of a matter of fact by the Assistant Secretary, only to have his actions dramatically and diametrically opposed to the commitments that he has made.

Mr. President, this is a Federal officeholder who operates outside of the law who believes that the law is whatever he feels appropriate policy is and who ignores actions by the Congress of the United States totally and diametrically opposed to his philosophies.

This is not an amendment that results from a disagreement on a matter of policy. It is an amendment to sanction an individual by removing the Forest Service from his jurisdiction for deliberate falsehoods to the Congress of the United States and for deliberate violations of the law. It should not be treated on a partisan matter. It should not be treated in the manner in which Members vote to defend actions of this sort.

All of us are implicated by this kind of lawless action on the part of an Assistant Secretary of Agriculture. All of us, by voting in favor of this amendment, can pass on the message which should be a message for all administrations of both parties under any set of

circumstances, that policy differences in a free country are totally and completely appropriate, but that the law, the administrative law which applies to a given Department, must be honestly and forthrightly carried out by that Department.

That is not the case with this Assistant Secretary, Mr. President. It is dramatically not the case. We should sanction, by the adoption of the STEVENS amendment.

Mr. BROWN. Mr. President, I rise in strong support of the STEVENS amendment. I want to share with Members why I will be voting for that amendment.

Mr. President, we had discussed on this floor some of the problems associated with water policy during the current administration and prior administrations. This may seem somewhat far afield for Members who come from States where they have ample water and great resources, but, Mr. President, let me assure you the principle involved in it is extremely important for all of us.

The problem revolves around the ability to cross Federal grounds or use Federal grounds under a permit. That is an important question in Colorado because 37 percent of the State is owned by the Federal Government. Obviously, in Alaska it is a much higher percentage.

Let me suggest it is a question that every single Member of the Senate has to be concerned about. If the Federal Government owned title to a property, your State may need to get a permit to cross that ground to put down a utility line, to put down a waterline, to put down a sewer line, to lay highways and so on.

The reality is, Mr. President, the ability to get permits to cross or use Federal ground is essential for every State in this Nation. It is part of being good partners and part of working together.

What happens when those permits run out? The permits vary in length. In Colorado, they can be issued for 20 years, and some of the extensions have gone beyond that period.

What happens when a permit expires? Does it mean ''tear down the highway''? Does it mean dig up the lines? Does it mean close down municipal drinking water? Believe it or not, the State of Colorado was faced with that decision.

The Forest Service, under a previous administration—not this administration, but the previous administration—suggested that for cities to renew their permit for a water line across Federal property, they would have to surrender a portion of their water rights. These offers to surrender a city's water rights started at a third with subsequent offers made for less than that.

Literally, the Forest Service suggested that to renew a Government permit to carry vital drinking water across Federal property, with no change whatever in function, the city would have to surrender a third of their water rights or less to renew their permits.

Frankly, some of Colorado's cities did not have a choice. They had to cross Federal grounds to get water from the reservoir to the city and its inhabitants. ''Extortion'' is not too strong a word to describe that policy.

As all Members can understand, strong protests were raised, and when it was brought to the attention of the Secretary of Agriculture, Secretary Madigan wrote me a letter and reversed the policy, directing his Department to issue renewals of permits without conditioning them on the forfeiture of a city's water rights.

Mr. President, Secretary Madigan's policy is very important. It corrects a practice that I believe was not only illegal but terribly unfair and damaging to the citizens of Colorado and, frankly, damaging to the citizens of any State that is dependent upon Federal permits to receive their water.

Why should I offer that background for this particular amendment? I offer that background because, included in the information I will submit at this point in the RECORD, are a series of letters that I received from Secretary Madigan as he put that policy into place. Those letters formed the core of the policy followed by the Secretary of Agriculture which relates to the current Secretary and the current Under Secretary of Agriculture.

Because renewing Federal permits is a continuing problem and a continuing concern, when the current Under Secretary came before the Subcommittee for Resource Conservation, Research and Forestry of the House Agriculture Committee, Under Secretary Lyons was called before that committee to testify. He was asked directly about the Madigan letter and that very important policy. Let me quote from Congressman ALLARD.

> . . . I'd like to proceed to a letter that was written to Senator Brown in 1992 by then-Secretary of Agriculture Madigan. And in that letter he said, and I quote from the letter, ''I want to assure you that it is the policy of the Forest Service to ensure the private property rights, including water rights will be recognized and protected in the course of special use permitting decisions for existing water supply facilities. In addition, the Forest Service will recognize and respect the role of the States [in] water allocation and administration.''

Mr. President, that is a quote from the letter and the commitment of Secretary of Agriculture Madigan.

Congressman ALLARD is asking Mr. Lyons if that is still their policy. His response as is apparent, and included in the transcript from that record is this: ''Mr. Lyons. Yes, sir, we still operate in that manner.''

Congressman ALLARD had quoted to him the Madigan letter and the policy and asked if that is still the Agriculture Department's policy and Mr. Lyons responds yes, it is. And indicates they operate in that manner.

Later on, Congressman ALLARD quotes again and says:

> Well, I would just remind you that and refer you back to the letter of Secretary Madigan, of which you said you haven't changed the policies from that letter, that you do recognize the role of the States in water allocation administration. And if you do recognize that, then there shouldn't be a constant demand for water.

Mr. President, he said that. Again, Under Secretary Lyons did not correct it.

What is wrong with this? The date of that testimony was February 15, 1995, earlier this year.

What is wrong with it is this. Just recently, on September 8 we were advised by Mr. Lyons and his staff that the Madigan letter, which he had said was still in effect when he testified on February 15, had been withdrawn, in effect repealed, and all of the letter was no longer the policy of the administration.

Moreover he said the withdrawal of that letter was done in August 1994. Mr. President, what is apparent here is that the recorded testimony of the Under Secretary about the specific provision was not correct. And, moreover, he had to have known it was not correct at the time.

Mr. President, what this man did was mislead the congressional committee in response to direct questions on a direct subject.

As Under Secretary, he is in immediate supervision of the Forest Service. One may disagree with the policy—although I doubt if any Member would want their State to have permits for crossing Federal grounds canceled or have water extorted from their cities, or other extortive conditions placed upon the continued functioning of their cities or towns. But one may disagree about the policies. Nonetheless, this question with the Under Secretary is not about the policy. Men and women of good faith and good conscience can disagree about the policy. But the Under Secretary has a responsibility to the Senate and to the House and to this Government that goes beyond simply giving the President his best advice and doing the kind of job that he feels is appropriate. He has a responsibility to be honest and candid and frank with the American people and with committees of this Congress.

If this Congress turns a blind eye to an administration official who comes, testifies and misleads congressional committees, we forfeit our legitimate and important role of overview and oversight of the executive branch. In addition, we forfeit our elected responsibilities in ensuring that critical administrative policy decisions that affect the most basic needs of the citizens in our States are subject to the voices of the elected representatives of the people.

This case is as clear as it can be. We have the testimony from the committee—Mr. President, I ask unanimous consent that the transcript of the hearing be printed in the RECORD of our proceedings at this point.

I also ask unanimous consent that copies of the letter that Mr. ALLARD and I sent to Secretary Glickman, and copies of the letters we received in 1992 from Secretary of Agriculture Madigan, be printed in the RECORD at this time.

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

HEARING BEFORE THE SUBCOMMITTEE ON RESOURCE CONSERVATION, RESEARCH AND FORESTRY OF THE COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, 104TH CONGRESS, 1ST SESSION, FEBRUARY 15, 1995

Mr. ALLARD. Mr. Lyons, I want to thank you for showing up to testify before this Committee.

I would agree with you that there are a lot of good things about the way the water is managed in Colorado. In fact, that is there because of a water management system developed by the State. And many of the streams that you talked about of free flow-in 50 years ago didn't have a flow year-round and today there is a year-round flow.

And because we provided the laws in order to manage that very valuable resource in the State of Colorado called water so that all the water comes down in the spring doesn't get dissipated out so that when we get into August and into the fall, the streams end up drying up. In fact, I can think of a number of rivers right now where there is a year-round flow out of the State of Colorado, but if you look back into the early journals of the settlers and explorers that came back into the State, they talk about digging down into the sand in order to find the water. In other words, there wasn't a flowing stream of water.

So in light of that, I'd like to proceed to a letter that was written to Senator Brown in 1992 by then-Secretary of Agriculture Madigan. And in that letter he said, and I quote from the letter, ''I want to assure you that it is the policy of the Forest Service to ensure that private property rights, including water rights, will be recognized and protected in the course of special use permitting decisions for existing water supply facilities. In addition, the Forest Service will recognize and respect the role of the States and (sic—in) water allocation and administration.

Is this still the Forest Service policy?

Mr. LYONS. Yes sir, we still operate in that manner.

Mr. ALLARD. Can you explain what happened in Arapaho and Roosevelt National Forests with bypass flows, then?

Mr. LYONS. Well sir, I have with me Forest Supervisor Skip Underwood from the Arapaho and Roosevelt National Forests. he can explain in detail what the negotiations led to in terms of the development of a solution to a concern that was expressed by a number of permittees regarding conditions for their permits.

But the short of it is we worked with the permittees to develop a joint operating plan for waters flowing in the Cashelocuta drainage. This successfully avoided the need for the establishment of bypass flows, which I think is your primary concern, with the exception of one stream segment, and that was a stream segment which benefitted or which was part of the permit that operated for the benefit of the City of Fort Collins.

Mr. ALLARD. The agreement was with Forth Collins. But what about the other communities in that area? You've got Greeley and Loveland and Boulder.

Mr. LYONS. They were all part of the joint operating plan. And, in fact, we've recently signed easements with all those permittees, for the continued operation of their facilities.

Mr. ALLARD. And part of that arrangement was you've demanded as part of the agreement of bypass flow, irregardless of whether that was adjudicated water through the State water courts .

Mr. LYONS. Well, I don't believe we demanded that, Mr. Chairman, What we attempted to do was determine a mechanism by which we could meet our obligations under law to protect aquatic resources in a manner that would minimize the impact on the permittee. And, in fact, I think the permittee has indicated that he felt that the impacts or the permittee felt that the impacts would be fairly limited.

Mr. ALLARD. Well, the point is that you did end up with bypass flows.

Mr. LYONS. On one segment, yes, sir.

Mr. ALLARD. Yes. And you didn't go through the State courts to acquire that water right.

Mr. LYONS. That was through negotiated agreement with the permittee as a condition of the permit.

Mr. ALLARD. So it did avoid the State court provisions.

Mr. LYONS. Yes, sir.

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Mr. ALLARD. Well, I would just remind you that and refer you back to the letter from Secretary Madigan, of which you said you haven't changed the policies from the letter, that you do recognize the role of the States in water allocation administration. And if you do recognize that, then there shouldn't be a constant demand for water.

Now you may not have a right, but you ended up with the water. You know, the States have traditionally recognized water as a private property right and has protected that right through their adjudication process, usually in the State court. And all the Western States have that type of legal process. And I think that's of real interest to this Committee. It's certainly of a lot of interest to me personally.

So I would encourage you work with the State of Colorado through the current water law that they're administering in that State.

Mr. LYONS. We fully intend to do that, Congressman. As I indicated, we have a whole slew of permits yet to be reviewed. We intend to work with the permittes, with other interested parties, and with the State. And we'll certainly work with you and other members of the delegation to try and achieve a balance in resolving these permit issues.

HOUSE OF REPRESENTATIVES, COMMITTEE ON AGRICULTURE, SUBCOMMITTEE ON RESOURCE CONSERVATION, RESEARCH, AND FORESTRY,

Washington, DC, September 14, 1995.

Hon. DAN GLICKMAN,

Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC.

DEAR MR. SECRETARY: On Friday September 8th, your staff asserted in a briefing that the October 6, 1992 letter from Secretary Madigan which confirmed that the Forest Service would not impose new bypass flows on existing water supply facilities had been rescinded in August, 1994. If this assertion by your staff is accurate, we have several very serious concerns about this action.

First, the interpretation of the law contained in the Madigan letter is not only correct from a legal perspective, but is also critically important to the West. Colorado and other states are experiencing significant growth at a time when it is very difficult to develop new water supplies. This means that the continued availability of existing water supplies is absolutely essential. The illegal imposition of new or additional bypass flow requirements on existing water supplies takes water away from municipalities that need this water to supply and support their citizens and farmers that have long used this water to grow crops. In addition, the loss of these water supplies increases the demand for acquisition of new or substitute water supplies. In the case of Colorado's Front Range, the loss of these existing water supplies increases the need for new water storage facilities, which will have environmental impacts. More importantly, the loss of these supplies also leads to the conversion of agricultural water rights to municipal uses, and the resulting loss of socially and environmentally important open space currently provided by irrigated agriculture.

Second, the assertions by your staff are directly contrary to explicit representations made by you and Undersecretary Lyons in full Committee and Subcommittee. At a hearing before the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry on February 15th of this year, we were assured by Undersecretary Lyons that the Madigan policy was still in effect;

''Mr. ALLARD. Mr. Lyons, I want to thank you for showing up to testify before this Committee.

''I would agree with you that there are a lot of good things about the way the water is managed in Colorado. In fact, that is there because of a water management system developed by the State. And many of the streams that you talked about of free flow-in 50 years ago didn't have a flow year-round and today there is a year-round flow.

''And because we provided the laws in order to manage that very valuable resource in the State of Colorado called water so that all the water comes down in the spring doesn't get dissipated out so that when we get into August and into fall, the streams end up drying up. In fact, I can think of a number of rivers right now where you look back into the early journals of the settlers and explorers that came to the State, they talk about digging down into the sand in order to find the water. In other words, there wasn't a flowing stream of water.

''So in light of that, I'd like to proceed to a letter that was written to Senator Brown in 1992 by then-Secretary of Agriculture Madigan. And in the letter he said, and I quote from the letter, ''I want to assure you that it is the policy of the Forest Service to ensure that private property rights, including water rights, will be recognized and protected in the course of special use permitting decisions for existing water supply facilities. In addition, the Forest Service will recognize and respect the role of the States in [sic-and] water allocation and administration.''

''Is this still the Forest Service policy?

''Mr. LYONS. Yes, sir, we still operate in that manner.''

In addition, at a full committee hearing, you also assured the Committee that the Madigan policy was still effective;

''Mr. ALLARD. Mr. Secretary, welcome. I'd like to join some other members of this Committee in congratulating you on your appointment and subsequent confirmation as Secretary of Agriculture. And I do look forward to working with you on the issues that are facing agriculture.

''One issue that is particularly important in all of the Western United States is an issue pertaining to water and how the Forest Service is working with the States on the management plans for water.

''As you know, the Forest Service has been going around State water laws and demanding bypass water flows. And this has been a concern through 3 Secretaries of Agriculture and two Presidents.

''When Secretary Madigan was running the Forest Service, he sent a correspondence to

Senator Brown assuring him that—that's the senator from the State of Colorado—assuring his that it is a policy of the Forest Service to ensure that private property rights, including water rights, will be recognized and protected in the course of special use permitting decisions for existing water supply facilities.

''He further stated in his letter, ''In addition, the Forest Service will recognize and respect the role of the States in water allocation and administration.''

''Mr. Lyons assured me in February that it is the Forest Service's policy, now that you are heading up the Department do you agree that this should be the policy of the Forest Service?

''Mr. GLICKMAN. Absolutely.''

The entire focus of the Madigan letter was on the issue of bypass flows. The letter promised that the Forest Service would protect private property rights and preserve state water allocation systems, and explicitly explained that this interpretation of the law meant that new bypass flows would not be imposed on existing water supply facilities. Both you and Undersecretary Lyons affirmed, without any qualification, limitation, or exception, Secretary Madigan's interpretation of the law on this issue. In light of your ''absolute'' ratification of these principles, your staff cannot credibly assert that your commitment meant something other than a complete acceptance of Mr. Madigan's conclusion that the Forest Service did not have the legal authority to impose new bypass flows on existing water supply facilities.

Finally, the purported recision of the Madigan letter occurred over a year ago. Since that time we have discussed the Madigan letter with you and Mr. Lyons on numerous occasions, and made it clear that this is a very important issue. Your failure to even disclose the existence of the August, 1994, action in the course of these subsequent discussions is incomprehensible, particularly in light of your absolute affirmation of the letter before the full committee.

In light of the withholding of this information, it is necessary for us to obtain, within 30 days of the date of this letter, copies of all documents, including telephone messages and logs, information generated or stored in computerized form (including E-mail), correspondence, memoranda, and other form of data or information in the possession of the Forest Service and USDA which relate or refer to the Madigan letter from November, 1992 through the present time. We would also like a written response by Monday, September 18th as to whether you will comply with this request.

We are deeply disappointed by this turn of events. We had hoped that you would use your tenure at the Department to ease tensions between western members of Congress, their constituents and the Department. Unfortunately, it appears that instead you are continuing the anti-West agenda this Administration began in 1993.

HANK BROWN,
Senator.
WAYNE ALLARD,
Congressman.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, October 5, 1992.

Hon. HANK BROWN,
U.S. Senate,
Washington, DC.

DEAR HANK: Thank you for your August 12 letter regarding the renewal of special-use permits for water supply facilities on the Arapaho/Roosevelt National Forest in Colorado. I understand the importance of this issue to cities throughout the west that depend on facilities located on national forest lands for their water supplies.

This is a complex issue, but one that I believe has been resolved in a manner that is satisfactory to all interests. This progress is due in no small part to your ongoing interest and leadership in this important area.

I want to assure you that it is the policy of the Forest Service to ensure that private property rights, including water rights, will be recognized and protected in the course of special-use permitting decisions for existing water supply facilities. In addition, the Forest Service will recognize and respect the role of the States in water allocation and administration.

I agree that the Forest Service should not take actions that reduce historical water supplies from facilities located on national forest lands. The Forest Service will reissue permits for existing water supply facilities for 20 years with provisions to recognize and respect both the rights of the applicants and the multiple use objectives of the national forests. New bypass flow requirements will not be imposed on existing water supply facilities. However, unless amended, all permits will authorize only historical water rights associated with existing facilities. The permits will also obligate the permittee to accommodate resource goals of the Forest. This accommodation will be to the extent feasible without diminishing the water yield or substantially increasing the cost of the water yield from the existing facility.

In summary, special-use permits for existing water supply facilities will:

Authorize the use, operation, maintenance, repair, and replacement of the existing facilities described in an enclosure to the permit for the exercise of the water rights and water conservation or management practices described in an additional enclosure to the permit. The permit will not authorize expansion or enlargement of the facilities or water rights, water conservation, or management practices described in the enclosure.

Require the permittee to operate the facilities in a manner that accommodates the resource goals of the national forest without reducing the yield of the water rights or significantly increasing the cost of the water yield from the existing facility.

Require the permittee to provide the Forest Service, on an annual basis, a copy of the official records of the State agency having responsibility for administration of the water rights for the facilities described in the enclosure.

I am pleased to see that progress has been made on this issue and will instruct the Forest Service to reissue permits in accordance with this letter. I have asked the Chief of the Forest Service to initiate discussions with local interested parties to identify ways for carrying out the provisions and objectives of the individual permits.

Sincerely,

———— ————,
(For Edward Madigan, Secretary).

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, October 9, 1992.

Hon. HANK BROWN,
U.S. Senate,
Washington, DC.

DEAR HANK: This letter is a follow-up to the one I sent to Senator Wallop on October 6 in response to his August 12 letter regarding special-use permits for water supply facilities on the Arapaho/Roosevelt National Forest in Colorado.

You asked for clarification of what is meant by the following sentence in paragraph 4 of my October 6 letter: ''New bypass flow requirements will not be imposed in existing water supply facilities.''

The entire October 6 letter is directed at clarifying conditions for renewing permits for existing water supply facilities only, and is not intended to pertain to new water supply facilities or expansions of existing ones.

An underlying principle for renewing permits for existing facilities, as stated in the same paragraph of the October 6 letter as the sentence in question, is: ''. . . unless amended, all permits will authorize only historical water rights associated with existing water supply facilities.'' The sentence in question is intended only to emphasize that no new bypass requirements will be imposed beyond any that may have been specified in the old permit for the existing facility.

Sincerely,

———— ————,
(For Edward Madigan, Secretary).

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, November 3, 1992.

Hon. HANK BROWN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BROWN: Thank you for your September 21 letter to Secretary Edward Madigan on behalf of the cities of Greeley and Loveland, and the Grand County Water and Sanitation District, regarding the Forest Service position on bypass flows. The Secretary has asked me to respond to your letter.

Secretary Madigan's October 6 letter to you clarified our policy that ensures protection of private property rights, including water rights, when renewing special use permits for existing water supply facilities. This same policy applies to Greeley, Loveland, and the Grand County Water and Sanitation District facilities. The Forest Service will reissue special use permits for the city of Loveland's hydroelectric project on the Big Thompson River and Public Service Company of Colorado's hydroelectric project on Middle Boulder Creek consistent with the conditions of the Federal Energy Regulatory Commission licenses for the two projects.

We appreciate the interest of the respective City Officials in operating these facilities in harmony with the environment. The Forest Service will continue to work with the municipalities to achieve this objective.

Sincerely,

JOHN H. BEUTER,
Acting Assistant Secretary,
Natural Resources and Environment.

Mr. BROWN. Mr. President, the documentation is clear. I see before us on our desk a letter from Secretary Dan Glickman. Mr. President, I want to tell you I have the utmost respect for Secretary Glickman. I served with him in the House. I know him to be a person of integrity and honesty. We did not always agree but I respect his judgment and I respect his honesty. I do not believe Secretary Glickman would ever intentionally mislead this body or mislead the House or mislead anyone else. He is a person whose word can be counted on.

That does not mean that he was never incorrect. All of us get inaccurate information and Members will see referenced in those items a question that was raised. But I have no doubt in my mind that Secretary Glickman was honest and forthright and gave the best information which he had been given by his staff.

Mr. President, the question that is before us does not simply concern Secretary Glickman's letter. It ought to

be given heavy weight. He is a thoughtful, reasonable person and his preferences deserve significant consideration. But as Members ponder the question placed before us by Senator STEVENS, they must also ask themselves this question: What do you do with an official who is actively involved and supervises the repeal of a major policy decision in 1994, and a few months later in testimony before Congress conceals the fact that the policy decision was reversed and the letter stating it withdrawn, and in fact testifies to the contrary?

Mr. President, this Senate must act. We cannot turn a blind eye. If we are to complete our responsibilities and do our job, we must insist that the Under Secretary either be frank, straightforward, and honest with Congress or we must get a new Under Secretary.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I must disagree with my good friend. I understand his concern. I understand his disagreement with the Under Secretary. But I hope one might take a look at the letter from the Secretary of Agriculture. Let me read one of the things Secretary Glickman says.

When Congress differs with the Department's policies carried out by the Under Secretary, I recommend, and hope, we debate those policies on their merits; we will arrive at a much more satisfactory resolution of whatever disagreements may exist than we would by permitting policy debates to devolve into personalities.

The Secretary, who was a distinguished Member of Congress himself, was not unaware of how Members of Congress can express dissatisfaction with administration and administration policies. The Secretary served here in both Democrat and Republican administrations, as have I and the Secretary, like I have, would disagree with policies of both Democrat and Republican administrations and would fight to change those policies. But he, like I, would not think to do it by making basically personal attacks, an ad hominem attack against a member of the administration.

Secretary Glickman goes on to say:

The amendments would, if adopted, set an alarming precedent that will no doubt continue under future Administrations. The precedent will, I fear, encumber, not enhance, our ability to resolve disagreements and will unnecessarily complicate arriving at mutually acceptable public policies.

Frankly, if each time we disagree with the Secretary, or anybody else, if we take our disagreement to the floor and try to eliminate that person's job, I agree that is not the precedent to set. I say that again, as one who, over 21 years here, has disagreed with policies set by those in the administration, both Democrat and Republican. But where we have disagreed I have sought ways to change those policies either by going directly to the administration and, when unsuccessful there, to write new legislation that might change the policy. I cannot recall any time that I sought to eliminate the person's job in doing it because I daresay in virtually any policy that is going on in any administration with 100 of us, there are going to be 40 to 50 different disagreements.

Are we going to be here as in the Dracula hours of legislation, those hours when actually legislation gets voted on after dark, after our families have gone home, after our families have gone to bed, and in keeping with the new family-friendly Congress, when we finally get around to decide to start voting on these things? Are we going to have 40, 50, 60 amendments out here attacking 40, 50, 60 individuals in the administration, this administration or the next administration or the administration after that? I do not think it is the way to do it. It does not make for good legislation. It does not make for good public policy, and it does not change things that we might want to change.

It is far better, if we have differences, to go to the Cabinet member who is the head of the agency. I know Dan Glickman, the Secretary of Agriculture. I daresay there is not a Member of this body who, if he or she called Secretary Glickman, who would not get a phone call back immediately, and they would be able to talk to him.

I have worked with Secretary Lyons, who I have found to be very helpful. I have found him to be very forthright, forthright not to tell me when he disagrees with me, and he will not do the things I might want. But we either agree or we disagree. If we go off and say that somehow because we disagree with him because of the law that he should be stripped of his authority, would we not have done that in the past administration? If we wanted to do that, think of the previous Assistant Secretary under the Bush administration.

The Federal court in Seattle found the Bush administration had violated the National Forest Management Act. That is not just one individual Senator's feeling that maybe they were not following the law; a Federal court found they violated the act. Have we seen Members of the Senate on either side of the aisle rush to the floor to introduce legislation to say the Bush administration has been found by the Federal courts to be in violation of the law, and, thus, the Assistant Secretary who is in charge of carrying out that law—we are going to get rid of him? I do not recall anybody doing that.

Nobody went to strip Assistant Secretary Jim Moseley of his authority. What we did was say here is what the Federal court has ruled. Here is what we are going to do as a law, and, if we want some changes in that law so they will fit under our policies, we will vote and we will change the law. But nobody came in here and said the Federal court has said the Bush administration is not following the law, and therefore, we are going to strip the Assistant Secretary.

We have a difference of policy. We have a difference of policy. We are not changing policy by legislatively firing somebody. Section 318 means in the end it is going to have to be decided by the courts. If we fire every Assistant Secretary who loses a lawsuit, we would have fired a whole lot in the last administration and, I suspect, the administrations before them. But that is not the precedent that we want to start.

I have found the Assistant Secretary to be forthright in his dealings with me. Like everybody else in this administration, I found times when I agree and sometimes when I disagree. I have found disagreements in the members of the Clinton administration, the Bush administration, the Reagan administration, the Carter administration, the FORD administration, and all administrations which I served in. I do not ever recall having a disagreement with anybody in any one of those administrations where I came in the floor and said, ''Let us pass a law to fire him'' because of my disagreement with him. I would not want to see that precedent started. I did not see that precedent in the FORD administration nor the Carter administration nor the Bush administration, and I certainly would not want to see something to start in the present administration.

Mr. STEVENS. Will the Senator yield?

Mr. LEAHY. I yield.

Mr. STEVENS. Does the Senator recall a precedent of Jamie Whitten securing the defunding of precisely this position in 1987 for about the same reasons? This is not a partisan matter. This is not a personality matter. This has happened before. It is not a precedent.

Does the Senator know that?

Mr. LEAHY. I can think only of the things I recall on the floor of the Senate, and that was not a matter I recall on the floor of the Senate, I say to my friend from Alaska. I am saying we can change policy. We can vote to change policies. But I do not ever recall voting to support the legislative firing of any member of any administration, Republican or Democrat. That is not the way we do things in Vermont. That is not the way I do things.

I yield the floor.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, this is not a question of changing the law or not changing the law. As the Senator from Washington pointed out, we passed a law in the rescissions bill to facilitate the Forest Service to carry out salvaging timber operations. The law was changed, and immediately after that in dealing with Mr. Lyons, he did not agree with the law, and said as much, and said, ''I am not real happy about that. I do not think I will carry it out.'' And he said it before a

committee, the Energy Committee. So we changed the law.

If he has been less than candid and straightforward with the committees and with the Congress of the United States of America, can we also say that maybe he is less than candid when he starts advising his President and the President has to start making decisions based on the information given to him by the Under Secretary of Agriculture?

I am saying the credibility has disappeared. And he is not serving his President or this country very well. In that rescissions law there was nothing in there that told the Under Secretary of Agriculture to sign a memorandum of agreement with four other agencies or three other agencies in order to carry out the salvaging of timber, both that timber that was damaged by fire, the fires of 1988 and the fires of 1994, or the dead and dying trees that we have in our National Forest. For, you see, when a tree dies, the longer it stands it loses value, and pretty soon the value is such that they will not be bid on at all.

So if you do not like the policy that has been put forth even by the President or by the Congress, you go into a delaying action. Basically, that is what has happened here. So it is not a question of partisan politics.

It is a question of arrogance, a question of being less than candid and less than straightforward with the Congress of the United States, and I would also say probably with the President and his people who have to make decisions on policy with regard to management of natural resources on our public lands.

That is what this debate is all about. My heavens, if it was one person who disagreed with Mr. Lyons, I do not think you would hear anybody standing on this floor supporting this amendment. So the frequency and the variety of it also lends to that of being pretty much on target whenever we start trying to make some policy decisions. Here is somebody who is getting in the way of public land managers, professional land managers who know how to manage national forests, who know how to grow and harvest a product for the United States of America and for all the people who live here and yet has his own personal little agenda, and he disregards the law of the land in his dealings with the Congress of the United States.

So I rise in support of the Stevens amendment. It is not an action that we enjoy. It is not an action that is without precedents. In fact, it is an action that we would try not to be a part of but is serious.

So I support the Stevens amendment, and I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I feel inclined to share with my colleagues my own personal feeling about the process that is underway here. Ordinarily, the President has the right to name his team to carry out his policies, and that is just the way it goes. You may not agree with those policies from time to time, but ordinarily we are able to work under a situation where we are able to communicate our point of view. While we may not always prevail in a situation such as we have here, where we have both the House and the Senate controlled by one party and our executive branch controlled by another party, we can still communicate and maintain a dialog and represent our constituencies.

Now, we are able to do that with the Secretary of Agriculture. There is absolutely no question. We have invited him up to our State of Alaska. He has met with us. We have expressed concerns. He has been responsive. Unfortunately, I cannot say the same thing about the Under Secretary for Natural Resources, Under Secretary Lyons.

I serve as chairman of the Energy and Natural Resources Committee. The Under Secretary has appeared before us on numerous occasions. While this debate may seem a debate focused on the West, let us remember that we have some unique natural resources, and timber is certainly one of them. We are blessed with those resources. Timber is a renewable resource. There is an industry that is dependent on it. It previously had been managed within the Forest Service by professionals who have dedicated themselves to, and come from, an approach to forest management based on the renewability of that resource. We need wood fiber; we need timber; we need paper products. With proper management we have that capability on a sustained basis.

That has been the whole concept of harvesting within our national forests. For the most part, that process has worked. Unfortunately, we seem to have in Mr. Lyons an Under Secretary who is going to manage lands as he sees how the public lands should be managed as opposed to the professionals.

We have seen a mass exit of professional forest managers from the Forest Service within the last few years. That is, indeed, unfortunate. It is my understanding that the proposal from the senior Senator from Alaska would be to not fund the Office of Under Secretary for Natural Resources. It has been addressed that, indeed, this is not a precedent. It has been done before. The purpose would be to transfer his reporting authority directly to the Secretary.

I hope my colleagues who are not from the West have listened to this debate carefully, because you have heard from all points of the West. You have not just heard from Alaska or Colorado. You have heard from Washington; you have heard from Idaho; you have heard from Montana. All of these are areas that have been heavily impacted by this Under Secretary's management according to the world as he sees it.

I am not going to repeat the specific points that have been brought up, the references to meetings, the references to not carrying out what were perceived agreements. But clearly, Members of the Senate, we have here an Under Secretary whose policies are not working. They are not working in communications with us. They are not working in concert with us.

I think it is appropriate to reflect that, in the last year of the Clinton administration, this is the first time we have had this unique situation where we have an individual with whom we simply cannot deal. So I would encourage you to reflect that something is clearly wrong here. We have a situation that is not working.

This is an extreme action, I agree, but we have had many conversations. We have tried to work out differences. But he seems to have a personal agenda virtually disregarding those of us who have a dependence on the national forests.

This is simply not the way to carry out public administrative responsibility. I can honestly say in my efforts to communicate with Mr. Lyons, I found a total insensitivity in the manner in which, while listening to our concerns, there was virtually no policy direction toward the points that we made or the people who were affected in our various States.

So I think this action is in order. And while I listened to the comments from the Senator from Vermont suggesting this is not the way to do things, I do not know how we should do things relative to the manner in which Mr. Lyons is carrying out his responsibilities, because it is simply not working. It is not my intent, by any means, to embarrass the administration. If this were a different situation, different administration, and we had the same set of circumstances, I would like to think I would be up here doing the same thing. I firmly believe we have an extraordinary situation that we simply cannot ignore, and we would be shirking our responsibilities as Senators representing States with national forest lands to just suggest this is a situation we can live with, because clearly we cannot. So I intend to support the Stevens amendment.

I thank the Chair. I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, without losing my right to the floor, I would like to yield to my colleague from Arkansas.

Mr. PRYOR. Mr. President, I thank my colleague, Senator BUMPERS, for yielding. I am here, Mr. President, not to participate in this debate but just to state that it is now 8:20 p.m. There seems to be a large number of Senators gathering in the Senate.

I assume that means there are going to be more speakers. I am just wondering if we could get some sort of word

from the distinguished manager as to whether we might set a time certain to vote on this amendment or as to the possibility of perhaps stacking this vote early in the morning with another series of votes, otherwise we might go until midnight and never have a vote. I am just wondering if the distinguished manager might comment on this.

Mr. COCHRAN. Mr. President, if the Senator would yield to me.

I am prepared to respond and advise the Senate that the majority leader has given his consent and as a matter of fact requested that we try to identify the amendments, get time agreements on them, and stack votes tomorrow, and vote on final passage tomorrow. The point is, that we will continue to work here tonight though on those amendments we cannot agree on for votes, and with time agreements tomorrow. So this may not be the end of the session as far as the managers are concerned and Senators who have amendments.

But we know of, for instance, this amendment which will require a vote. We know the Senator from Arkansas, the Senator from Nevada, have another amendment on the Market Promotion Program; and that will require a rollcall vote. The Senator from Wisconsin, Senator FEINGOLD, has an amendment to strike special grants, research grants from this bill. And we cannot accept that, so we will have to move to table that and ask for the yeas and nays.

Those are three amendments that I know of that will require rollcall votes. We hope that the others will either not be offered or we can accept them on a voice vote and work out something that is satisfactory that would not require a rollcall vote. We are trying to see if we can do final passage on a voice vote. I would have no objection to that, if no one Senator insists on a rollcall vote. That means we could vote on the conference report when it comes back with a rollcall vote.

I am told we do have to have one vote. We have to vote on the Stevens amendment. I have just been advised on that. It would be nice if everybody got their stories straight and requests before I made these announcements like I knew what I was doing.

Mr. LEAHY. Why do we not just vote on it?

Mr. COCHRAN. I think we are prepared to vote. There are a couple other Senators that need to speak on the Stevens amendment. Why do not we do this and get the Stevens amendment over, and as we vote on that we can announce the schedule for the evening and tomorrow rather than talk about what we are doing. Rather than talk about it, let us just do it.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I will be very brief, and following the few remarks I have will move to table the amendment. So we will have a vote here very shortly.

First of all, I want to say that I understand some of the frustrations my Western Senator friends experience. Let me also say that while I am not a Western Senator, I have experienced a lot of the same frustrations but in other areas. I got terribly agitated at one time about the National Forest Service not allowing what I thought was an adequate timber cut in the Ouachitas and Ozarks that was having an adverse effect on the industry.

But let me just say—and I do not want to argue about these specific things. I know that Judge Hogan handed the Northwest a big victory this week in Federal court. That is exactly where these issues ought to be resolved. I labored 12 years under Presidents Reagan and Bush disagreeing with a vast majority of their policies and their interpretations of the law.

When I was Governor—and this is not unusual at the State level—occasionally some legislator would establish some little cabal with other members of the legislature because they had it in for somebody because they did not get what they wanted, and I would invariably have to deal with them or use a line-item veto.

Now, Mr. President, bear in mind we have serious disagreements on policy around here. We have serious disagreements on the interpretation of the law. Some people hate the Endangered Species Act and they do not want it enforced under any conditions, and so any excuse they can find to lambaste whoever is charged with the responsibility of enforcing it becomes the focal point.

But the Senate cannot be judge, jury and executioner under our Constitution. The genius of the Constitution is we have three branches of the Federal Government, Mr. President. And there is not a single Member of Congress that would change one jot and tittle. Sometimes there are so many changes proposed around here on the Constitution you would think it was just a rough draft, and that we were charged with the responsibility of finishing it.

Whether you like Bill Clinton or not, he is the President. Whether you like the people he hired or not, that is his prerogative. Whether you like the policy or not, they are charged under the last election with the responsibility of setting policy. And if you do not like the way they enforce the law, take them to court, as the Northwest did. Judge Hogan just gave, as I say, I think 1,700,000,000 feet. And that is a real victory for Oregon and Washington. I might also say that it was Bill Clinton who went to the Northwest and crafted a plan, which somebody said tonight Secretary Lyons was the focal point of this debate, Secretary Lyons crafted the agreement, and got it out from the court.

Let me remind you of something. The Northwest had been stopped dead in its tracks for timber cutting, long before Bill Clinton was elected President, by the courts. And because of the Constitution, there is not anything much anybody can do about that except appeal it or elect somebody who will change the law.

So I just want to say, I might agree with the Senator from Alaska about a particular personality, I might even agree with the Senators from Alaska, Montana and Colorado and Idaho on a policy that I think the administration is wrong on. But I have never, nor will I ever, come to the floor of the U.S. Senate and try to cut somebody's salary off or say, ''You may not, Mr. Secretary, delegate this responsibility and that responsibility to this person or this office.''

This amendment does not categorically say that we are cutting the salary of Secretary Lyons. What it says is we are giving the money from his office to the Secretary, and the Secretary is charged with the responsibility of taking away from Secretary Lyons any responsibility in the area he now administers relating to forest management issues. It is a dangerous precedent.

Finally, Mr. President, I want to remind my good friends over on the Republican side of the aisle, things always change. There is just a possibility, just a possibility, that one day in the not too distant future there will be more seats on this side of the aisle than there are on that side, there will be a Republican in the White House. You set a precedent like this, those things that are bad policy for the U.S. Senate have a tendency to come home to haunt you.

It is a very bad, in my opinion, flailing of the Constitution to say, ''Mr. Executive Branch, we will decide who you can hire. We will decide who you can keep.''

We are the legislative branch. We should recognize it and we ought to honor the Constitution and the legislative branch.

Mr. President, I move to table the amendment and ask for the yeas and nays.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. At the moment there is not a sufficient second.

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

Mr. CRAIG addressed the Chair.

Mr. BUMPERS. Mr. President, do I still have the floor?

The PRESIDING OFFICER. Yes.

Mr. BUMPERS. Mr. President, I do not know how many more people want to speak around here. Everybody has been parading to my desk to say, ''Let us vote. Let us vote.'' I thought everybody on this side that spoke—even the Senator from Idaho had forsaken his chance for 5 minutes.

Mr. BAUCUS addressed the Chair.

Mr. CRAIG addressed the Chair.

Mr. BAUCUS. Would the Senator not move to table for maybe 5, 6 minutes? I think the Senator from Idaho would

like to make a brief statement, and certainly I would like to make a brief statement.

I would urge the Senator to withhold.

Mr. BUMPERS. Mr. President, I want people who have not spoken to have the opportunity to do so. If the Senator from Idaho wants to speak for 5 minutes; the Senator from Montana wants to speak for 5 minutes, I am not going to disagree with them.

Let me propound this unanimous consent request: That the Senator from Idaho be given 5 minutes and the Senator from Montana 5 minutes, after which I will be recognized to table the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, a great deal of what the Senator from Arkansas has spoken to this evening is true. He and I do not disagree in the way that policy should be managed. We may disagree on the substance of policy, but I think both he and I respect the process, and we certainly respect the law.

The great frustration we have this evening, Mr. President, when we talk about this particular Under Secretary, is his arrogance in ignoring the law. Right after this administration came to power and this Under Secretary took power, he inherited a set of draft regulations that were being formulated as a result of this Congress under Democrat rule having passed an appropriations bill with appeals language. Very specifically, that bill spoke to the kind of appeals language we wanted to see inside the U.S. Forest Service.

This Under Secretary ignored that law, ignored the draft regulations, and went in an opposite direction totally. That is why we have this fight on the floor tonight. Amongst other things, he ignored the law. He ignored law that was crafted by a majority Democrat Party of the U.S. Senate.

That is the reality we are facing. Try to find a reason to defend this man for his actions and my guess is, you will have difficulty.

I would like to add to the RECORD a letter tonight which speaks to how this Under Secretary has handled his responsibility.

This letter is addressed to Michelle Gilbert, U.S. Department of Justice, Environment and Natural Resources Division, and it says:

> This letter is to inform you that the Northwest Forest Resource Council will move this week for an order to show cause to hold Jim Lyons in contempt of court.

Yes, the judge ruled, but Under Secretary Lyons ignores. That is what we are facing.

I would agree with you, we should not be crafting policy in the public courts of this land, but when a member of this administration ignores the law and the court tells him to do something and he continues to ignore it, then one finds it necessary to move for contempt of court. It is beyond my memory that any member of the Bush administration was held in contempt of court. That is why I very reluctantly agree with the Senator from Alaska.

This is no way to deal with anyone in Government, but when nothing else can deliver the message to this person, and now he is being held in contempt of court, it is time that this Senate speaks out. Time and time again, he has ignored our actions.

I cannot understand why anyone from either side of the aisle would argue in defense of this person when he puts together a Forest Service reorganization plan and begins to implement it and does not even seek our counsel. We have that responsibility to craft public policy. We demanded that he come up here, and that was a bipartisan request.

The Senator from Montana is here. The Under Secretary attempted to wipe out a major unit of the Forest Service in that Senator's State. And we said, ''No, that is no way to run this place. Come sit down with us and work out the differences,'' and we finally forced him to do that.

That is why the Senator from Alaska, and a good many of us, have thrown our hands in the air and said, ''What are we to do if we write law and it is ignored. This individual is ultimately gutting an organization in a way that makes it incapable of managing the public laws of this land that we have passed?''

So I hope tonight the Senate will uphold the motion of the Senator from Alaska and not vote to table. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I am not going to take my full 5 minutes. We are presented with a problem here. On the one hand, those of us who know Under Secretary Lyons, who have dealt with him, at the very least, question his policies and question the advisability of him staying in office. On the other hand, I think we all agree that it probably is not wise, and it is not good policy to fire somebody by legislation.

The better route would be for us to change policy when we disagree with what an administration is doing, and work to try to get the person involved to change the views he has taken.

I, frankly, am disappointed with Under Secretary Lyons for many reasons. I supported his confirmation, voted for the confirmation. Unfortunately, due to a whole host of things that have occurred, some of which have been referred to tonight, I must say the time has come, in my judgment, for Under Secretary Lyons to gracefully tender his resignation.

I do not support the amendment before us, only because I think this is just not good policy. It is not good policy for us by legislation to fire somebody in the executive branch. There are better ways of doing this. I urge Senators to not support the amendment offered by the Senator from Alaska. But I also urge Under Secretary Lyons to not only listen to the words, but listen to the music and realize that he should probably leave.

We have a saying in the West that when someone has crossed the line and gone too far ''he's broken his pick.'' Regrettably, Under Secretary Lyons has broken his pick in the West. The time has come to make some changes, not by legislation, but by urging Secretary Lyons and the administration to find some graceful way for him to no longer hold the position that he now has.

So I urge my colleagues to oppose the amendment, and I strongly urge not only Under Secretary Lyons but others involved to take appropriate action and put this matter to rest.

Mr. BUMPERS. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Vermont [Mr. JEFFORDS] and the Senator from Kansas [Mrs. KASSEBAUM] are necessarily absent.

I further announce that the Senator from Oregon [Mr. HATFIELD] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''nay.''

Mr. FORD. I announce that the Senator from North Dakota [Mr. DORGAN], the Senator from Ohio [Mr. GLENN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from New York [Mr. MOYNIHAN] are necessarily absent.

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

The result was announced—yeas 42, nays 51, as follows:

[Rollcall Vote No. 446 Leg.]

YEAS—42

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Harkin	Murray
Bradley	Heflin	Nunn
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Kennedy	Reid
Byrd	Kerrey	Robb
Conrad	Kerry	Rockefeller
Daschle	Kohl	Sarbanes
Dodd	Lautenberg	Simon
Exon	Leahy	Wellstone

NAYS—51

Abraham	Chafee	DeWine
Ashcroft	Coats	Dole
Bennett	Cochran	Domenici
Bond	Cohen	Faircloth
Brown	Coverdell	Frist
Burns	Craig	Gorton
Campbell	D'Amato	Gramm

Grams	Lugar	Shelby
Grassley	Mack	Simpson
Gregg	McCain	Smith
Hatch	McConnell	Snowe
Helms	Murkowski	Specter
Hutchison	Nickles	Stevens
Inhofe	Packwood	Thomas
Kempthorne	Pressler	Thompson
Kyl	Roth	Thurmond
Lott	Santorum	Warner

NOT VOTING—7

Dorgan	Jeffords	Moynihan
Glenn	Johnston	
Hatfield	Kassebaum	

So the motion to lay on the table the amendment (No. 2696) was rejected.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2696) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Mississippi.

UNANIMOUS-CONSENT AGREEMENT

Mr. COCHRAN. Mr. President, I am going to propound a unanimous-consent agreement in hopes the Senate will approve our setting over until tomorrow all remaining votes on amendments that require votes. So I put the following request.

I ask unanimous consent that all remaining amendments in order to H.R. 1976 under the previous consent agreement must be offered and debated tonight and that any rollcall votes ordered with respect to those amendments be postponed to occur beginning at 9:45 a.m. on Wednesday.

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. He is just reserving.

Mr. CONRAD. Mr. President, I ask the managers, we have worked for some time today to try to figure out if there was a way of working out an amendment. We have just received word from CBO that the means of paying for it are not acceptable, and I am wondering if there is a way for us to have the evening and potentially a vote tomorrow; that we have a place reserved for a vote if we are able to find an offset, but one that might not be agreed to on both sides so that we can at least have a vote.

Mr. COCHRAN. Mr. President, if the Senator will yield under his reservation, I think that certainly would be possible in this way. The Senator can offer his amendment tonight, say whatever he wanted to in support of it, and I could move to table it and ask for the yeas and nays. That will be voted on tomorrow. The Senator could be assured that there would be a vote on his amendment tomorrow.

Mr. CONRAD. Let me ask this. Will the managers agree to permit me to modify the amendment, if we were able to find an alternative means of financing it, overnight, working collectively, together?

Mr. COCHRAN. Mr. President, if the Senator will yield further, I certainly would not arbitrarily or capriciously refuse a legitimate request for a modification. If the amendment is changed entirely in its nature, I could not agree to that.

Mr. CONRAD. No, if we were to have a gentleman's understanding—I have full faith in the word of the Senator from Mississippi and in his good faith.

Mr. COCHRAN. I think the Senator could be assured we would not arbitrarily refuse such a request.

Mr. CONRAD. That will certainly be sufficient for me. Would we be modifying, then, this unanimous-consent agreement, or would it not require a modification?

Mr. COCHRAN. I do not think it is necessary with that understanding.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

The Senator from Arkansas.

Mr. BUMPERS. Reserving the right to object, the Senator from North Dakota has an amendment for which he has not yet found a suitable offset. It needs to be understood by everybody, if he offers the amendment tonight he will be offering it without an offset. That is, I assume, the modification that he wants to make, as soon as he hears from CBO.

What we need to clarify for sure is, if the Senator from Mississippi moves to table his amendment tonight, the agreement should be that even though a motion to table had been made, that he would have a right before the vote tomorrow to modify, to set out what the offset is. Is that a fair statement?

Mr. COCHRAN. That accurately reflects my assurance and the understanding I would be happy to have with the Senator.

Mr. FORD. Will the Senator yield for a minute? I ask the manager of the bill, should that not be in the agreement? If the offset is found, it has to be agreeable, I suspect, to the manager. You just would not take any arbitrary offset.

Mr. COCHRAN. I am not agreeing to support the amendment, that is what I am saying.

Mr. FORD. I just want to be sure that someone who is not here tonight, in all respect to their position and their ability, if it is not in the unanimous-consent agreement and they come in here and object to it—even though the Senator is very persuasive that does not happen—then my friend from North Dakota is excluded, I think, from making his modification once the Senator has moved to table and ask for the yeas and nays.

Mr. COCHRAN. I respect the suggestion. I have no problem including that in this agreement if the Senator would like to insert that in this agreement.

Mr. FORD. I think the Senator needs to do that, and I hope he would.

Mr. COCHRAN. Mr. President, I modify the request to include the right of the Senator from North Dakota to modify his amendment to show a different offset on tomorrow.

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

Mr. COCHRAN. Mr. President, for the information of all Senators, there will be no further votes this evening. However, Senators who intend to offer amendments must remain this evening to debate those amendments, and any rollcall votes ordered with respect to the amendments would occur beginning at 9:45 a.m., in a stacked sequence.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. BUMPERS. Will the Senator yield?

Mr. FEINGOLD. Yes.

Mr. BUMPERS. Mr. President, I wonder if we could have a time agreement with the Senator from Wisconsin, a 20-minute time agreement with 15 minutes to the Senator from Wisconsin and 5 minutes for the managers.

Mr. FEINGOLD. That is agreeable.

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

The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, thank you.

AMENDMENT NO. 2697

(Purpose: To prohibit the use of appropriated funds for the special research grants program that are not subject to a competitive approval process)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself and Mr. MCCAIN, proposes an amendment numbered 2697.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SPECIAL RESEARCH GRANTS PROGRAM.

(a) IN GENERAL.—None of the funds made available under this Act for the program established under section 2(c) of Public Law 89–106 (7 U.S.C. 450i(c)) may be used for a grant that is not subject to a competitive process and a scientific peer review evaluation by qualified scientists in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector.

(b) DEFICIT REDUCTION.—Any funds made available under this Act that are not expended because of subsection (a) shall revert to the general fund of the Treasury for deficit reduction.

Mr. FEINGOLD. Mr. President, the amendment I am introducing tonight will make a very simple change to the way in which some of USDA's research funds are distributed.

Right at the beginning, let me just correct a statement by the senior Senator from Mississippi which I think

was just a brief description. He suggested that our amendment would strike the special purpose grant within the Department. It does not do that at all. It does not change the amount of the grant. It changes the way in which the grants are given. It requires a competitive approach rather than what is, in effect, an earmark approach.

So I want to be very clear throughout this debate that we are not striking the grants nor changing the way they would be given out.

The amendment would require any funds appropriated under the Special Research Grants Program within the Cooperative State Research Education and Extension Service be subject now to scientific peer review by scientists outside of USDA and that all research grants be awarded under this program on a competitive basis.

I am happy that the senior Senator from Arizona [Mr. MCCAIN] is a cosponsor of the amendment as well.

This particular program, the Special Research Grants Program, provides grants to State agricultural experiment stations, 1,890 institutions and land grant colleges to carry out applied agricultural research in fulfillment of USDA's mission to encourage and support agricultural research within the federal land grants and other research institutions. In conjunction with the many other programs conducting agricultural research, the Special Grants Program has helped foster important agricultural research.

As members of this Chamber may be aware, I have been working with bipartisan coalition of Senators to reduce the amount of so-called pork barrel spending in appropriations legislation. This amendment is intended to further that goal by addressing what I call hidden pork in this appropriations bill. The Special Research Grants Program while fairly straight forward on the surface, is actually not what it seems upon closer inspection.

USDA's Special Research Grants Program receives a single appropriation each year to fund the many grants for agricultural research conducted by universities around the country. Last year, Congress provided $52 million for these special research grants. This year, the Senate Appropriations Committee has provided about $50.5 million for special grants, of which some $9.8 million is to be focused on improved pest control research.

The funding for this program is very straightforward with only four lines devoted to it in H.R. 1976.

However, when I looked at the committee report accompanying this bill, I noticed an extensive list of projects that the Committee has recommended for funding under special research grants. I counted over 90 in all for this upcoming fiscal year. Looking at last year's conference agreement, I found 121 such projects, most of which are identified by one or more states.

Then I learned, that in fact, while these projects are not technically earmarks, in that they are not line-itemed in the actual appropriations legislation, USDA treats them exactly as if they were earmarks.

So they are in the committee report. But they end up being treated like earmarks. Of the 121 projects recommended for funding last year, all but one grant was awarded and that single grant had its funds rescinded. Based on information I received from USDA, of those 120 projects, not a single grant was awarded on a competitive basis and each grant was made in accordance with the Agricultural appropriations Subcommittee's recommendations.

I am sure that are many Members in this Chamber who will tell me that committee reports of course are technically non-binding. That may be technically true, but if the agency administering the program considers those recommendations to be binding, they most surely are. Mr. President, the recommendations for projects to be funded under the Special Research Grants Program are most certainly earmarks. Every Member of this Chamber who has even had a project in his/her State recommended for funding under this program, or has asked for a project to be on that list of recommendations, knows that is the case.

In fact, in the bill before us today, very little of the money proposed to be provided to universities will be awarded competitively and subject to scientific peer review. These institutions listed in the committee report simply submit their proposals and receive their funds with few questions asked by the agency.

I do not want to pick on any particular State or university, but I think it is important that Members understand specifically what projects they are agreeing to fund under this program. Let me just list a few of the 90 some projects that are earmarked in the committee report: there are recommendations for eight separate research projects relating to aquaculture to be provided to six different universities for a total of $2.5 million for fiscal year 1996. Some of those recommendations are for projects that are described by the committee, others are for research generally on ''Aquaculture''. We have earmarks for: $300,000 for molluscan shellfish research at Oregon State University; $127,000 for multicropping strategies for aquaculture—University of Hawaii; $370,000 for Chesapeake Bay aquaculture—University of Maryland; $305,000 for seafood and aquaculture harvesting, processing, and marketing research—Mississippi State University; $308,000 for alternative marine and fresh water species research—Mississippi State University.

And then there are the less descriptive earmarks: $592,000 aquaculture, Mississippi State University; $330,000 aquaculture, Louisiana State University; $169,000 aquaculture, University of Illinois.

All totaled $2.5 million earmarked for eight different research projects on aquaculture for six different research institutions.

Should not it be enough for Congress to merely recommend that aquaculture, generally, be a research priority and leave the specific projects, funding amounts and research institutions up to the USDA and external peer-review panels.

Mr. President, here is a sampling of some of the other projects that the Senate will be earmarking in this bill: $296,000 for jointed goatgrass research by the Washington State University; $303,000 for soybean cyst nematode research—University of Missouri; $162,000 for peach tree shortlife research at Clemson University.

Some of the projects have vague descriptions such as ''forestry'' or ''dried beans,'' so it is difficult to know what the designated institutions will be doing with the money nor is it clear why these are projects of national priority that they are specifically identified in the committee report.

Mr. President, the question for my colleagues is not whether research on aquaculture, jointed goatgrass, or the soybean cyst nematode should be conducted. That is not at issue.

At issue is whether Congress should be making these very technical decision for the agricultural sector and for the USDA.

First, should Congress be defining for USDA research specialists the current research needs of agriculture down to the exact dollar and facility conducting the research?

Second, should Congress determine which research projects have the greatest scientific or economic merit?

Third, should Congress pick and choose among competing research institutions and decide, based on political circumstances, which Universities should receive the funding?

Fourth, is it at the business of Congress to decide how much of taxpayer dollars each project should receive? Can Congress effectively determine for over 90 research projects what costs are reasonable and which ones are not?

Mr. President, I believe that in a time of shrinking Federal dollars for vital agriculture research, the answer to all four of these questions has to be ''no.'' Congress is not equipped to make these decisions, and it should not be our job to make those decisions. In too many cases too many projects are being funded for political reasons rather than scientific reasons. An agricultural researcher's chance of getting Federal tax dollars should not depend on whether that researcher has a person on the Appropriations Committee.

The amendment I am offering today ensures that research moneys under the Special Research Grants Program will be awarded to research institutions that submit proposals for projects that are consistent with the research needs of agriculture, that are competitive with respect to the cost of

the project and the non-Federal matching funds, and have scientific or economic merit as determined by an external peer review panel.

Congress under this can still recommend projects for funding, but those recommended projects will have to compete among a pool of other qualified research institutions. If they cannot pass the competitive test of merit and peer review, then the project should not and will not be funded.

In 1994, the National Research Council stated that there remains considerable scope for expansion of the use of competitive grants at USDA and, equally important, the use of peer review.

The advantages of this different more competitive approach are indisputable.

First, competitive grants are responsive and flexible and can be adjusted to agricultural funding priorities consistent with national needs and the public interest.

In 1993, before the Senate Subcommittee on Agriculture Research, the GAO reported that congressional earmarking of research dollars was identified as one of the factors inhibiting USDA from focusing research dollars on current research priorities.

During that same hearing, USDA witnesses indicated specifically that congressional earmarking had prevented them from redirecting research dollars for the more current needs.

Second, competition attracts new scientists, researchers and economists to an area of research typically reserved to a few select institutions with entree to Congress. That can only be good for research that attempts to solve otherwise unresolved problems.

Third, competition in grant awards provides taxpayers and farmers with greater assurances that limited research dollars are being spent wisely and in the most cost-beneficial manner possible. It is that last point that I think is really critical.

Over the last 25 years, USDA's research budget in terms of real dollars has actually declined. Of course, now in our efforts to balance the budget research funds will probably continue to take greater hits. The proposed budget for CSREES research in fiscal year 1996 is down $14 million from fiscal year 1995. Compared to just 2 years ago, the funding for the Special Research Grants Program alone is down by $18 million.

Congress can no longer afford to operate the way we have for the last 25 years. It is time to open up the Special Research Grants Program to competition and peer review. While this programming accounts for only 5 percent of the budget, it accounts for about one-third of the nonformula research grants made by the agency, so it is pretty substantial. It is a critical component of this Nation's research agenda for agriculture.

So to conclude, let me be clear. My amendment does not cut any funding for the Special Research Grants Program. It does not, as was stated earlier in the Chamber, strike any of that funding. It merely imposes a process whereby research grants will be directed towards the most relevant research in the most cost beneficial manner. I think we owe it to taxpayers and consumers and farmers and others in the area of agriculture to adopt this amendment, and I urge my colleagues to support it.

I reserve the remainder of my time and yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time under the agreement as I may consume.

The debate about special grants and research projects for agriculture is not a new debate. There have been differences of opinion about how much should be allocated for basic research, how much should be in applied research, whether the Agriculture Research Service Federal laboratories ought to do it all, whether State land-grant universities and the experiment stations attached to them should do some of the research and, if so, how much? What is the role of State government in all of this? Do they have an obligation to participate? Are matching funds to be required in every instance for research and the construction of research facilities?

There are a lot of different issues involved in the agriculture research portion of this bill. We have tried to carefully review the requests this committee has received from Members of Congress, from outside groups, from others—the administration in its budget request.

We have considered their suggestions to try to have a careful and thoughtful balance among all of these competing interests and to do it in a way that safeguards the interests of the taxpayers that their dollars not be wasted.

There is no question that this bill is loyal to the responsibility of assuring that these dollars are invested to benefit American agriculture. They are not boondoggles. They are not pork barrel projects with no merit. As a matter of fact, many studies have documented the substantial public benefits which result from these investments in agriculture research. We need to maintain our technological advantage in American production agriculture to help ensure that our farmers can continue to operate profitably and protect the soil and water resources we have that are in many cases very fragile. And so we have a lot at stake in how these dollars are spent. We want them to be spent correctly.

The debate really is in some instances not on whether the research ought to be done but who does it and who decides who does it. This argument about peer review is suggesting that those who are the self-styled and self-anointed experts decide.

As Members of the Congress we have the responsibility of ensuring the careful and frugal expenditure of public taxpayer dollars so we are directly accountable and answerable to the public for any appropriation of funds along these lines that we approve. I am not ready to delegate the responsibility that the people of my State of Mississippi have entrusted in me to come here and help ensure that our State's interests, our State agriculture interests are taken into account in the research decisions that are made.

I am not going to delegate to some fancy group of scientists in some other State the authority to decide where the tax dollars that are paid by Mississippians are spent in agriculture research. I am not sure they will always come down on the side of the agriculture interests that we have in our region. So I wish to continue to play a role in it, and to do that we have to continue to exercise our responsibilities as Members of the Congress to determine how our tax dollars are spent.

That is what this bill does. It gives our colleagues and this Senate, a voice in where these dollars go and for what they are spent. The argument for competitive peer-review grants versus special grants, in my opinion, focuses on who is going to make the decisions regarding the allocation of Federal funds among competing legitimate demands. There is competition between the experiment stations, land-grant institutions, and other institutions.

It has been suggested that since each system has strengths and weaknesses, the arguments about the merits of the system should be cast in terms of the relative mix rather than their absolute merit. But we think we have done a good job.

Mr. President, $707 million for basic and applied research in this bill will be conducted at Federal laboratories, $40.7 million will go to special grants, and $99.5 million will go to competitive grants through the National Research Initiative. We think special grants play an important role because they address special local and regional needs. The authority for these special grants is spelled out in the law, Public Law 86–106. This authority provides that grants may be awarded to State agriculture experiment stations, land-grant colleges, universities, and other qualified institutions for the purposes of facilitating or expanding ongoing State-Federal food agriculture research programs.

Those who argue against these special research grants suggest that just because they are recommended by Members of Congress they have no merit or not as much as if they had been recommended by somebody else. I disagree with that. And so I think this is based on an erroneous assumption. The Senate ought to reject the amendment. I argue strongly for Senators to oppose the amendment offered by the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the Chair and I thank the Senator from Mississippi. I admire his leadership in the agriculture area.

Let me use the brief time I have remaining to respond to a couple of points he has made about our amendment.

First of all, I just do not see how it is possible for a committee, despite its tremendous efforts with the staff and resources of the Appropriations Committee, to make this kind of sophisticated analysis and competitive determination that is sufficient to make a fair determination of competition.

The Senator says these are meritorious projects. I do not deny that. Certainly many of them are meritorious. How do we know? What is the criteria for evaluating whether or not the 120 out of 121 projects that were mentioned in the committee report last year were actually of merit to justify the taxpayers' dollars?

And given the comments of the Senator from Mississippi, in particular, how he does not want this process left up to a fancy group of scientists, well, this is about a $50 million program. The National Research Initiative, Mr. President, is a $100 million program, and that is left up to a fancy group of scientists. We do have peer review when it comes to $100 million worth. Why not have that fancy group of scientists—actually that is what they are, people who know what they are talking about from an economic and agricultural point of view—why not have those people handling the other $50 million and make it a fair competition?

What it comes down to, Mr. President, is what kind of competition are we going to have? The Senator from Mississippi fairly points out there is a competition of sorts for these earmarks. It is a political competition. It is a question of political muscle, who has got the most muscle to get a grant. I suggest that we need a different kind of competition, a competition based on merit. Many of us were elected and many of us particularly last year who came to this body were elected on the notion that we should run this Government like a business on the basis of merit, on the basis of quality, quality control. That is what this is all about, having some quality control in the midst of a very well intended series of efforts to improve agricultural research in this country. I thank the Chair and I urge my colleagues to support the amendment.

Mr. President, I yield back the remainder of my time.

Mr. COCHRAN. Mr. President, has all time been used on the amendment under the agreement?

The PRESIDING OFFICER. All time has expired.

Mr. COCHRAN. Mr. President, I think we have other amendments that can be disposed of tonight, or argued.

I notice the Senator from Nevada and the Senator from Arkansas have a Market Promotion Program amendment which they intend to present. The Senator from North Dakota has an amendment which he can propose and describe, if he chooses, at this time or we can defer it to later.

But we are going to proceed to try to meet the challenge of getting all these amendments argued tonight so we will know what we are going to vote on tomorrow. We appreciate the cooperation of the Senators.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 2698

(Purpose: To provide that producers of a 1995 crop are not required to repay advance deficiency payments made for the crop if the producers have suffered a loss due to weather or related condition)

Mr. CONRAD. I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 2698.

Mr. CONRAD. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . REPAYMENT OF ADVANCE DEFICIENCY PAYMENTS FOR 1995 DISASTER LOSSES.

(a) IN GENERAL.—Notwithstanding subparagraphs (G) and (H) of section 114(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445j(a)(2)), if the producers on a farm received an advance deficiency payment for the 1995 crop of a commodity and suffered a loss in the production of the crop due to weather or related condition, the producers shall not be required to repay an amount of the payment that is equal to, subject to subsection (b), the product obtained by multiplying the applicable crop acreage base and the farm program payment yield.

(b) LIMITATIONS.—The amount of the payment that the producers on a farm are not required to repay under subsection (a) shall—

(1) not exceed $2,500; and

(2) not be available for production on which crop insurance coverage is available, as determined by the Secretary of Agriculture.

(c) FUNDING.—Up to $35,000,000 that has been made available to carry out the export enhancement program established under section 301 of the Agriculture Trade Act of 1978 (7 U.S.C. 5651) during fiscal year 1996 may be used to carry out this section.

Mr. CONRAD. I thank the Chair. I appreciate the patience and the indulgence of the Chair as well.

Mr. President, I will try to be brief. The amendment that I have sent to the desk would deal with a very serious problem that is developing around the country. I am sure it affects producers in the State of the Chair; I am certain it affects the producers in the States of the managers. It deals with the problem of producers suffering crop losses this year because of very serious planting problems that developed around the country.

In many parts of the country we had excess moisture; in other parts of the country we had an extraordinary wave of heat that dropped the value of crops and in many cases destroyed crops for our producers.

Unfortunately, producers lucky enough to plant a crop were often met with these difficult conditions, and in some cases producers were not able to get a crop at all. The result is that producers who had the expense of planting a crop received an advance deficiency payment.

On wheat that amounted to 35 cents a bushel. Because of the crop situation in this country and around the world, prices then went up dramatically, which will require farmers to repay those advance deficiency payments, and in some cases they do not have a crop at all. In other words, farmers are being sent a large bill but have no crop from which to derive income to pay the bill back.

Now, in previous years a disaster payment would have been available to meet this situation. But now we do not have a disaster payment. We do have crop insurance. And what my amendment would do is say to producers, to the extent your crop could not be covered by crop insurance, you would be forgiven the advance deficiency payment if you have had a crop failure. We would also attach an additional provision. We would provide that no farmer would get more than $2,500 in forgiveness of advance deficiency payments.

Now, I understand $2,500 may sound like a lot to some people. To farmers who have very large expenses, it may sound like not much, but at least it would help offset the costs of putting in a crop, not getting any production, and then being expected to repay an advance deficiency payment when you have no income with which to pay it. And again I want to emphasize to my colleagues, we have provided that this is only available to the extent that crop insurance could not cover the crop affected.

In other words, let us say that a farmer took out the 75 percent coverage under crop insurance; only the 25 percent that could not be covered under crop insurance would be eligible for this forgiveness of advance deficiency payment. So on no bushel, not one, would any farmer receive crop insurance and a forgiveness of an advance deficiency payment.

In addition, if a farmer had chosen only to get 60 percent coverage and 75 percent coverage was available, he would only qualify as if he had the 75 percent coverage. Obviously we do not want to create a perverse incentive by saying to the guy that went out and purchased the 75 percent coverage, ''You know, you were a fool to do that because the Government is going to come in here and at least forgive your

advance deficiency payment on that part not covered by crop insurance.''

So we have tried to target this in a way that makes sense. We worked with the Congressional Budget Office. They now tell us this would cost $35 million. We have offset that by reducing the amount available for the Export Enhancement Program next year by that $35 million. In other words, we say reduce by up to $35 million the amount available in the Export Enhancement Program for next year in order to fully pay for the forgiveness of advanced deficiencies for farmers who had disaster this year.

Again, I think we have crafted this in a careful way. Let me just say that this year on the EEP program we had $800 million authorized. We know we are going to only use $400 million. We had $800 million authorized, and we will use something less than $400 million.

I say to my colleagues, at least for the purposes of getting this to the conference committee, let us have a vehicle out there that allows us to forgive these advanced deficiencies to a total of $2,500 per farmer, and only on those bushels where they do not have crop insurance or could not have had crop insurance to offset some of the disaster we see around the country.

Many parts of the country—I know in the South the cotton crop was adversely affected by unusual heat. It came at a critical time and as a result that crop was damaged. In my part of the country we had flooding, most unusual flooding. I know in the State of the Chair, that flooding and wet conditions were serious. As a result, we have a whole series of disease problems.

With that, I would thank the chairman for his assistance this afternoon and this evening in trying to put something together.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, when the Senator from North Dakota brought this amendment to my attention and said that he would offer it, my immediate reaction was I favored it. I thought it certainly tried to do some of what we were doing yesterday, or endeavoring to do, when we offered the disaster assistance proposal to benefit those cotton farmers in the South who had suffered such terrible losses this year because of the infestation of army budworms, tobacco budworms, beet army worms.

These damages were heightened and made much worse because of the serious weather conditions. The excessive heat in many areas of our State, and I think this is true of Alabama and other Southern States, made this disaster possible. We are told by the entomologists and the experts this is a weather-related disaster, but it is more commonly referred to as infestation of pests that have caused these damages. In my State alone, over $100 million in losses are going to be sustained, they say, by cotton producers alone.

So I think this amendment may very well help some of those farmers. They were denied any extra help under the amendment that we had before the Senate on a rollcall vote. I think one of the reasons that amendment was defeated is because it was crop specific; it was targeted only to cotton producers. This amendment is not targeted to any specific kind of crop or farmer or region or State.

Before we get to a point of voting on the amendment, I am going to try to find out from those who know whether it will apply and provide assistance to Mississippi cotton farmers. I may end up voting for the amendment. I hope I can support it. But at this time tonight, I am not able to recommend approval of the amendment, because of the questions about the offset and the scoring.

If it is going to cost $35 million, where does the Department, or the ones making these estimates, think the benefits will go? Will they all go to the prairie, the North part of the farm belt, the Dakotas and that part of the country, and if so, how will it actually work? So there are questions that we still have to explore, and I hope by tomorrow when we get to a vote on this amendment, we will have those answers.

I am certainly not going to criticize the Senator for bringing this amendment up. My heart is where his is, and that is with these farmers who have sustained these terrible damages. I regret that the crop insurance program that we have now is big on promise but short on delivery of benefits to help in the recovery from serious disasters. That is what we learned, I think, in Mississippi this year, that the new Catastrophic Crop Insurance Program is a disaster in itself.

There has been a lot of hype. Farmers were told, ''Don't worry, you're automatically eligible for these benefits. For $50, you're signed up.'' It sounded too good to be true, and guess what? It is too good to be true, because the benefits they are getting do not nearly equal what others had been getting from ad hoc benefit assistance programs in the past. They were told, ''You are going to get about the same level of benefit that you would have under a disaster assistance program passed by Congress.'' It has not turned out that way. I sympathize with the farmers who have been misled and have not bought additional insurance to make up for what their losses could have been.

Those are my reactions to the amendment, and comments. We will have an opportunity to vote on the amendment tomorrow.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, might I just say that this has been designed with all farmers in mind. This has not been designed to benefit just one region or one crop. We know that losses have been severe throughout farm country from different situations in different parts of the country. In our part of the country, in an unusual turn of events, we have had too much water. That is a rarity in North Dakota, I might say. We have a million acres not planted in the State of North Dakota. That is truly a rarity.

But we know that there are different circumstances. In Indiana, they had excess heat at the time the crop was forming and, as a result, significant losses. I know Missouri has had the same problem North Dakota has, and terrible disease problems as a result of excess moisture. I know Mississippi has had problems as a result of weather conditions there.

The one thing farmers cannot do much about are the vagaries of weather and price. This year, prices have shot up, and that is terrific for those farmers who have a crop, but if you do not have a crop, it means you are going to have to pay back your advance deficiency payment at the very time you do not have the crop to get the income to pay it back.

I had a farmer call me the other day and he said, ''Senator CONRAD, I have a bill coming due to pay back my advance deficiency payment, $8,000. I got no crop, and I got no money. I had the expense of planting. I had the expense of fertilizing, and I had the expense of putting it all in. Then we had disastrous flooding. So I've got no crop, and I have a bill coming due for another $8,000, and there's no way I can pay it. It is really not fair.''

And just as the Senator from Mississippi described, those of us who are very wary of this notion of doing away with disaster programs, we are right because the crop insurance program does not make up for the lack of a disaster program. For many producers, that is going to be a disaster in and of itself.

I thank the Chair and yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2699

(Purpose: To provide that funds made available for the market promotion program under this Act may be used to provide cost-share assistance only to small businesses or Capper-Volstead cooperatives and to cap the market promotion program)

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

The PRESIDING OFFICER. If there is no objection, the pending amendment will be set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mr. BRYAN, proposes an amendment numbered 2699.

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

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

The amendment is as follows:

On page 65, line 18, before the period at the end, insert the following: '':*Provided further*, That funds made available under this Act to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to associations described in the first section of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 22, 1922 (7 U.S.C. 291). *Provided further*, that such funds may not be used to provide cost-share assistance to a foreign eligible trade organization: *Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000''.

Mr. BUMPERS. Mr. President, this morning the Senate voted rather decisively—I believe it was 59 to 41—not to abolish the Market Promotion Program. Several Senators said to me they did not much like the program, but some industry in their State benefited from it or some agriculture cooperative in their State benefited from it.

And so my objection to the Market Promotion Program is that it is for the very biggest corporations in America, and at a time when we are trying to cut Medicaid and welfare and everything else, to reward the biggest corporations in America with Federal largess is inconsistent and, I think, almost immoral.

So Senator BRYAN and I have crafted an amendment that we think will meet, certainly meets our objections, and we believe it will meet the concerns of Senators who feel obligated to vote for market promotion every year.

There are four points to it. First, we eliminate the eligibility of foreign trading organizations. Right now, roughly $10 million of this money goes to foreign corporations. We eliminate them.

Second, we convert it into something of a small business program, because we make small businesses eligible and small business will be determined by the Small Business Administration. Generally, these businesses range in the area of 500 employees and gross sales of $50 million a year.

If people want to put their money where their heart is, maybe I should say where their mouth is, here is an opportunity to do something for small business to help them export, because they need more help, where big corporations do not.

Third, we make all the agricultural cooperatives in the country eligible. They are eligible now, and they stay eligible, and I know a lot of Members of the Senate voted for this because they have a cooperative. I have one in my State, Riceland Foods, who does a lot of exporting.

So we make all cooperatives of all sizes eligible under the amendment.

And fourth, we reduce the funding from $110 million to $70 million. You make it an attractive, palatable program that gives small businesses a chance to export. You take care of the agricultural interests because you allow the agricultural cooperatives to still apply for and be eligible for grants to help them export. You eliminate foreign corporations, which I think everybody will applaud and perhaps they will applaud louder for the reduction of $110 million to $70 million than anything else, a savings of $40 million. We do not take the $40 million and allocate it someplace else. It can go on the deficit. You could not find a better place for it.

Mr. President, those are all the remarks I care to make on it tonight. I will be glad to yield the floor.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I thank the Chair. Mr. President, the hour is late, and this has been debated extensively during the course of the last day or two.

Let me commend my colleague from Arkansas. He and I, it is clear I think to all Senators, if given a preference would like to eliminate the program.

We have tried, he and I together, for the past several years—and prior to my arrival in this body, I am sure he was trying even then—and it is $110 million in the appropriations bill this year. As he just pointed out, this is a carefully crafted compromise. We have preserved the right for small businesses, as defined under the Small Business Administration, to be eligible to participate in this program. We eliminate foreign companies from their eligibility. I think the more current number my colleague mentioned was $10 million. The information I have in the current year is that the program currently provides some $12 million. So we eliminate all foreign companies.

Certainly, my colleagues would agree that the American taxpayer has no business in providing money for the advertising accounts of foreign companies. Certainly, we ought to be able to agree to that. As he pointed out, the various co-ops in the country, representing a broad diversity of products that are exported abroad, would continue to be eligible as they are under current law under this program, and we limit it to $70 million.

We made some progress. The last time this issue came before us for a vote, my recollection is that we got 38 votes. This morning, we got 41 votes. That is incremental progress, and I suppose we should be grateful for that. But in an effort to accommodate the concerns that a number of our colleagues that say, look, we are not enamored with the program, but it provides help to small businesses, it provides assistance to local co-ops involved in export promotion, this is the compromise that is offered in good faith. I hope my colleagues—particularly those who have rejected efforts in the past to eliminate this program—will take a fresh look at this approach and say, look, we tried to strike a reasonable and responsive balance—not going as far as the Senator from Arkansas and I would like to go, but recognizing the concerns that a number of our colleagues have with respect to small businesses, and agricultural co-ops, and to eliminate the money that currently goes to foreign companies, some $12 million, and to try to at least begin to wean these programs from their current level of expenditure, which is $110 million, and to reduce that to $70 million.

I urge my colleagues to reconsider their previous position and support this amendment, which is offered in the spirit of compromise.

I thank the Chair and yield the floor.

Mr. COCHRAN. Mr. President, we have had a lot of discussion about the market promotion program today and yesterday. Last night, we were here on the floor for an hour—these three Senators—talking about this program and their amendment to actually do away with all funding for the program—cancel it, kill it. We had a full debate. We voted on a motion to table their amendment. The motion was agreed to by about 60 to 40, about the same amount of the vote that was cast earlier this year when the Senate rejected, by a vote of 61 to 37, the same proposal on the bill—the rescission bill, the supplemental we had before the Senate. April 6 was the date of that vote.

The point is this has already been fully discussed. I am not going to take a lot of time to argue against the amendment. I am going to make one point since this is a different approach to this issue.

This amendment seeks to rewrite the program, in effect, not only to authorize the funding at a lower level, which I think is $70 million, but to change a number of the provisions of the bill with legislative language, in effect, describing the kinds of eligible entities who can apply for funds under the market promotion program—the size of the entities, character of the entities, description about ineligible applicants. My problem with that is not that these may not be good suggestions, but that the Senate is being asked to function as a legislative committee.

Think about that, Mr. President. We are trying to function as a committee of the whole. They do that in the House when they go into session as a committee of the whole to take up amendments to legislation, and then the House actually reports the bill or approves the bill, and they have a vote on the legislation itself. But here in the Senate we do not have a committee of the whole. We have legislative committees that have that responsibility.

I think it is a big mistake to have legislative proposals presented to the Senate for the first time, a case of first impression, here in the Senate Chamber and we are called upon to listen to a few minutes of debate or, as is the

case tonight, with almost nobody here but those of us here who are managing the legislation, to listen to the argument and make a decision based on what is best for this program. Should this program be reauthorized? And how should it be managed? What would the level of funding be? These are decisions for the legislative committee to make. They are to look at the options. They are the experts.

Senator BUMPERS is not on the Agriculture Committee. Senator BRYAN is not on the Agriculture Committee. Maybe they should be on the Agriculture Committee. Maybe they want to be on the Agriculture Committee and they are frustrated. They would like to have the opportunity to help write this authorization bill that we are going to be writing in the Agriculture Committee as a part of our reconciliation instruction. And I am told by those who are familiar with some of the proposals in the committee that there will be changes in this program recommended by the Agriculture Committee, and that there may be a reduction in the funding authorized by that committee. That is for them to decide.

We should not be on an appropriations bill trying to legislate a new kind of program. So I have a serious problem with the procedure. I urge the Senate to reject this amendment. It is an amendment that we cannot accept, and I hope that the Senate will follow the decision that it made earlier on this bill, on a similar amendment offered by these distinguished Senators.

Mr. President, as I understand the procedure, we need to get the yeas and nays ordered on the amendments that we have not been able to accept, so that votes will occur tomorrow.

UNANIMOUS-CONSENT AGREEMENT

Mr. COCHRAN. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays on those amendments that will require record votes, and they are: The Feingold amendment, the Conrad amendment, and the Bryan-Bumpers amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I now ask for the yeas and nays on those three amendments.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, for the information of Senators, there are several amendments we have agreed to take and to recommend that they be included in this bill. We have a package, a managers package that will be presented to the Senate. We will do that tonight.

Other than that package of amendments, which have been cleared on both sides, I know of no other amendments that are going to be offered, or intend to be offered, tonight. But just to be sure, I am going to yield the floor and await a call from the Cloakroom or someone coming to the floor to offer an amendment that we may not have heard about, that is described in the agreement and that would be eligible to be offered tonight. We expect to hear from anybody who intends to offer one that we have not indicated a willingness to accept.

Mr. BRYAN. If the Senator will yield, I am sure my colleague and I have no further amendments. Has there been a time set, or a sequence for the votes to occur on the amendments offered this evening?

Mr. COCHRAN. Under the agreement, there is time. It starts at 9:45 a.m. on Wednesday. The sequence would be, I presume, the order in which the amendments were offered. The yeas and nays were granted. So the sequence would be the Feingold amendment, the Conrad amendment, and the Bryan-Bumpers amendment.

Mr. BRYAN. That is certainly acceptable to me. Mr. President, I have a further question. If I might inquire of the chairman, is there any time allocated under the protocol that we are adopting for tomorrow to explain any of these amendments? I know that, previously, we have had arrangements where each side is given a couple of minutes. I simply inquire.

Mr. COCHRAN. Mr. President, I am advised 4 minutes equally divided has been made part of the agreement. That is the understanding.

Mr. BRYAN. I thank the Chair.

Mr. COCHRAN. For the clarification of this situation, of course I will be happy to read this agreement.

Let me read it, and if there are any problems, we will be told about it, I am sure, by Senators who have any questions.

ORDERS FOR WEDNESDAY, SEPTEMBER 20, 1995

Mr. COCHRAN. I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m. on Wednesday, September 20, 1995; that following the prayer, the Journal of proceedings be deemed approved to date; the time for the two leaders be reserved for their use later in the day, and then there be a period for morning business until the hour of 9:40 a.m., with Senator FORD recognized for up to 20 minutes.

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

Mr. COCHRAN. I further ask unanimous consent that at 9:40 a.m. the Senate then immediately resume consideration of H.R. 1976, the agricultural appropriations bill, and there be 4 minutes equally divided on the Feingold amendment, to be followed by a rollcall vote on or in relation to the Feingold amendment.

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

Mr. COCHRAN. I now ask unanimous consent that following the disposition of the Feingold amendment there be 4 minutes for debate to be equally divided in the usual form, to be followed by a modification by Senator CONRAD, if necessary, and that following the modification, the Senate proceed to vote on or in relation to the Conrad amendment.

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

Mr. COCHRAN. I further ask that following the disposition of the Conrad amendment there be 4 minutes to be equally divided in the usual form, to be followed by a vote on or in relation to the Bumpers amendment.

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

Mr. COCHRAN. I further ask that following the disposition of the Bumpers amendment that H.R. 1976 be read for a third time without any intervening action or debate.

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

PROGRAM

Mr. COCHRAN. For the information of all Senators, the Senate will resume consideration of the agricultural appropriations bill tomorrow morning. Under the previous order, there will be three rollcall votes beginning at 9:45 a.m. tomorrow. In addition, also following disposition of the agricultural appropriations bill the Senate will begin consideration of the foreign operations appropriations bill. Therefore, votes can be expected to occur throughout Wednesday's session of the Senate.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The Senate continued with consideration of the bill.

AMENDMENTS NOS. 2700 THROUGH 2706, EN BLOC

Mr. COCHRAN. Mr. President, we do have a list of amendments which we will present to the Senate and ask for their approval.

An amendment offered by Senators DORGAN and CONRAD on flooding at Devils Lake, North Dakota; an amendment offered by Senator DOLE providing funds for the Agricultural Research Service Grain Marketing Research Lab; an amendment offered by Senator ABRAHAM eliminating certain USDA advisory committees; an amendment for Senator GORTON regarding a timber regulation.

Mr. BUMPERS. Mr. President, on that amendment, is that the Gorton-Murray amendment?

Mr. COCHRAN. It is an amendment proposed by Senators GORTON, MURRAY, and BURNS.

Mr. BUMPERS. No objection.

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

Mr. COCHRAN. And an amendment offered by Senator BENNETT regarding the Colorado River Basin salinity control program; an amendment offered by

Senator FEINGOLD regarding rural development program; an amendment offered by Senator LEAHY regarding a research facility.

Mr. President, these are amendments that we have reviewed and have been cleared on both sides of the aisle. I send the amendments to the desk en bloc and ask they be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi, [Mr. COCHRAN] for other Senators, proposes amendments Nos. 2700 through 2706.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments (Nos. 2700 through 2706) are as follows:

AMENDMENT NO. 1700

(Purpose: To express the sense of the Senate on United States-Canadian cooperation for relief of flooding in Devils Lake Basin, North Dakota)

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE ON UNITED STATES-CANADIAN COOPERATION CONCERNING AN OUTLET TO RELIEVE FLOODING AT DEVILS LAKE IN NORTH DAKOTA.

(a) FINDINGS.—The Senate finds that—

(1) flooding in Devils Lake Basin, North Dakota, has resulted in water levels in the lake reaching their highest point in 120 years;

(2)(A) 667,000 trees are inundated and dying;

(B) 2500 homeowners in the county are pumping water from basements;

(C) the town of Devils Lake is threatened with lake water nearing the limits of the protective dikes of the lake;

(D) 17,400 acres of land have been inundated;

(E) roads are under water;

(F) other roads are closed and will be abandoned;

(G) homes and businesses have been diked, abandoned, or closed; and

(H) if the lake rises another 2 to 3 feet, damages of approximately $74,000,000 will occur;

(3) the Army Corps of Engineers and the Bureau of Reclamation are now studying the feasibility of constructing an outlet from Devils Lake Basin;

(4) an outlet from Devils Lake Basin will allow the transfer of water from Devils Lake Basin to the Red River of the North watershed that the United States shares with Canada; and

(5) the Treaty Relating to the Boundary Waters and Questions Arising Along the Boundary Between the United States and Canada, signed at Washington on January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the ''Boundary Waters Treaty of 1909''), provides that ''. . . waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.'' (36 Stat. 2450).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States Government should seek to establish a joint United States-Canadian technical committee to review the Devils Lake Basin emergency outlet project to consider options for an outlet that would meet Canadian concerns in regard to the Boundary Waters Treaty of 1909.

Mr. CONRAD. Mr. President, I appreciate this opportunity to let my colleagues know about the very serious flood my State is experiencing. Devils Lake is located within a completely closed basin with no outlet—much like the Great Salt Lake.

Due to several years of above-average rainfall, the lake has risen over 13 feet and increased in size by two-thirds within the past 2 years. The ever-advancing waters of Devils Lake have caused millions of dollars in damage to roads, farmland, public facilities and private property.

The Devils Lake flood has been especially difficult for farmers and ranchers in and near the basin. Eighty to 90 percent of the pasture and hayland around the lake are affected by the flood. Fields are flooded, roads used by producers are inundated with water, and wet conditions kept many farmers from planting last spring.

If water levels continue to rise—as they are likely to do for the foreseeable future—the lake could overrun the dike protecting the city of Devils Lake, threatening lives and causing millions more dollars in damage.

Let me give you just a few facts about this terrible flood: The water level of Devils Lake has risen 13 feet in the past 2 years, and is at its highest level in 120 years; Federal agencies have spent over $30 million to mitigate this disaster, including more than $21 million from the Federal Highway Administration to fix flood-ravaged roads; The Corps of Engineers recently placed a protective berm around the Minnewaukan city sewage lagoon because it was about to be overtaken by the lake. When constructed in 1956, the lagoon was more than 8 miles from the lake—8 miles, Mr. President; 1,768 Disaster Survey Reports of damage to public property have been submitted to FEMA's Disaster Field Office. 2,082 claims for Disaster Unemployment Assistance have been approved; and 2,500 homes in Devils Lake are pumping seepage from their homes, and many have basement floors that are heaving because of high water levels.

Much has been done to deal with the flood so far.

Federal Emergency Management Director James Lee Witt formed an interagency task force to deal with this disaster. Director Witt formed the task force to bring every relevant Federal, State and local agency togther—with the active participation of many Devils Lake Basin residents—to examine every feasible solution and work to find answers to this flood. The task force recently issued its report which identifies 17 action items to help mitigate the flood's damage.

One of the most promising of those action items is the construction of an outlet from Devils Lake. An outlet could drain water from the lake and help prevent further—and catastrophic—damage. The Corps of Engineers and the Bureau of Reclamation are in the process of studying a long-term lake stabilization plan that would make an outlet possible. Mr. President, this problem is of such enormity that every option must be considered.

However, an outlet raises international considerations. Water drained through an outlet would flow into the Sheyenne River, which in turn flows into the Red River of the North, which flows northward into Canada. Canadian officials have expressed concern about an outlet due to water quality issues. The Boundary Waters Treaty of 1909 provides the basis for protection of boundary waters interests of both the United States and Canada.

As a result, it is critically important that both the State of North Dakota and the U.S. Government work with Canadian officials as outlet plans are considered. The U.S. State Department participated in the interagency task force which has considered Devils Lake flood relief options. I was in Devils Lake recently and encouraged efforts to involve Canadian officials, especially from the province of Manitoba, in discussions of flood relief efforts.

Mr. President, it is precisely because of our desire to work with our neighbors to the North that my colleague and I introduce this amendment. Allow me to read from the amendment before us:

. . . It is the sense of the Senate that the United States Government should seek to establish a joint United States-Canadian technical committee to review the Devils Lake Basin emergency outlet project to consider options for an outlet that would meet Canadian concerns in regard to the Boundary Waters Treaty of 1909.

In short, the amendment says two things. First, Devils Lake Basin flooding is a serious problem. Second, we want to work with the Canadians to find a treaty-compliant way to resolve it. The committee would seek to find a way to construct an outlet while fully complying with the treaty. Only by seeking the active participation of Canada can this project go forward.

Let me be clear, Mr. President, it is in the best interest of my State and of our Nation to work with Canadian officials to assuage their concerns about an outlet. That is why this amendment emphasizes the importance of the treaty, and states that the committee should work to meet Canadian concerns regarding the treaty.

Mr. President, I urge my colleagues to support this amendment.

Mr. DORGAN. Mr. President, this sense of the Senate Amendment to H.R. 1976 is in response to the devastating flooding being experienced within the State of North Dakota. This amendment will provide for a joint United States-Canadian technical committee to review the Devils Lake basin emergency outlet project and consider options for an outlet that would meet Canadian concerns regarding the Boundary Waters Treaty of 1909.

The Devils Lake basin is an enclosed basin (no outlet) with water loss through natural evaporation from the lake surface during periods of drought. With more rain than drought in recent

years, the surface of the lake has been rising dramatically. In 1993, the surface of Devils Lake totaled 44,000 acres, today it covers over 72,000 acres. Eighty to 90 percent of the pasture and haylands around the lake have been flooded, saturated, or isolated by flood waters. There are eight counties represented in the Devils Lake basin. In just two of these eight counties, flooding has impacted 247,000 acres (nearly 386 square miles). For comparison, the District of Columbia covers only 67 square miles.

In the basin above the lake level, where crops can still be grown, the rains of this spring allowed only about half of the normal planting of small grains (wheat, durum, barley, and oats). Wet conditions also prevented proper weeding with the result that crop yield is expected to be significantly reduced.

Six hundred sixty-seven thousand trees in the basin are now flooded and will probably die within the next year.

Tribal roads and facilities have also been flood damaged. Tribal authorities report that their manufacturing (Dakotah Tribal Industries, Sioux Manufacturing) has declined in an area where unemployment is about 60 percent.

WE DESPERATELY NEED RELIEF FROM THIS NATURAL DISASTER

The Corps of Engineers in association with the Bureau of Reclamation plus other Federal and State agencies is investigating the feasibility of solutions to perennial flooding in the Devils Lake basin. Among the potential solutions, there are expected to be an outlet from the basin to relieve the flooding and an inlet to stabilize the lake level during periods of drought.

The outlet would allow basin water to reach the Red River and eventually the Hudson Bay in Canada. Some Canadian officials are concerned that releasing water from the Devils Lake basin could potentially allow the introduction of foreign biota and higher levels of dissolved solids to their vital waters. The Boundary Waters Treaty of 1909 between the United States and Canada states, in part, that ''. . . water flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.'' It is implicit from our treaty obligations that the governments involved in this issue should commence technical discussions.

I urge my colleagues to approve this ''no additional cost'' amendment to establish a joint United States-Canadian technical committee for the review of the Devils lake emergency outlet project. I understand that this amendment has been cleared on both sides, and I thank the chairman, Senator COCHRAN, and the ranking member, Senator BUMPERS, for their support and cooperation.

AMENDMENT NO. 2701

(Purpose: To fund the Grain Marketing Research Laboratory in Manhattan, Kansas)

On page 13, line 23, insert the following after ''law'': '': *Provided further,* That of the funds made available under this heading for the National Center for Agricultural Utilization Research, not less than $1,000,000 shall be available for the Grain Marketing Research Laboratory in Manhattan, Kansas''.

AMENDMENT NO. 2702

(Purpose: To eliminate certain unnecessary advisory committees)

At the appropriate place in title VII, insert the following:

SEC. 7 . ELIMINATION OF UNNECESSARY ADVISORY COMMITTEES.

(a) SWINE HEALTH ADVISORY COMMITTEE.—Section 11 of the Swine Health Protection Act (7 U.S.C. 3810) is repealed.

(b) GLOBAL CLIMATE CHANGE TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

AMENDMENT NO. 2703

On page 84, line 1, insert the following new section:

SEC. 730. Upon the date of enactment of this Act, the Secretary of Agriculture shall immediately withdraw Federal regulation 36 CFR Part 223 promulgated on September 8, 1995, for a period of no less than 120 days; provided that during such time the Secretary shall take notice and public comment on the regulations and make the necessary revisions to reflect public comment. Any fines assessed pursuant to 36 CFR Part 223, from the effective date of said regulation to the date of enactment of this Act, shall be null and void. During the 120 day period, the interim regulatory guidelines published pursuant to 55 CFR 48572 and 56 CFR 65834 shall remain in effect.

Mr. GORTON. Mr. President, today I offer an amendment to the fiscal year 1996 Agriculture Appropriations bill that would delay final regulations implementing the 1990 Forest Resources Conservation and Shortage Relief Act. This act governs the export of State and Federal logs in the Western United States.

Since 1990 the timber industry in the States of Washington, Oregon, Idaho and Montana has operated under interim regulations promulgated to enforce the 1990 law. The legislation is very complicated, and sets up a series of requirements for companies that wish to export State or Federal logs. Consequently, the regulations implementing the law must be very precise, and an entire industry—for the most part—must react to any regulations on this subject with painstaking attention to the details.

On Friday, September 8, the Department of Agriculture implemented—effective immediately—final regulations implementing the 1990 log export law. Let me say this again—the regulations were made effective immediately. The final regulations were dramatically different than the regulations as initially proposed, and, as a result completely and totally overwhelmed the timber industry in the Pacific Northwest.

The regulations are overly burdensome, and must be re-written. Let me give you a brief example of the specificity of these regulations, and why any rational person would not make the effective date immediate on the regulations.

For example, the regulation establishes a procedure for exporting finished lumber. When a company exports lumber, the new regulations require that company to keep in its possession for each shipment or order, a lumber inspection certificate, and a company certificate to ensure that export restricted timber is in fact processed before export.

The regulation establishes a procedure for marking Federal and private timber that originates from within a sourcing area. All private timber that is harvested inside a sourcing area must be marked on both ends of the log with highway yellow paint, before it can be removed from the harvest area. This paint signifies that the logs must be domestically processed. Based upon the industry reading of the regulation, this provision appears to apply to logs that will be processed in the company's own mill. The log must be marked throughout the entire process, from harvest to ''mill in-feed,'' no matter how many times it has been cut.

The regulation establishes a procedure for disposing of private timber that originates from within a sourcing area. The regulations mandate a complex procedure of identification, notice, paperwork and record keeping process. The process is as follows:

Before a company sells any export restricted private timber, that is, private timber that originates from within a sourcing area, the selling company must do the following: Give notice to the purchaser that the timber cannot be exported; give notice that the timber has been marked and the mark must be retained; agree to send in the transaction statement to the Regional Forester within 10 calendar days; retain records of acquisition and disposition for 3 years from the date of manufacture or disposition, and make such records available for inspection by the Forest Service; acknowledge that failure to identify the timber as mentioned above and to accurately report is a violation of the act, and the ''False Statement Act''; certify that the form has been read and understood. The purchasing company is required to follow a similar set of requirements.

As you can tell, the regulations are specific, and would require some major adjustments to current operating practices. When this is coupled with the fact that a violation of each aspect of the regulation carries with it a potentially heavy fine, it is clear that these regulations must be delayed.

According to the regulations, fines can be assessed for each violation—which includes the omission of just one paint stripe on a log. In addition, civil penalties are high—the Forest Service has the discretion, based upon the nature of the violation, to assess penalties of up to $500,000 or three times the gross value of the timber involved,

plus the option to cancel all Federal timber contracts.

This Senator believes that a regulated entity—whether it's a small business or a big business—deserves to understand a set of regulations before it is implemented. This is just common sense. To do the opposite, as was done in this case—to blind-side an industry with draconian regulations that have never been reviewed by the regulated community—certainly fans the flame of anti-government sentiment.

My amendment, co-sponsored by Senator MURRAY and Senator BURNS, would delay the regulations for 120 days. During that 120-day period the regulations issued on September 8 would be treated as proposed regulations, affected parties would have the opportunity to comment on the regulations, and the Department is required to make the necessary revisions based upon such comments. During this 120 day period, the interim regulations would remain in place, and any fines assessed based upon the September 8 regulations would be null and void.

This amendment is not controversial. This amendment makes common sense, and I urge my colleagues to support my amendment.

AMENDMENT NO. 2704

On page 25, line 14, strike $564,685,000 and insert $563,004,000.

On page 37, line 8, strike $1,000,000 and insert $2,681,000.

AMENDMENT NO. 2705

(Purpose: To clarify that tourist and other recreational businesses located in rural communities are eligible for loans under the Rural Business and Cooperative Development Service's Business and Industry Loan Guarantee Program)

On page 44, line 16, before the period insert the following: ''*Provided further*, That loan guarantees for business and industry assistance funded under this heading shall be made available to tourist or other recreational businesses in rural communities''.

AMENDMENT NO. 2706

On page 14, strike on line 12, ''40,670,000'' and insert in lieu thereof, ''42,670,000''.

On page 15, strike on line 17, ''$419,622,000'' and insert in lieu thereof ''$421,622,000''.

On page 82, reduce ''$800,000,000'' by $4,444,000.

Mr. LEAHY. Mr. President, I thank the managers for accepting this amendment. It is my intention, and our understanding, that the additional funds included by this amendment, will be used to find the President's request submitted by the Department of Agriculture on page 9–32 of the fiscal year 1996 budget request of the Department of Agriculture.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendments en bloc.

The amendments (Nos. 2700 through 2706) were agreed to.

Mr. COCHRAN. I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. BOXER. The U.S. Department of Agriculture's Animal and Plant Health Inspection Service recently issued a proposed rule governing the importation of Mexican Hass avocados into the United States. The proposed rule would allow Hass avocados to be imported into the Northeastern United States during the winter months of November through February.

I support the House report language concerning the Department of Agriculture's Animal and Plant Health Inspection Service proposed rule on the importation of Mexican avocados.

The House Committee report language, although not a permanent solution, adequately cautions the USDA to ensure scientific credibility on pest risk assessment and risk management, ensure that the USDA will commit the resources necessary to ensure sufficient oversight, inspection, and enforcement of any importation system which may result, and ensure that the avocado industry is provided the opportunity to give input on any proposed regulatory changes.

California avocado growers have expressed their continued concerns that a USDA proposed rule inadequately protects their industry from harmful pests or disease that imported avocados may carry.

I am very concerned about the potential impact of the proposed rule on avocado growers in California. There are about 7,300 avocado growers in the United States, 6,000 of whom are in California. On average, these hard-working farmers produce about 300 million pounds of avocados a year, and last year they produced $250 million worth of fruit.

But this proposed rule is not just about the avocado industry. It is about pests that threaten the $18 billion a year California agricultural industry: an industry that generates $70 billion a year in economic activity. California's agricultural industry is primarily export-driven, and even the hint of pest infestation threatens trade, as we have recently seen with Japan and the medfly threat.

The State of California and the Federal Government have spent more than $217 million since 1980 to combat periodic fruit fly infestations. Even with this significant commitment of resources, certain Mediterranean fruit fly eradication efforts remain under-researched and under-funded. The 34 pests that APHIS claims are commonly found in avocados grown in Mexico could devastate California agriculture. Many pests found in Mexico infest citrus, grapes, apples, and other agricultrual products.

California avocado growers are very concerned that APHIS lacks the resources to enforce the phytosanitary restrictions in the proposed rule. I share their concern. APHIS states in the proposed rule that it ''agrees that adequate resources and personnel, especially inspectors, would have to be devoted to prevent introduction of avocado and other plant pests into the United States.''

The Agriculture Quarantine and Inspection budget is primarily user-fee funded. Funds are kept in a dedicated account and are subject to annual appropriations. Although the budget is not slated for cuts in the fiscal year 1996 agriculture appropriations bill, the question remains whether it is realistic to assume that the current funding level is sufficient to cover the additional needs created by this proposed rule. For example, the transhipment of Hass avocados within the United States will be very difficult to control without an aggressive monitoring program.

Since 1914, it has been the policy of the United States to prohibit the entry of fresh avocados with seeds from Mexico and certain other countries of Central and South America. This quarantine, although specifically directed at seed weevils and moths, has also proven effective in preventing infestation of fruit flies, and other pests found in Mexican avocados which would adversely impact not only U.S. avocado production but numerous other fruit and vegetable crops in California, Arizona, Texas, Florida, and other States. I believe that current policy should continue until all of the legitimate concerns of the avocado industry are addressed.

Our quarantine against Mexican avocados is not unique. It is important to remember that pest-free fresh avocados enter the United States from other countries, such as Chile, which also prohibits entry of Mexican avocados due to pest risks.

Mexico has yet to implement an effective pest eradication or control program. As recently as July 1993, USDA officials concluded that Mexican avocados continue to pose a significant threat of introducing plant pests into the United States. Although the proposed rule details safeguards to be taken by Mexican growers and packers as well as strict oversight by APHIS, there is still no evidence that effective pest control and eradication programs have been developed and implemented by Mexico.

Unless Mexico implements a comprehensive and effective pest eradication and control program in its growing areas, USDA policy must ensure that the health of U.S. agriculture and consumers is not threatened.

Unfortunately, in the Senate committee report language on Mexican avocados the Senate committee does not concur with the House language and says that the Department published regulations to address the concerns about the protection of domestic avocado production after House action on this issue. While it may be true that the proposed rule was published after House action, the rule does not sufficiently address concerns and would allow Hass avocados to be imported into the Northeastern United States

during the winter months of November through February.

I urge my colleagues to carefully reconsider this issue as they prepare to go to conference with the House, and urge them to defer to the House on this issue.

Ms. SNOWE. Mr. President, I request permission to engage the senior Senator from Maine and the chairman of the Agriculture Appropriations Subcommittee in a brief colloquy. As the chairman knows, new fungicide-resistant strains of the late blight potato fungus are causing serious damage to potato crops in a number of potato-growing States. Maine has been hit particularly hard by late blight over the past several years. To address this problem, the Congress provided $1.4 million for late blight control and research in Maine through extension in 1994, and it provided $800,000 for the Maine program in the current fiscal year through the Smith-Lever pest management funds. USDA officials have informed our offices that another $800,000 has been included in the President's budget for this purpose in fiscal year 1996 under pest management.

Mr. COHEN. I fully concur with Senator SNOWE that this funding is critical to helping potato growers in Maine and other States protect their crops from the devastation of late blight. We note that the committee has provided $10.9 million for pest management in its fiscal year 1996 bill, which is the same as the amount appropriated in the current fiscal year. Is it the chairman's understanding that the President's fiscal year 1996 budget request for this account includes $800,000 to continue this late blight control program in Maine?

Mr. COCHRAN. Mr. President, I would like to point out that the committee recognizes the very serious threats to potato production posed by late blight, and the heavy damage that has been incurred to date in Maine and other States. In response to the Senators' question, I can confirm that the President's fiscal year 1996 budget request for pest management does include $800,000 to continue the late blight control program described by the Maine senators.

Ms. SNOWE. On behalf of the Maine delegation, I would like to thank the Chairman for clarifying this matter.

AGRICULTURAL RESEARCH SERVICE

Mr. CONRAD. As the Senator from Arkansas is aware, H.R. 1976 provides funding for the Agricultural Research Service to continue operating the ARS potato research facility in East Grand Forks, Minnesota, as an ARS worksite. Research direction and administration will be shifted to a primary ARS laboratory. The ARS Red River Valley Agricultural Research Center Northern Plains Area office in Fargo, North Dakota is located just 75 miles away, and is well equipped to handle administrative functions for the East Grand Forks facility. Is it the Senator's understanding that ARS should transfer the administrative responsibilities called for in this legislation to the Fargo ARS facility?

Mr. BUMPERS. The Senator is correct. ARS should transfer administration of the East Grand Forks facility to the ARS research center in Fargo, North Dakota.

Mr. CONRAD. Would the Chairman of the Subcommittee indicate whether he has the same understanding?

Mr. COCHRAN. I do agree with the Senator regarding the Fargo ARS center.

Mr. DORGAN. In addition, the bill contains funding for the Animal and Plant Health Inspection Service to continue a cattail management program for blackbird control. Is it the Subcommittee's intention that APHIS should continue to use a portion of those funds for cattail management and blackbird control in North Dakota?

Mr. BUMPERS. The Senator is correct. APHIS should continue using a portion of available funds to continue the cattail management program in North Dakota.

Mr. COCHRAN. Let me add that I share Senator BUMPERS' understanding.

DISTANCE LEARNING AND MEDICAL LINK FUNDING

Mr. KERREY. I would like to ask the distinguished chairman for assistance in dealing with two matters that are very important to me and the people of Nebraska.

The Distance Learning and Medical Link Program was designed to demonstrate the ability of rural communities to utilize existing or proposed telecommunications systems to achieve sustainable cost-effective distance learning or proposed medical link networks.

In Nebraska, there is a distance learning partnership between the School at the Center Project, the Nebraska Math and Science Initiative, Project EduPort and the Nebraska Rural Development Commission that would provide access to advanced telecommunications services and computer networks and improve rural opportunities.

Another program designed to provide much needed technology to rural communities is the Rural Community Advancement Program (RCAP). Included in RCAP is the Rural Business Enterprise Grant Program.

The Nebraska Department of Economic Development operates a program for innovative information technology applications that assists small and rural Nebraska businesses in becoming more competitive through effective use of information technology and telecommunications.

I feel that these are the types of projects contemplated under the Distance Learning and Medical Link Program and the Rural Business Enterprise Grant Program, and I would ask the chairman to join me in encouraging the Department to give consideration to funding both of these proposals.

Mr. COCHRAN. The committee did urge the Department to give consideration to funding a number of applications for both of these programs. I appreciate the Senator bringing these proposals to my attention. I would urge the Department to give equal consideration to these applications as those included in the committee report.

Mr. BUMPERS. Mr. President, I have been advised that Senator HEFLIN has two colloquies. These have not been submitted and will be submitted tomorrow.

Mr. President, let me make this unanimous consent request: Following the final vote on the Bumpers amendment, that it be in order if the colloquy has been submitted at that time and accepted by the floor managers, that a colloquy by Senator HEFLIN and Senator COCHRAN be eligible to be submitted for the RECORD, and a Heflin colloquy with Senator COCHRAN on agricultural weather stations, that those two be in order to be inserted in the RECORD prior to final vote.

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

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

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

COOPERATIVE STATE RESEARCH EXTENSION AND EDUCATION SERVICE GRANTS

Mr. LEVIN. Mr. President, my colleague from Michigan, Senator ABRAHAM, and I would like to engage the distinguished manager of the bill in a brief colloquy regarding an important Cooperative State Research Extension and Education Service [CSREES] grant that has supported innovative work conducted by Michigan State University [MSU] and the Michigan Biotechnology Institute [MBI]. Through CSREES support, MSU/MBI have been working to commercialize agricultural technologies, particularly those that stimulate new uses for agricultural commodities, from our Nation's universities and Federal laboratories.

Mr. ABRAHAM. Due in part to past CSREES Special Research Grant support, MSU/MBI has succeeded in creating five new companies using agricultural technologies. One company was created to market a new biodegradable plastic resin for applications such as plastic knives, forks and spoons used in fast food establishments. The new resin has all the benefits of conventional petroleum-based technology but you can throw it away and it will decompose without adding to our nation's landfills. This research has created new companies, new jobs, and increased Michigan's tax base. I strongly support these efforts.

Mr. LEVIN. The House fiscal year 1996 Agriculture Appropriations bill proposes to fund the Michigan Biotechnology Consortium—also read Institute—at $1 million. This is approximately a 50% reduction from the FY95 level of $1.995 million. I understand that the budget deficit demands sacrifice from all agencies and grant recipients, but a 50% cut will severely affect the cutting-edge work done by and the pace of technological innovation at MBI.

The Senate FY96 Agriculture Appropriations bill does not include funding for MBI under CSREES. However, the Senate conferees have receded to the House level for MBI in past years, with strong support from the Michigan Congressional delegation. I urge the Senate Conferees to once again accept the House's funding level and, if possible, return MBI funding to its FY95 level.

Mr. COCHRAN. I am aware of the valuable CSREES work that has been conducted by MSU/MBI. I assure my colleagues from Michigan that I will revisit MBI's FY96 funding in conference and will remember the Senators' strong support for MBI.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:48 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 464. An act to make the reporting deadlines for studies conducted in Federal court demonstration districts consistent with the deadlines for pilot districts, and for other purposes.

S. 532. An act to clarify the rules governing venue, and for other purposes.

The message also announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 641. An act to reauthorize the Ryan White CARE Act of 1990, and for other purposes.

The message further announced the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 83. Joint resolution relating to the United States-North Korea Agreed Framework and the obligations of North Korea under that and previous agreements with respect to the denuclearization of the Korean Peninsula and dialogue with the Republic of Korea.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 42. Concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus.

MEASURES REFERRED

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

H.J. Res. 83. Joint resolution relating to the United States-North Korea Agreed Framework and the obligations of North Korea under that and previous agreements with respect to the denuclearization of the Korean Peninsula and dialogue with the Republic of Korea; to the Committee on Foreign Relations.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 42. Concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus; to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–1451. A communication from the Comptroller General, transmitting, pursuant to law, the report on the status of budget authority that was proposed for rescission in the special impoundment message for fiscal year 1995 (dated February 6, 1995); referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, Committee on the Budget, Committee on Agriculture, Nutrition and Forestry, Committee on Banking, Housing and Urban Affairs, Committee on Commerce, Science and Technology, Committee on the Environment and Public Works, Committee on Finance, Committee on Labor and Human Resources and the Committee on Small Business.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–291. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Agriculture, Nutrition, and Forestry.

''SENATE CONCURRENT RESOLUTION

''Whereas, family violence is a severe problem in Texas, accounting for more than 22 percent of violent crime in the state; and

''Whereas, victims of family violence are frequently handicapped in their efforts to leave their abusers because of lack of support and shelter; and

''Whereas, current restrictions on food stamp applications may force some victims to return to their abusers due to requirements that a victim must seek and obtain refuge in a battered women's shelter to qualify for immediate reissuance of food stamps; and

''Whereas, in all of Texas there are only 62 full-service battered women's shelters, and these are frequently too crowded to accept new victims; and

''Whereas, the current federal policy frequently punishes victims of family violence: Now, therefore, be it

''*Resolved*, That the 74th Legislature of the State of Texas hereby memorialize the Congress of the United States to enact legislation to amend the food stamp program by adding a special provision to allow food stamp workers to reissue food stamp benefits to family members fleeing from domestic violence, regardless of where they seek refuge, provided the families present evidence that they were or are victims of domestic violence; and, be it further

''*Resolved*, That the Texas Secretary of State forward official copies of this resolution to the President of the United States, the president of the senate and speaker of the house of representatives of the United States Congress, and all members of the Texas delegation to the Congress with the request that this resolution be entered in the Congressional Record as a memorial to the Congress of the United States.''

POM–292. A resolution adopted by the Council of the Township of Old Bridge, Middlesex County, New Jersey relative to demonstration programs; to the Committee on Appropriations.

POM–293. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Appropriations.

''SENATE CONCURRENT RESOLUTION 87

''Whereas, chronic fatigue and immune dysfunction syndrome is the medical term for a group of symptoms that include debilitating fatigue, fever, depression, and a reduced ability to undertake normal daily activities or to function productively; and

''Whereas, the disease affects people of all ages, interrupting the education and employment of those afflicted and imposing enormous social costs ranging from burdensome medical expenses to increased demand for disability payments and other social services; and

''Whereas, the syndrome was first recognized 10 years ago, but there has been little effort to find either a cause or a cure for the disease, with the result that patients are often misdiagnosed, receive inadequate medical treatment, and can face difficulty in receiving social services and public assistance; and

''Whereas, both present and future generations would benefit greatly if the resources of government were marshalled to eliminate the personal and social costs of this insidious and debilitating disease: Now, therefore, be it

''*Resolved*, That the 74th Legislature of the State of Texas hereby memorialize the Congress of the United States to increase federal funding for research relating to chronic fatigue and immune dysfunction syndrome; and, be it further

''*Resolved*, That the Texas Secretary of State forward official copies of this resolution to the President of the United States, to the Speaker of the House of Representatives and to the President of the Senate of the United States Congress, and to all Members of the Texas delegation to the Congress, with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.''

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works:

Greta Joy Dicus, of Arkansas, to be a Member of the Nuclear Regulatory Commission for the term of five years expiring June 30, 1998.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. BAUCUS:

S. 1259. A bill to authorize the Secretary of Agriculture to use stewardship contracting in a demonstration program to restore and maintain the ecological integrity and productivity of forest ecosystems to insure that the land and resources are passed to future generations in better condition than they were found; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MACK (for himself, Mr. D'AMATO, and Mr. BOND):

S. 1260. A bill to reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN:

S. 1261. A bill to amend the Internal Revenue Code of 1986 to prevent the avoidance of tax through the use of foreign trusts; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. D'AMATO:

S. Res. 173. A resolution to proclaim the week of September 24 through September 30, 1995, as National Dog Week; to the Committee on the Judiciary.

By Mr. GRAMS (for himself, Mr. DOLE, Mr. HELMS, and Mr. THOMAS):

S. Res. 174. A resolution expressing the sense of the Senate that the Secretary of State should aggressively pursue the release of political and religious prisoners in Vietnam; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS:

S. 1259. A bill to authorize the Secretary of Agriculture to use stewardship contracting in a demonstration program to restore and maintain the ecological integrity and productivity of forest ecosystems to insure that the land and resources are passed to future generations in better condition than they were found; to the Committee on Agriculture, Nutrition, and Forestry.

THE FOREST ECOSYSTEM STEWARDSHIP DEMONSTRATION ACT OF 1995

● Mr. BAUCUS. Mr. President, I introduce the Forest Ecosystem Stewardship Demonstration Act of 1995. On May 18, 1995, my colleague from Montana, Congressman PAT WILLIAMS introduced this bill which would allow the experimental use by the U.S. Forest Service of a variety of stewardship contracts on private land.

About a month ago I held a meeting in Kalispell about the Forest Stewardship Demonstration Act of 1995. The meeting was attended by loggers, environmentalists, and timber landowners. I received input from many individuals, businesses and organizations, including the Montana Wilderness Association, the Montana Logging Association, Flathead Audubon Society, the Montana Wilderness Association and the Flathead Economic Policy Center. I was pleased to see people from all walks of life joining together to find common ground on what is usually a divisive issue and reach a consensus on a sound land-management program for a section of private property near Columbia Falls. The stewardship plan, created by the Flathead Forestry Project, emphasizes forest management strategies that will allow contracts to be written with enough flexibility and diversity to accommodate each system's needs.

This bill does not add red tape; does not reduce competition; and does not eliminate any existing public participation processes or environmental laws. Instead, this bill allows public forest owners and resource managers to directly selected qualified forest contractors. This new contract format allows landowners to custom design their own specific plans. Contractors will work directly for the public. In turn, this will increase the pool of contractors who can bid on public forest projects.

We all know that it is in the best interest of our forests to manage our public lands in a manner that maintains their overall health. At the same time, it is important to recognize that these are public lands and citizens should be fully involved in participating in the decisions that affect our national forests.

The Forest Ecosystem Stewardship Demonstration Act of 1995 proposes a unique plan to protect the health of our forests while also protecting the economic well-being of those who utilize the natural resources that our forests have to offer us.

This bill will give the Flathead Forestry Project the opportunity to test this proposal on a section of private property in Montana. If successful, this plan can be used as a model for similar land management programs on public lands.

I want to recognize the hard work of some of the men and women in Montana who are personally responsible for this unique legislation; Floyd Quiram, Jack Jay, Rem Koht, Bob Stone, Carol Daly, Lex Blood, Keith Olson and Steve Thompson. I am proud to introduce this legislation on their behalf, and I urge my colleagues to give it their support.

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

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

S. 1259

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Forest Ecosystem Stewardship Demonstration Act of 1995''.

SEC. 2. FINDINGS, PURPOSES, AND DEFINITIONS.

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

(1) In many of the units of the National Forest System, current conditions—such as unnatural fuel loads, high tree density, threat of catastrophic fires, disease, and insect infestations, habitat loss, and loss of historic species, stand diversity and integrity—adversely affect the biodiversity, health, and sustainability of the forest ecosystems of such units.

(2) A new and innovative contracting process for the National Forest System is required to meet Federal goals of improving forest resource conditions through implementation of ecosystem management.

(3) Ecosystem management is not just a biological concept. It is the convergence of a set of activities that is simultaneously ecologically sound, economically viable, and socially responsible.

(4) The improvement of the health and natural functioning of the forest resource is vital to the long-term viability of species found on National Forest System lands.

(5) Ecosystem restoration and conservation work performed with revenues from forest activities would improve employment opportunities in communities near units of the National Forest System to the benefit of long-term economic sustainability and community viability.

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

(1) To improve and restore the health of forest resources through implementation of ecosystem management.

(2) To provide for employment opportunities and economic health and viability for rural communities near units of the National Forest System.

(3) To provide for flexibility in procurement and funding practices to enter into stewardship contracts to achieve management objectives and requirements prescribed in the following provisions of law:

(A) The Act of June 4, 1897 (commonly known as the Organic Administration Act; 16 U.S.C. 473–475, 477–482, 551).

(B) The Multiple-Use Sustained Yield Act of 1960 (16 U.S.C. 528–531).

(C) The Forest and Rangeland Renewable Resources Act of 1974 (16 U.S.C. 1600–1614).

(D) Section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a).

(E) The Act of May 23, 1908, and section 13 of the Act of March 1, 1911 (16 U.S.C. 500).

(F) The Federal Grants and Agreements Act of 1977 (31 U.S.C. 6303–6308).

(G) National Forest Fund Act of March 4, 1907 (16 U.S.C. 499).

(c) DEFINITIONS.—For purposes of this Act:

(1) ACCOUNT.—The term ''Account'' means the Stewardship Account established under section 4.

(2) DESIGN SPECIFICATION CONTRACT.—The term ''design specification contract'' is used to describe contracts in which the contracting entity specifically identifies all the tasks

to be performed, and the contractor performs per the designed specifications.

(3) FOREST STEWARDSHIP COUNCIL.—The term ''Forest Stewardship Council'' means any one of the local councils established under section 3(f) of this Act to, in cooperation with resource managers: prioritize and select stewardship projects, set operational goals in the context of current national forest management policies and local forest plans, evaluate contractor performance and accomplishments, recommend progress payments for work successfully completed by contractors, and make recommendations for the improvement of the stewardship contract process.

(4) PERFORMANCE SPECIFICATION CONTRACT.—The term ''performance specification contract'' is used to describe contracts in which the contracting entity identifies the parameters of the project, and the contractor identifies the method to accomplish the work.

(5) RESOURCE ACTIVITIES.—The term ''resource activities'' includes area access, site preparation, replanting, fish and wildlife habitat restoration or enhancement, silvicultural treatments, watershed improvement, fuel treatments (including prescribed burning), and road closure or obliteration.

(6) RESOURCE MANAGER.—The term ''resource manager'' refers to the line officer responsible for management decisions associated with project implementation on a national forest.

(7) ROADSIDE SALE.—The term ''roadside sale'' refers to the sale by the Forest Service to the highest bidder(s) of all contract-designated products of the forest removed as part of the management activities conducted under a stewardship contract. (Non-designated products may be assigned to the contractor for salvage.) A roadside sale is a completely separate transaction from the awarding of the stewardship contract itself.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(9) STATEMENT OF WORK CONTRACT.—The term ''statement of work contract'' is used to describe contracts in which the contracting entity gives a general overview of the project, and the bidding contractor provides the specifics on how he/she envisions the project and the end result he/she would obtain using his/her particular approach to land stewardship.

(10) STEWARDSHIP CONTRACT.—The term ''stewardship contract'' means a contract for carrying out resource activities for the improvement and restoration of forest ecosystems of units of the National Forest System and to encourage or enhance the economic sustainability and the viability of rural and regional communities. A stewardship contract could use a design specification format (definition 2, above), a performance specification format (definition 4, above), a statement of work format (definition 9, above), or some combination thereof.

SEC. 3. USE OF STEWARDSHIP CONTRACTS.

(a) USE AUTHORIZED.—The Secretary shall establish and implement in the Forest Service a demonstration program through which forest- and/or district-level resource managers use stewardship contracts to carry out resource activities in a comprehensive manner to restore and preserve the ecological integrity and productivity of forest ecosystems within the National Forest System and to encourage or enhance the economic sustainability and the viability of nearby rural communities. The resource activities undertaken should be consistent with the precepts of ecosystem management and with the forest's management plan for achieving the desired future conditions of the area being treated.

(b) USE LIMITED.—Within the limits of available financial resources, each forest within the National Forest System may use stewardship contracts to carry out ecosystem management projects, if those contracts:

(1) Provide for payment to the contractor based on the number of acres satisfactorily treated in accordance with an approved plan to create a desired future condition on the land.

(2) Are used for projects where the harvest of timber is secondary to creating specific resource conditions (e.g., wildlife habitat enhancement, watershed improvement, insect and disease control).

(3) Are not used for projects involving the construction of new permanent roads or entries into roadless areas.

(4) Will result in the removal of no more than 300,000 board feet of merchantable timber per project.

(5) Provide for the roadside sale of all contract-designated merchantable timber which is extracted.

(6) Are awarded competitively to qualified contractors with no more than 25 employees.

(7) Include stewardship skill and experience qualification requirements which have been established by the local Forest Stewardship Council and approved by the Forest Service.

(8) Are monitored not only by the Forest Service, but also by the local Forest Stewardship Council.

(9) Provide for periodic progress payments to contractors based on successful completion of contract activities on a per acre basis. The acceptability of the contractor's work shall be determined by the Forest Service, taking into account the recommendation of the local Forest Stewardship Council.

(c) DEMONSTRATION RESEARCH OBJECTIVES.—The Secretary shall insure that in the carrying out of the provisions of this Act enough flexibility is provided to resource managers to enable them to test various approaches to solving questions left unresolved in previous demonstrations of stewardship and end results contracts authorized in fiscal year 1991 and 1992 through the Department of the Interior and Related Appropriation Acts. These questions include, but are not limited to:

(1) The need for the bonding of stewardship contractors and/or possible alternatives which could reduce the financial burden on small businesses.

(2) Preferred methods of marketing timber or other products of the forest removed as a result of stewardship contract activities.

(3) The standards to be used in evaluating the quality and acceptability of the work performed by a stewardship contractor.

(4) The desirability of multi-year contracts for stewardship projects.

(5) The relative merits of using design specifications, performance specifications, or statements of work in offering, awarding, and evaluating stewardship contracts.

(6) The costs, benefits, problems, and opportunities resulting from increased community involvement in the design and monitoring of stewardship contracts.

(7) The benefits and problems resulting from restricting stewardship contracts to very small (no more than 25 employees) contractors.

(8) The extent to which local economic sustainability and rural community viability are affected by the use of stewardship contracts.

(9) The difference between estimated and actual revenues derived from roadside sales of timber.

(10) The level of utilization of timber and other products of the forest derived from stewardship contract projects as compared with conventional timber sales.

(11) The extent to which stewardship contracting contributes to the achievement of forest ecosystem management plans.

(12) The extent to which the revenues from stewardship contracts cover the cost of such contracts or are offset by the costs which could reasonably be expected to result if the contracts are not carried out (e.g., fire suppression costs in areas with heavy fuel loads).

(13) The administrative costs or savings involved in the use of stewardship contracts.

(14) The benefits and/or disadvantages of using local Forest Stewardship Councils as part of the stewardship contracting process.

(15) The benefits and/or disadvantages of various methods of selecting members, organizing, administering, and conducting the business of local Forest Stewardship Councils.

(d) DEVELOPMENT AND USE OF CONTRACTS.—Each resource manager of a unit of the National Forest System may enter into stewardship contracts with qualified non-Federal entities (as established in regulations relating to procurement by the Federal Government or as determined by the Secretary.) The local Forest Stewardship Council, in cooperation with the Forest Service resource manager, shall select the type of stewardship contract that is most suitable to local conditions. Contracts should clearly describe the desired future condition for each resource managed under the contract and the evaluation criteria to be used to determine acceptable performance. The length of a stewardship contract shall be consistent with the requirements of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a).

(e) SELECTION OF AREAS FOR CONTRACTS.—In selecting areas within units of the National Forest System to be subject to stewardship contracts, the Secretary, resource managers, and local Forest Stewardship Councils shall base the selection on the need to improve forest health, maintain and improve soil and water quality, and improve fisheries and wildlife habitat. Priorities for activities within individual units will be established by local resource managers, in consultation with the appropriate local Forest Stewardship Council.

(f) ESTABLISHMENT OF LOCAL FOREST STEWARDSHIP COUNCILS.—Local Forest Stewardship Councils shall be established for each unit of the National Forest System which offers stewardship contracts. The role of a Forest Stewardship Council will be to, in cooperation with the resource managers, prioritize and select stewardship projects, set operational goals in the context of current national forest management policies and local forest plans, evaluate contractor performance and accomplishments, recommend progress payments for work successfully completed by contractors, and make recommendations for the improvement of the stewardship contract process. Each participating National Forest System unit shall establish, after soliciting the comments of local citizens, the size of the local council, the method of selection or election of council members, the terms of service of members, and the council administrative budget, if any. At least 51 percent of members of any Forest Stewardship Council shall be drawn from the private sector, in a manner which insures representation of a broad range of public interests. The functioning of the Forest Stewardship Councils must assure a continuing and open process and must in no way interfere with the broad public involvement in Federal resource management decision making required under the National Environmental Policy Act of 1976.

(g) APPLICATION OF CONTRACTS.—Subject to subsection (h), the revenue received from the sale of timber or any other products of the

forest resulting to the Federal Government as a result of work carried out under a stewardship contract shall be deposited into a Stewardship Account as established in section 4(a).

(h) EFFECT ON OTHER REVENUE REQUIREMENTS.—Twenty-five percent of the revenues received from roadside sale of products extracted through stewardship contract activities shall remain available for payments to States, as required under the Act of May 23, 1908, and section 13 of the Act of March 1, 1991 (16 U.S.C. 500). The Secretary shall first collect revenues to make such payments before exercising the authority provided in subsection g.

SEC. 4. STEWARDSHIP CONTRACT RECEIPTS AND EXPENDITURES.

(a) RECEIPTS.—Monetary receipts received as payment for contract-designated timber and other products of the forest extracted through stewardship contract activities shall be deposited in a designated fund to be known as the ''Stewardship Account''. Amounts in the Account shall be used to make payments to States under the Act of May 23, 1908, and section 13 of the Act of March 1, 1911 (16 U.S.C. 500), and to fund resource activities. Amounts in the Account are hereby appropriated and shall be available to the Secretary until expended, except that those amounts found by the Secretary to be in excess of the needs of the Secretary shall be transferred to miscellaneous receipts in the Treasury of the United States. Any additional revenues made available through direct appropriations to the Forest Service for stewardship contracting and ecosystem management purposes also shall be deposited in the Account.

(b) EXPENDITURES.—Not less than 80 percent of amounts in the Account available for resource activities shall be used for the direct costs of such resource activities. The revenues received from sales of contract-designated products resulting from stewardship contracts shall be returned to the national forest from which they were generated, to be used to fund additional stewardship contracts. To the extent that additional revenues are received in the Account from direct appropriations by the Congress of funds for stewardship contract activities, such funds shall be made available to those forest units using stewardship contracts through a process to be developed by the Secretary.

(c) REPORTING.—As part of the annual report of the Secretary to Congress, the Secretary shall include an accounting of revenues, expenditures, and accomplishments related to the stewardship contracts.

SEC. 5. RELATION TO OTHER LAWS.

All stewardship contracts shall comply with existing applicable laws, and nothing in this Act may be construed as modifying the provisions of any other law except as explicitly provided in this Act.

SEC. 6. EFFECTIVE DATE.

This Act shall be effective upon passage.

SEC. 7. TERMINATION DATE.

Unless extended by a subsequent act of the Congress, this Act shall terminate five years from its effective date.●

By Mr. MACK (for himself, Mr. D'AMATO, and Mr. BOND):

S. 1260. A bill to reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE PUBLIC HOUSING REFORM AND EMPOWERMENT ACT OF 1995

Mr. MACK. Mr. President, I am pleased to introduce, on behalf of Senators D'AMATO and BOND, the Public Housing Reform and Empowerment Act of 1995. This bill represents the first serious effort in decades to reform and consolidate the Nation's public and tenant-based assisted housing programs, and to redirect the primary responsibility for these programs away from the Federal bureaucracy and toward States and localities.

Public housing is home to 1.4 million American families, and much of it is good. Unfortunately, to many Americans the pictures in the national media of high rise public housing projects being imploded symbolize the failure of our housing policy. Clearly, some public housing, particularly in major cities, has fallen into a vicious cycle of crime, drug abuse, welfare dependency, and hopelessness. In far too many places, public housing developments, which are supposed to provide a housing platform from which lower-income families can achieve their own aspirations of economic independence and self-sufficiency, are little more than warehouses that rob the poorest of the poor of their dignity and hope.

The underlying principle of the Public Housing Reform and Empowerment Act is resident choice. By encouraging cost-effective and efficient use of resources, the bill gives housing authorities the ability to offer their residents tenant-based assistance where it is economically feasible. It also requires that distressed public housing be vouchered out to protect the right of residents to decent and safe housing.

A key to increasing resident choice is improving the ability of tenant-based assistance programs to meet the demand for affordable housing. This bill makes important changes in the section 8 voucher program. It repeals program requirements, such as ''take one, take all,'' that discourage landlords from participating in the tenant-based program, and it emphasizes lease requirements similar to those in the marketplace.

Micromanagement by both Congress and the Department of Housing and Urban Development [HUD] has saddled housing authorities with rules and regulations that make it almost impossible for even the best of them to run their developments effectively and efficiently. Under today's rules, the residents of public housing face powerful disincentives to work and to achieve economic self-sufficiency. The public housing system must be changed radically before it is entirely discredited.

Our bill addresses the crisis in public housing by consolidating public housing funding into two block grants and transferring greater responsibility for the operation and management of public housing to the housing authorities. It provides greater flexibility to housing authorities to utilize their resources in a more efficient, effective, and creative manner to improve housing quality, while also providing for local accountability in the use of those resources.

The bill ends Federal requirements that have prevented housing authorities from demolishing their obsolete housing stock, concentrated and isolated the poorest of the poor, and created disincentives for public housing residents who want to work and improve their own lives. It would, among other things, permit housing authorities to change counterproductive rent rules that currently discourage employment and prevent the creation of mixed-income public housing communities.

It also repeals Federal preferences and allow housing authorities to operate according to locally established preferences that are consistent with a community's housing needs.

While allowing well-run housing authorities much more discretion, our bill would also crack down on those housing authorities that are troubled. Although small in number, these authorities with severe management problems control almost 15 percent of the Nation's public housing stock. HUD would be required to take over or appoint a receiver for PHA's that are unable to make significant improvements in their operations. This legislation would also give HUD expanded powers to break up or reconfigure troubled authorities, dispose of their assets, or abrogate contracts that impede correction of the housing authority's problems.

Mr. President, this legislation will help protect the Federal Government's sizeable investment in public housing. It will also empower residents by increasing their involvement in developing housing agency management plans, expanding tenant management opportunities, and making public housing a springboard to dignity and hope.

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

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

S. 1260

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Public Housing Reform and Empowerment Act of 1995''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) there exists throughout the Nation a need for decent, safe, and affordable housing;

(2) as of the date of enactment of this Act, the inventory of public housing units owned and operated by public housing agencies, an asset in which the Federal Government has invested approximately $90,000,000,000, has traditionally provided rental housing that is affordable to low-income persons;

(3) despite serving this critical function, the public housing system is plagued by a series of problems, including the concentration of very poor people in very poor neighborhoods and disincentives for economic self-sufficiency;

(4) the Federal method of overseeing every aspect of public housing by detailed and complex statutes and regulations aggravates the problem and places excessive administrative burdens on public housing agencies;

(5) the interests of low-income persons, and the public interest, will best be served by a reformed public housing program that—

(A) consolidates many public housing programs into a single program for the operation and capital needs of public housing;

(B) streamlines program requirements; and

(C) vests in public housing agencies that perform well the maximum feasible authority, discretion, and control with appropriate accountability to both public housing residents and localities; and

(6) voucher and certificate programs under section 8 of the United States Housing Act of 1937 are successful for approximately 80 percent of applicants, and a consolidation of the voucher and certificate programs into a single, market-driven program will assist in making section 8 tenant-based assistance more successful in assisting low-income families in obtaining affordable housing.

(b) PURPOSE.—The purpose of this Act is to consolidate the various programs and activities under the public housing programs administered by the Secretary in a manner designed to reduce Federal overregulation, to redirect the responsibility for a consolidated program to States, localities, public housing agencies, and public housing residents, and to require Federal action to overcome problems of public housing agencies with severe management deficiencies.

SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) PUBLIC HOUSING AGENCY.—The term ''public housing agency'' has the same meaning as in section 3 of the United States Housing Act of 1937.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 4. EFFECTIVE DATE.

Except as otherwise specifically provided in this Act or the amendments made by this Act, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act.

SEC. 5. TECHNICAL RECOMMENDATIONS; ELIMINATION OF OBSOLETE DOCUMENTS.

(a) TECHNICAL RECOMMENDATIONS.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, recommended technical and conforming amendments to carry out the amendments made by this Act.

(b) ELIMINATION OF OBSOLETE DOCUMENTS.—

(1) IN GENERAL.—Effective 1 year after the date of enactment of this Act, no rule, regulation, or order (including all handbooks, notices, and related requirements) issued or promulgated under the United States Housing Act of 1937 before the date of enactment of this Act may be enforced by the Secretary.

(2) PROPOSED REGULATIONS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall submit to the Congress proposed regulations that the Secretary determines are necessary to carry out the United States Housing Act of 1937, as amended by this Act.

TITLE I—PUBLIC AND INDIAN HOUSING

SEC. 101. DECLARATION OF POLICY.

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended to read as follows:

''SEC. 2. DECLARATION OF POLICY.

''It is the policy of the United States to promote the general welfare of the Nation by employing the funds and credit of the Nation, as provided in this Act—

''(1) to assist States and political subdivisions of States to remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families; and

''(2) consistent with the objectives of this title, to vest in public housing agencies that perform well, the maximum amount of responsibility and flexibility in program administration, with appropriate accountability to both public housing residents and localities.''.

SEC. 102. NONDISCRIMINATION.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

''SEC. 27. NONDISCRIMINATION.

''(a) PUBLIC HOUSING RESIDENTS.—No person shall be prohibited from serving on the board of directors or similar governing body of a public housing agency because of the residence of that person in a low-income housing project.

''(b) NONDISCRIMINATION BASED ON RACE, COLOR, NATIONAL ORIGIN, RELIGION, OR SEX.—

''(1) IN GENERAL.—No person in the United States shall, based on the race, color, national origin, religion, or sex of that person be excluded from participation in, denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

''(2) APPLICABILITY OF OTHER LAWS.—Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified handicapped individual, as provided in section 504 of the Rehabilitation Act of 1973 shall apply to any such program or activity.''.

SEC. 103. AUTHORITY OF PUBLIC HOUSING AGENCIES.

(a) AUTHORITY OF PUBLIC HOUSING AGENCIES.—

(1) IN GENERAL.—Section 3(a)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

''(2) AUTHORITY OF PUBLIC HOUSING AGENCIES.—

''(A) CEILING RENTS.—Notwithstanding paragraph (1), a public housing agency may—

''(i) adopt ceiling rents that reflect the reasonable market value of the housing, but that are not less than the actual monthly costs—

''(I) to operate such housing; and

''(II) to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

''(ii) allow families to pay ceiling rents referred to in clause (i), unless, with respect to any family, the ceiling rent established under this subparagraph would exceed the amount payable as rent by that family under paragraph (1).

''(B) MINIMUM RENT.—Notwithstanding paragraph (1), a public housing agency may provide that each family residing in a public housing project or receiving tenant-based or project-based assistance under section 8 shall pay a minimum monthly rent in an amount not to exceed $30 per month.

''(C) MIXED-INCOME PROJECTS.—

''(i) IN GENERAL.—Notwithstanding paragraph (1), and subject to clause (ii), a public housing agency may own or operate one or more mixed-income projects, except as otherwise provided in the public housing agency plan of that public housing agency submitted in accordance with section 5A.

''(ii) RESTRICTION.—No assistance provided under section 9 shall be used by a public housing agency in direct support of any unit rented to a household that is not a low-income household.

''(D) POLICE OFFICERS.—

''(i) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may, in accordance with the public housing agency plan of the public housing agency, allow a police officer who is not otherwise eligible for residence in public housing to reside in a public housing unit. The number and location of units occupied by police officers under this clause, and the terms and conditions of their tenancies, shall be determined by the public housing agency.

''(ii) DEFINITION.—As used in this subparagraph, the term 'police officer' means any person determined by a public housing agency to be, during the period of residence of such person in public housing, employed on a full-time basis by a Federal, State, or local government or any agency thereof (including a public housing agency having an accredited police force) as a duly licensed professional police officer.

''(E) ENCOURAGEMENT OF SELF-SUFFICIENCY.—Public housing agencies shall develop rental policies that encourage and reward employment and upward economic mobility.''.

(2) REGULATIONS.—

(A) IN GENERAL.—The Secretary shall, by regulation, after notice and an opportunity for public comment, establish such requirements as may be necessary to carry out section 3(a)(2)(A) of the United States Housing Act of 1937, as amended by paragraph (1).

(B) TRANSITION RULE.—Prior to the issuance of final regulations under paragraph (1), a public housing agency may implement ceiling rents, which shall be—

(i) determined in accordance with section 3(a)(2)(A) of the United States Housing Act of 1937, as such section existed on the day before effective date of this Act; or

(ii) equal to the 95th percentile of the rent paid for a unit of comparable size by tenants in the same project or a group of comparable projects totaling 50 units or more.

(b) HIGH PERFORMING PUBLIC HOUSING AGENCIES.—

(1) IN GENERAL.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437(a)) is amended by adding at the end the following new paragraph:

''(3) HIGH PERFORMING PUBLIC HOUSING AGENCIES.—

''(A) IN GENERAL.—Notwithstanding the rent calculation formula in paragraph (1), subject to subparagraph (B), the Secretary shall permit a high performing public housing agency, as determined by the Secretary, to determine the amount that a family residing in public housing shall pay as rent.

''(B) LIMITATION.—With respect to a family whose income is equal to or less than 30 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, a public housing agency may not require a family to pay as rent under subparagraph (A) an amount that exceeds the greater of—

''(i) 30 percent of the monthly adjusted income of the family; and

''(ii) $30.''.

(2) PHASE-IN PERIOD.—If a public housing agency charges rent pursuant to section 3(a)(3) of the United States Housing Act of 1937, as added by paragraph (1) of this subsection, the agency shall phase in any increase in the amount otherwise payable by the family over a 3-year period.

(3) REPORTS TO CONGRESS.—

(A) INITIAL REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall report to the Congress on the impact of section 3(a)(3) of the United States Housing Act of 1937, as added by paragraph (1) of this subsection, on residents and on the economic viability of public housing agencies.

(B) FINAL REPORT.—Not later than 5 years after the date of enactment of this Act, the Secretary shall submit to the Congress a final report on the impact of section 3(a)(3) of the United States Housing Act of 1937, as added by paragraph (1) of this subsection, on residents and on the economic viability of public housing agencies. The report shall include recommendations for any legislative changes to rent reform policies.

SEC. 104. DEFINITIONS.

(a) DEFINITIONS.—

(1) SINGLE PERSONS.—Section 3(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)) is amended—

(A) in subparagraph (A), in the third sentence, by striking ''the Secretary shall'' and all that follows before the period at the end and inserting the following: ''the public housing agency may give preference to single persons who are elderly or disabled persons before single persons who are otherwise eligible''; and

(B) in subparagraph (B), in the second sentence, by striking ''regulations of the Secretary'' and inserting ''public housing agency plan of the public housing agency''.

(2) DEFINITION OF ADJUSTED INCOME.—Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended to read as follows:

''(5) ADJUSTED INCOME.—The term 'adjusted income' means the income that remains after excluding—

''(A) $480 for each member of the family residing in the household (other than the head of the household or spouse)—

''(i) who is under 18 years of age; or

''(ii) who is—

''(I) 18 years of age or older; and

''(II) a person with disabilities or a full-time student;

''(B) $400 for an elderly or disabled family;

''(C) the amount by which the aggregate of—

''(i) medical expenses for an elderly or disabled family; and

''(ii) reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed;

exceeds 3 percent of the annual income of the family;

''(D) child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education;

''(E) excessive travel expenses, not to exceed $25 per family per week, for employment- or education-related travel, except that this subparagraph shall apply only to a family assisted by an Indian housing authority; and

''(F) any other income that the public housing agency determines to be appropriate, as provided in the public housing agency plan of the public housing agency.''.

(b) DEFINITIONS OF TERMS USED IN REFERENCE TO PUBLIC HOUSING.—

(1) TECHNICAL CORRECTION.—Section 622(c) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3817) is amended by inserting ''in paragraph (3),'' after ''is amended''.

(2) HOUSING ACT OF 1937.—Section 3(c) of the United States Housing Act of 1937 (42 U.S.C. 1437a(c)) is amended—

(A) in paragraph (1), by inserting ''and of the fees and related costs normally involved in obtaining non-Federal financing and tax credits with or without private and nonprofit partners'' after ''carrying charges'';

(B) in paragraph (2), in the first sentence, by striking ''security personnel),'' and all that follows through the period and inserting the following: ''security personnel), and all eligible activities under the Public and Assisted Housing Drug Elimination Act of 1990, or financing in connection with a low-income housing project, including projects developed with non-Federal financing and tax credits, with or without private and nonprofit partners.'';

(C) in the undesignated paragraph immediately following paragraph (3), by striking ''The earnings of'' and all that follows through the period at the end; and

(D) by adding at the end the following new paragraphs:

''(6) PUBLIC HOUSING AGENCY PLAN.—The term 'public housing agency plan' means the annual plan adopted by a public housing agency under section 5A.

''(7) DISABLED HOUSING.—The term 'disabled housing' means any project, building, or portion of a project or building that is designated by a public housing agency for occupancy exclusively by disabled persons or families.

''(8) ELDERLY HOUSING.—The term 'elderly housing' means any project, building, or portion of a project or building, that is designated by a public housing agency for occupancy exclusively by elderly persons or families, including elderly disabled persons or families.

''(9) MIXED-INCOME PROJECT.—

''(A) IN GENERAL.—The term 'mixed-income project' means a project that is occupied both by one or more low-income households and by one or more households that are not low-income households.

''(B) TYPES OF PROJECTS.—The term 'mixed-income project' includes a project developed—

''(i) by a public housing agency or an entity controlled by a public housing agency; and

''(ii) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity controlled by a public housing agency) is a general partner, managing member, or otherwise has significant participation in directing the activities of such entity, if—

''(I) units are made available in the project, by master contract or individual lease, for occupancy by low-income families identified by the public housing agency for a period of not less than 20 years; and

''(II) the number of public housing units are approximately in the same proportion to the total number of units in the mixed-income project that, in the sole determination of the public housing agency, the value of the financial assistance provided by the public housing agency bears to the value of the total equity investment in the project, or shall not be less than the number of units that could have been developed under the conventional public housing program with the assistance.

''(C) TAXATION.—A mixed-income project may elect to have all units subject to the local real estate taxes, except that units designated as public housing units shall be eligible at the discretion of the public housing agency for the taxing requirements under section 6(d).''.

SEC. 105. CONTRIBUTIONS FOR LOWER INCOME HOUSING PROJECTS.

Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) is amended by striking subsections (h) through (*l*).

SEC. 106. PUBLIC HOUSING AGENCY PLAN.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by inserting after section 5 the following new section:

''SEC. 5A. PUBLIC HOUSING AGENCY PLAN.

''(a) IN GENERAL.—

''(1) SUBMISSION.—Each public housing agency shall submit to the Secretary a written public housing agency plan developed in accordance with this section.

''(2) CONSISTENCY REQUIREMENT.—Each public housing agency plan submitted to the Secretary under paragraph (1) shall be—

''(A) made in consultation with the local advisory board established under subsection (c);

''(B) consistent with the Comprehensive Housing Affordability Strategy for the jurisdiction in which the public housing agency is located, as provided under title I of the Cranston-Gonzalez National Affordable Housing Act; and

''(C) accompanied by a certification by an appropriate State or local public official that the proposed public housing activities are consistent with the housing strategy of the jurisdiction to be served by the public housing agency, as required by subparagraph (B).

''(b) CONTENTS.—Each public housing agency plan shall contain, at a minimum, the following:

''(1) CERTIFICATION.—A written certification that the public housing agency is a governmental entity or public body (or agency or instrumentality thereof) that is authorized to engage in or assist in the development or operation of low-income housing. Any reference in any provision of law of the jurisdiction authorizing the creation of the public housing agency shall be identified and any legislative declaration of purpose in regard thereto shall be set forth in the certification with full text.

''(2) STATEMENT OF POLICY.—An annual statement of policy identifying the primary goals and objectives of the public housing agency for the year for which the statement is submitted, together with any major developments, projects, or programs, including all proposed costs and activities under the Capital and Operating Funds of the public housing agency established under section 9.

''(3) GENERAL POLICIES, RULES, AND REGULATIONS.—The policies, rules, and regulations of the public housing agency regarding—

''(A) the requirements for eligibility into each program administered by the public housing agency and the policies of the public housing agency concerning verification of eligibility, which verification shall be required upon initial commencement of residency and not less frequently than annually thereafter;

''(B) the requirements for the selection and admission of eligible families into the program or programs of the public housing agency, including the tenant screening policies, any preferences or priorities for selection and admission, and the requirements pertaining to the administration of the waiting list or lists of the public housing agency;

''(C) the procedure for assignment of persons admitted into the program to dwelling units owned, leased, managed, or assisted by the public housing agency; and

''(D) the requirements for occupancy of dwelling units, including all standard lease provisions, and conditions for continued occupancy, termination, and eviction.

''(4) MANAGEMENT.—The policies, rules, and regulations relating to the management of the public housing agency, and the projects and programs of the public housing agency, including—

''(A) a description of how the public housing agency is organized and staffed to perform the duties and functions of the public housing agency;

''(B) policies relating to the marketing of dwelling units owned or operated by the public housing agency;

''(C) policies relating to rent collection;

''(D) policies relating to security;

''(E) policies relating to services and amenities provided or offered to families assisted, including all related charges or fees, if any;

''(F) any system of priorities in the management of the operations of the public housing agency; and

''(G) a list of activities to enhance tenant empowerment and management, including assistance to resident councils and resident management corporations.

''(5) RENTS AND CHARGES.—

''(A) IN GENERAL.—The policies of the public housing agency concerning rents or other charges, the manner in which such policies are determined, and the justification for the policies.

''(B) FACTORS FOR CONSIDERATION.—In determining and justifying the policies described in subparagraph (A), the public housing agency shall take into account—

''(i) the goals of the public housing agency to serve households with a broad range of incomes, to create incentives for families to obtain employment, and to serve primarily low-income families;

''(ii) the costs and other financial considerations of the public housing agency; and

''(iii) such other factors as the public housing agency determines to be relevant.

''(6) ECONOMIC AND SOCIAL SELF-SUFFICIENCY PROGRAMS.—A description of any programs, plans, and activities of the public housing agency for the enhancement of the economic and social self-sufficiency of residents assisted by the programs of the public housing agency. The description shall include a statement of any self-sufficiency requirements affecting residents assisted by the programs of the public housing agency.

''(7) USE OF FUNDS FOR EXISTING UNITS.—

''(A) IN GENERAL.—A statement describing the use of distributions from the Capital Fund and Operating Fund of the public housing agency, established in accordance with section 9, including a general description of the public housing agency policies or plans to keep the property of the public housing agency in a decent and safe condition.

''(B) ANNUAL AND 5-YEAR PLAN.—An annual plan and, if appropriate, a 5-year plan of the public housing agency for modernization of the existing dwelling units of the public housing agency, a plan for preventative maintenance, a plan for routine maintenance, and a plan to handle emergencies and other disasters. Each annual and 5-year plan shall include a general statement identifying the long-term viability and physical condition of each of the projects and other property of the public housing agency, including cost estimates and demolition plans, if any.

''(8) USE OF FUNDS FOR NEW OR ADDITIONAL UNITS AND DEMOLITION OR DISPOSITION.—

''(A) IN GENERAL.—

''(i) CAPITAL AND OPERATING FUNDS.—If applicable, a description of the plans of the public housing agency for the Capital Fund and Operating Fund distributions of the public housing agency established under section 9, for the purpose of new construction, demolition, or disposition.

''(ii) ANNUAL AND 5-YEAR PLANS.—An annual plan and a 5-year plan describing any current and future plans for the development or acquisition of new or additional dwelling units, or the demolition or disposition of any of the existing housing stock of the public housing agency, including—

''(I) any plans for the sale of existing dwelling units to low-income residents, other low-income persons or families, or organizations acting as conduits for sales to low-income residents, or other low-income persons or families, under a homeownership plan; and

''(II) the plans of the public housing agency, if any, for replacement of dwelling units to be demolished or disposed of, and any plans providing for the relocation of residents who will be displaced by a demolition or disposition of units.

''(B) DEMOLITIONS.—In the case of a demolition of any existing housing stock, each plan required under subparagraph (A)(ii) shall include—

''(i) identification of the property to be demolished;

''(ii) the estimated costs of the demolition and the sources of funds to pay for the demolition;

''(iii) the uses and explanation of the uses to which the property will be put after demolition; and

''(iv) the reasons for the demolition and for the conclusion of the public housing agency that the demolition is in the best interests of the programs of the public housing agency.

''(C) DISPOSITIONS.—In the case of a disposition of any existing housing stock, each plan required under subparagraph (A)(ii) shall include—

''(i) a description of the property to be disposed of;

''(ii) a description of the use or uses to which the property will be put after disposition, including findings with regard to—

''(I) whether the new use or uses are consistent and compatible with any public housing agency dwelling units that will remain in the immediate vicinity of the property to be disposed of; and

''(II) whether the public housing agency plans to retain any control over or rights in the property after disposition;

''(iii) identification of any consideration, whether in money, property, or both, to be received by the public housing agency as part of the disposition, and the low-income uses that the public housing agency intends for the proceeds, pursuant to the requirements of section 18; and

''(iv) the reasons for disposition of the property by the public housing agency and for the conclusion of the public housing agency that the disposition is in the best interests of the tenants, programs, and activities of the public housing agency.

''(D) OTHER INFORMATION.—The public housing agency shall, with respect to any demolition or disposition plan required by subparagraph (A)(ii), comply with the requirements of section 18, and the public housing agency plan shall expressly certify such compliance.

''(9) OPERATING FUND PLAN.—

''(A) IN GENERAL.—A plan for the Operating Fund of the public housing agency, including—

''(i) an identification of all sources and uses of funding and income of the public housing agency;

''(ii) a description for the establishment, maintenance, and use of reserves; and

''(iii) an operating budget, a budget for any modernization or development, and any plans that the public housing agency has for borrowing funds, including a description of any anticipated actions to mortgage or otherwise grant a security interest in any of the projects or other properties of the public housing agency in connection with public housing agency borrowings.

''(B) APPROVAL BY THE SECRETARY.—Each plan under subparagraph (A) involving mortgaging or granting a security interest in the projects of the public housing agency shall—

''(i) be deemed to be approved by the Secretary, unless the Secretary provides a written disapproval to the public housing agency not later than 45 days after the date on which the plan is submitted under subparagraph (A); and

''(ii) include reasonable provisions for the relocation of low-income tenants in the event of displacement.

''(10) ADDITIONAL PERFORMANCE REQUIREMENTS.—A description of any additional performance standards established by the public housing agency.

''(11) ANNUAL AUDIT.—The results of an annual audit of the public housing agency, which shall be conducted by an independent certified public accounting firm pursuant to generally accepted accounting principles.

''(c) LOCAL ADVISORY BOARD.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—Each public housing agency shall establish one or more local advisory boards in accordance with this subsection, adequate to reflect and represent all of the residents of dwelling units owned, operated, or assisted by the public housing agency.

''(B) INCLUSION IN PUBLIC HOUSING AGENCY PLAN.—The rules governing each local advisory board shall be included in the public housing agency plan of the public housing agency.

''(2) MEMBERSHIP.—Each local board established under this subsection shall be composed of the following membership:

''(A) Not less than 60 percent of the board shall be residents of dwelling units owned, operated, or assisted by the public housing agency.

''(B) The remainder of the board shall be comprised of—

''(i) representatives of the community in which the public housing agency is located; and

''(ii) local government officials of the community in which the public housing agency is located.

''(3) PURPOSE.—Each local advisory board established under this subsection shall assist and make recommendations in the development of the public housing agency plan for submission under this section. The public housing agency shall consider the recommendations of the local advisory board in preparing the final public housing agency plan, and shall include a copy of such recommendations in the public housing agency plan submitted to the Secretary under this section.

''(d) PUBLICATION OF NOTICE.—

''(1) IN GENERAL.—Not later than 45 days before adoption of any public housing agency plan by the governing body of the public housing agency, the public housing agency shall publish a notice informing the public that—

''(A) the proposed public housing agency plan is available for inspection at the principal office of the public housing agency during normal business hours; and

''(B) a public hearing will be held to discuss the public housing agency plan and to invite public comment thereon.

''(2) PUBLIC HEARING.—Each public housing agency shall conduct a public hearing, as provided in the notice published under paragraph (1), not earlier than 30 days nor later than 50 days after the date on which the notice was published. After such public hearing, the public housing agency shall, after considering all public comments received and making any changes it deems appropriate, adopt the public housing agency plan and submit the plan to the Secretary in accordance with this section.

''(e) COORDINATED PROCEDURES.—Each public housing agency shall, in conjunction with the State or relevant unit of general local government, establish procedures to ensure that the public housing agency plan required by this section is consistent with the applicable Comprehensive Housing Affordability Strategy for the jurisdiction in which the public housing agency is located, in accordance with title I of the Cranston-Gonzalez National Affordable Housing Act.

''(f) AMENDMENTS AND MODIFICATIONS TO PLANS.—

''(1) IN GENERAL.—Nothing in this section shall preclude a public housing agency, after submitting a plan to the Secretary in accordance with this section, from amending or modifying any policy, rule, regulation, or plan of the public housing agency, except that no such significant amendment or modification may be implemented—

''(A) other than at a duly called meeting of commissioners (or other comparable governing body) of the public housing agency which is open to the public; and

''(B) until notification of such amendment or modification is sent to the Secretary and approved in accordance with subsection (g)(4).

''(2) CONSISTENCY.—Any significant amendment or modification to a plan submitted to the Secretary under this section shall—

''(A) comply with the requirements of subsection (a)(2); and

''(B) be considered by the local board, as provided in subsection (c).

''(g) TIMING OF PLANS.—

''(1) IN GENERAL.—

''(A) INITIAL SUBMISSION.—Each public housing agency shall submit the initial plan required by this section, and any amendment or revision to the initial plan, to the Secretary at such time and in such form as the Secretary shall require.

''(B) ANNUAL SUBMISSION.—Not later than 60 days prior to the start of the fiscal year of the public housing agency, after initial submission of the plan required by this section in accordance with subparagraph (A), each public housing agency shall annually submit to the Secretary a plan update, including any amendments or reports containing information constituting changes or modifications to the public housing agency plan of the public housing agency.

''(2) REVIEW AND APPROVAL.—

''(A) REVIEW.—After submission of the public housing agency plan or any amendment or report of changes or modifications to the plan to the Secretary, the Secretary shall review the public housing agency plan, amendment, or report to determine—

''(i) in the case of a public housing agency plan, whether the contents of the plan—

''(I) set forth the information required by this section to be contained in a public housing agency plan; and

''(II) are consistent with information and data available to the Secretary; and

''(ii) in all cases, whether the activities proposed by the plan, amendment, or report are prohibited by or inconsistent with any provision of this title or other applicable law.

''(B) APPROVAL.—

''(i) IN GENERAL.—Except as provided in paragraph (3)(B), not later than 45 days after the date on which a public housing agency plan is submitted in accordance with this section, the Secretary shall provide written notice to the public housing agency if the plan has been disapproved, stating with specificity the reasons for the disapproval.

''(ii) FAILURE TO PROVIDE NOTICE OF DISAPPROVAL.—If the Secretary does not provide notice of disapproval under clause (i) before the expiration of the 45-day period described in clause (i), the public housing agency plan of the public housing agency shall be deemed to be approved by the Secretary.

''(3) SECRETARIAL DISCRETION.—

''(A) IN GENERAL.—The Secretary shall have sole discretion to require such additional information and performance requirements as deemed appropriate for each public housing agency that is designated by the Secretary as a troubled public housing agency under section 6(j).

''(B) TROUBLED AGENCIES.—The Secretary shall provide explicit written approval or disapproval, in a timely manner, for a public housing agency plan submitted by any public housing agency designated by the Secretary as a troubled public housing agency under section 6(j).

''(4) STREAMLINED PLAN.—In carrying out this section, the Secretary may establish a streamlined public housing agency plan for—

''(A) public housing agencies that are determined by the Secretary to be high performing public housing agencies; and

''(B) public housing agencies with less than 250 units.''.

(b) INTERIM RULE.—

(1) IN GENERAL.—Not later than January 1, 1996, the Secretary shall issue an interim rule to require the submission of an interim public housing agency plan by each public housing agency, as required by section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(2) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate final regulations implementing section 5A of the United States Housing Act of 1937, as added by subsection (a) of this section. Such regulations shall be subject to negotiated rulemaking.

SEC. 107. CONTRACT PROVISIONS AND REQUIREMENTS.

(a) CONDITIONS.—Section 6(a) of the United States Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

(1) in the first sentence, by inserting '', in a manner consistent with the public housing agency plan submitted under section 5A'' before the period; and

(2) by striking the second sentence.

(b) REVISION OF MAXIMUM INCOME LIMITS; CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS; NOTIFICATION OF ELIGIBILITY.—Section 6(c) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)) is amended to read as follows:

''(c) [Reserved.]''.

(c) EXCESS FUNDS.—Section 6(e) of the United States Housing Act of 1937 (42 U.S.C. 1437d(e)) is amended to read as follows:

''(e) [Reserved.]''.

(d) PERFORMANCE INDICATORS FOR PUBLIC HOUSING AGENCIES.—Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) by striking ''obligated'' and inserting ''provided''; and

(ii) by striking ''unexpended'' and inserting ''unobligated by the public housing agency'';

(B) in subparagraph (D), by striking ''energy'' and inserting ''utility'';

(C) by redesignating subparagraph (H) as subparagraph (J); and

(D) by adding at the end the following new paragraphs:

''(H) The extent to which the agency provides effective programs and activities to promote the economic self-sufficiency of tenants.

''(I) The extent to which the agency successfully meets the goals and carries out the activities and programs of the public housing agency plan under section 5(A).''; and

(2) in paragraph (2)(A)(i), by inserting after the first sentence the following: ''The Secretary may use a simplified set of indicators for public housing agencies with less than 250 units.''.

(e) LEASES.—Section 6(*l*) of the United States Housing Act of 1937 (42 U.S.C. 1437d(*l*)) is amended—

(1) in paragraph (3), by striking ''not be less than'' and all that follows before the semicolon at the end and inserting ''be the period of time required under State law''; and

(2) in paragraph (5), by striking ''on or near such premises''.

(f) PUBLIC HOUSING ASSISTANCE TO FOSTER CARE CHILDREN.—Section 6(o) of the United States Housing Act of 1937 (42 U.S.C. 1437d(o)) is amended by striking ''Subject'' and all that follows through '', in'' and inserting ''In''.

(g) PREFERENCE FOR AREAS WITH INADEQUATE SUPPLY OF VERY LOW-INCOME HOUSING.—Section 6(p) of the United States Housing Act of 1937 (42 U.S.C.1437d(p)) is amended to read as follows:

''(p) [Reserved.]''.

(h) AVAILABILITY OF CRIMINAL RECORDS FOR SCREENING AND EVICTION; EVICTION FOR DRUG-RELATED ACTIVITY.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsections:

''(q) AVAILABILITY OF RECORDS.—

''(1) IN GENERAL.—

''(A) PROVISION OF INFORMATION.—Notwithstanding any other provision of law, except

as provided in subparagraph (B), the National Crime Information Center, a police department, and any other law enforcement agency shall, upon request, provide information to public housing agencies regarding the criminal conviction records of adult applicants for, or residents of, public housing for purposes of applicant screening, lease enforcement, and eviction.

''(B) EXCEPTION.—Except as provided under any provision of State or local law, no law enforcement agency described in subparagraph (A) shall provide information under this paragraph relating to any criminal conviction if the date of that conviction occurred 5 or more years prior to the date on which the request for the information is made.

''(2) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken on the basis of a criminal record, the public housing agency shall provide the resident or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

''(3) FEE.—A public housing agency may be charged a reasonable fee for information provided under paragraph (1).

''(4) RECORDS MANAGEMENT.—Each public housing agency shall establish and implement a system of records management that ensures that any criminal record received by the public housing agency is—

''(A) maintained confidentially;

''(B) not misused or improperly disseminated; and

''(C) destroyed, once the purpose for which the record was requested has been accomplished.

''(5) DEFINITION.—For purposes of this subsection, the term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal or State law.

''(r) EVICTION FOR DRUG-RELATED ACTIVITY.—Any resident evicted from housing assisted under this title by reason of drug-related criminal activity (as such term is defined in section 8(f)(5)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted resident successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).''.

SEC. 108. EXPANSION OF POWERS.

(a) IN GENERAL.—Section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is amended—

(1) in subparagraph (A)—

(A) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(B) by inserting after clause (ii) the following new clause:

''(iii) take possession of the public housing agency, including any project or function of the agency, including any project or function under any other provision of this Act;'';

(2) by redesignating subparagraphs (B) through (D) as subparagraphs (E) through (G), respectively;

(3) by inserting after subparagraph (A) the following new subparagraphs:

''(B)(i) If a public housing agency is identified as troubled under this subsection, the Secretary shall notify the agency of the troubled status of the agency.

''(ii) The Secretary may give a public housing agency a 1-year period, beginning on the date on which the agency receives notification from the Secretary of the troubled status of the agency under clause (i), within which to demonstrate improvement satisfactory to the Secretary. Nothing in this clause shall preclude the Secretary from taking any action the Secretary considers necessary before the commencement or the expiration of the 1-year period described in this clause.

''(iii) Upon the expiration of the 1-year period described in clause (ii), or in the case of a public housing agency identified as troubled before the effective date of this Act, upon the expiration of the 1-year period commencing on that date, if the troubled agency has not demonstrated improvement satisfactory to the Secretary and the Secretary has not yet declared the agency to be in breach of its contract with the Federal Government under this Act, the Secretary shall declare the public housing agency to be in substantial default, as described in subparagraph (A).

''(iv) Upon declaration of a substantial default under clause (iii), the Secretary—

''(I) shall either—

''(aa) petition for the appointment of a receiver pursuant to subparagraph (A)(ii); or

''(bb) take possession of the public housing agency or any development or developments of the public housing agency pursuant to subparagraph (A)(iii); and

''(II) may, in addition, take other appropriate action.

''(C)(i) If a receiver is appointed pursuant to subparagraph (A)(ii), in addition to the powers accorded by the court appointing the receiver, the receiver—

''(I) may abrogate any contract that substantially impedes correction of the substantial default;

''(II) may demolish and dispose of the assets of the public housing agency, in accordance with section 18;

''(III) if determined to be appropriate by the Secretary, may require the establishment, as permitted by applicable State and local law, of one or more new public housing agencies; and

''(IV) shall not be subject to any State or local law relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the receiver, substantially impedes correction of the substantial default.

''(ii) For purposes of this subparagraph, the term 'public housing agency' includes any project or function of a public housing agency, as appropriate, including any project or function under any other provision of this Act.

''(D)(i) If the Secretary takes possession of a public housing agency, or any project or function of the agency, pursuant to subparagraph (A)(iii), the Secretary—

''(I) may abrogate any contract that substantially impedes correction of the substantial default;

''(II) may demolish and dispose of the assets of the public housing agency, in accordance with section 18;

''(III) may require the establishment, as permitted by applicable State and local law, of one or more new public housing agencies;

''(IV) shall not be subject to any State or local law relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the Secretary, substantially impedes correction of the substantial default; and

''(V) shall have such additional authority as a district court of the United States could confer under like circumstances on a receiver to fulfill the purposes of the receivership.

''(ii) The Secretary may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary under this subparagraph for the administration of a public housing agency. The Secretary may delegate to the administrative receiver any or all of the powers given the Secretary by this subparagraph, as the Secretary determines to be appropriate.

''(iii) Regardless of any delegation under this subparagraph, an administrative receiver may not require the establishment of one or more new public housing agencies pursuant to clause (i)(III), unless the Secretary first approves an application by the administrative receiver to authorize such establishment.

''(iv) For purposes of this subparagraph, the term 'public housing agency' includes any project or function of a public housing agency, as appropriate, including any project or function under any other provision of this Act.''; and

(4) by adding at the end the following new subparagraph:

''(H) If the Secretary (or an administrative receiver appointed by the Secretary) takes possession of a public housing agency (including any project or function of the agency) pursuant to subparagraph (A)(iii), or if a receiver is appointed by a court pursuant to subparagraph (A)(ii), the Secretary or receiver shall be deemed to be acting not in that person's or entity's official capacity, but rather in the capacity of the public housing agency, and any liability incurred, regardless of whether the incident giving rise to such liability occurred while the Secretary or receiver was in possession of the public housing agency (including any project or function of the agency), shall be the liability of the public housing agency.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a public housing agency that is found to be in substantial default, on or after the date of enactment of this Act, with respect to the covenants or conditions to which the agency is subject (as such substantial default is defined in the contract for contributions of the agency) or with respect to an agreement entered into under section 6(j)(2)(C) of the United States Housing Act of 1937.

SEC. 109. PUBLIC HOUSING DESIGNATED FOR THE ELDERLY AND THE DISABLED.

Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended to read as follows:

''SEC. 7. AUTHORITY TO PROVIDE DESIGNATED HOUSING.

''(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may, in its discretion and without approval by the Secretary, designate public housing projects or mixed-income projects (or portions of projects) for occupancy as elderly housing, disabled housing, or elderly and disabled housing. The public housing agency shall establish requirements for this section in the public housing agency plan of the public housing agency.

''(b) RELOCATION ASSISTANCE.—A public housing agency that converts any existing project or building, or portion thereof, to elderly housing or disabled housing shall provide to all persons or families who are to be relocated in connection with the conversion—

''(1) notice of the conversion and relocation not less than 6 months before the date of such action;

''(2) comparable housing (including appropriate services and design features) at a rental rate that is comparable to that applicable to the unit from which the person or family has vacated; and

''(3) payment of actual, reasonable moving expenses.

''(c) COMPARABLE HOUSING.—For purposes of this section, tenant-based assistance under section 8(o) shall be deemed to be comparable housing, if the person or family who is relocated may obtain with such assistance

housing that is generally comparable to the housing that was vacated at a cost to the relocated person or family that is not in excess of the amount previously paid for the housing vacated.

''(d) UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT.—The Uniform Relocation and Real Property Acquisition Act shall not apply to activities under this section.''.

SEC. 110. PUBLIC AND INDIAN HOUSING CAPITAL AND OPERATING FUNDS.

Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended to read as follows:

''SEC. 9. PUBLIC AND INDIAN HOUSING CAPITAL AND OPERATING FUNDS.

''(a) IN GENERAL.—Except for assistance provided under section 8, all programs under which assistance is provided for public housing on the day before the effective date of the Public Housing Reform and Empowerment Act of 1995 shall be merged, as appropriate, into either—

''(1) the Capital Fund established under subsection (c); or

''(2) the Operating Fund established under subsection (d).

''(b) USE OF EXISTING FUNDS.—With the exception of funds made available pursuant to section 20(f) and funds appropriated for the urban revitalization demonstration program authorized under the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Acts—

''(1) funds made available to the Secretary for public housing purposes that have not been obligated by the Secretary to a public housing agency before the effective date of the Public Housing Reform and Empowerment Act of 1995 shall be made available, for the period originally provided in law, for use in either the Capital Fund or the Operating Fund established under this section, as appropriate; and

''(2) funds made available to the Secretary for public housing purposes that have been obligated by the Secretary to a public housing agency but that, as of the effective date of the Public Housing Reform and Empowerment Act of 1995, have not been obligated by the public housing agency, may be made available by that public housing agency, for the period originally provided in law, for use in either the Capital Fund or the Operating Fund established under this section, as appropriate.

''(c) CAPITAL FUND.—

''(1) IN GENERAL.—The Secretary shall establish a Capital Fund for the purpose of making grants to public housing agencies principally—

''(A) to make physical improvements to, to replace, or demolish public housing projects, or portions of projects; and

''(B) for associated management improvements.

''(2) GRANTS.—The Secretary shall make grants to public housing agencies to carry out capital and management activities, including—

''(A) the development and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings;

''(B) vacancy reduction;

''(C) addressing deferred maintenance needs and the replacement of dwelling equipment;

''(D) planned code compliance;

''(E) management improvements;

''(F) community services;

''(G) demolition and replacement;

''(H) tenant relocation; and

''(I) activities to improve the economic empowerment and self-sufficiency of public housing tenants.

''(3) LIMIT ON USE OF FUNDS.—Each public housing agency may use not more than 20 percent of the Capital Fund distribution of the public housing agency for activities under the Operating Fund of the public housing agency pursuant to subsection (d), provided that the public housing agency plan provides for such use.

''(d) OPERATING FUND.—

''(1) IN GENERAL.—The Secretary shall establish an Operating Fund for the purpose of making assistance available to public housing agencies for the operation and management of public housing.

''(2) GRANTS.—The Secretary shall make grants to public housing agencies to carry out activities that relate to the operation and management of public housing, including—

''(A) anti-crime and anti-drug activities (including those activities eligible for assistance under the Public and Assisted Housing Drug Elimination Act of 1990 and the Drug-Free Public Housing Act of 1988); and

''(B) activities related to the provision of service coordinators for elderly persons or persons with disabilities pursuant to section 673 of the Housing and Community Development Act of 1992.

''(e) ESTABLISHMENT OF FORMULAE.—

''(1) IN GENERAL.—The Secretary shall establish formulae for providing assistance under the Capital Fund and the Operating Fund under this subsection.

''(2) FORMULAE REQUIREMENTS.—The formulae established under paragraph (1) shall include the following:

''(A) The needs of public housing agencies as identified through their public housing agency plans submitted under section 5A.

''(B) The number of public housing dwelling units owned and operated by a housing management agency and occupied by low-income families (including the costs of conversion to tenant-based assistance under section 22).

''(C) The extent to which public housing agencies provide programs and activities designed to promote the economic self-sufficiency of tenants.

''(D) The age, condition, and density of the low-income housing owned or operated by the agency.

''(E) The number of dwelling units owned and operated by the housing management agency that are chronically vacant and the amount of assistance appropriate for such units.

''(F) The amount of assistance necessary to provide rehabilitation and operating expenses for public housing dwelling units including the amount of assistance to provide a safe environment.

''(3) TRANSITION FORMULA.—The transition formula shall provide that each public housing agency shall receive that percentage of funds which represents the percentage of funds that the public housing agency received, on average, for modernization costs and operating expenses during the 3 fiscal years of that public housing agency preceding implementation of a formula established under paragraph (1).

''(4) PROCEDURES.—The Secretary shall establish formulae under paragraph (1) through negotiated rulemaking, and shall submit the formulae to the Congress for review not later than 2 years after the date of enactment of the Public Housing Reform and Empowerment Act of 1995.

''(5) APPROVAL.—Unless the Congress acts to disapprove a formula submitted under this subsection, the formula shall be presumed to be approved until a revised formula is adopted.

''(6) OPERATING AND CAPITAL ASSISTANCE.—A resident management corporation managing a public housing development pursuant to a contract under this section shall be provided directly by the Secretary with operating and capital assistance under this title for purposes of operating the development and performing such other eligible activities with respect to the development as may be provided under the contract.

''(f) NATIVE AMERICAN HOUSING PROGRAMS.—Notwithstanding any other provision of law, from amounts appropriated for the Capital Fund or the Operating Fund, the Secretary shall establish such formulae and programs as may be necessary to provide such sums as may be necessary to carry out housing programs for Indians.

''(g) TECHNICAL ASSISTANCE.—To the extent approved in appropriations Acts for grants, the Secretary may provide—

''(1) technical assistance to public housing agencies, resident councils, resident organizations, and resident management corporations, including monitoring, inspections, training for public housing agency employees and residents, and data collection and analysis; and

''(2) remedial activities associated with troubled public housing agencies, as such agencies are so designated under section 6(j).

''(h) FUNDING FOR RESIDENT COUNCILS.—Of any amounts made available in any fiscal year to carry out this section, $25,000,000 shall be made available to resident councils, resident organizations, or resident management corporations, on a competitive basis, to carry out resident management activities, and other activities designed to improve the economic self-sufficiency of public housing residents.

''(i) EMERGENCY RESERVE.—

''(1) IN GENERAL.—

''(A) SET-ASIDE.—In each fiscal year, the Secretary shall set aside an amount not to exceed 2 percent of the amount appropriated to carry out this section for that fiscal year for use in accordance with this subsection.

''(B) USE OF FUNDS.—Amounts set aside under this paragraph shall be available to the Secretary for use in connection with emergencies, and to fund the cost of demolitions, modernization, and other activities if the Capital Fund and Operating Fund distributions of any public housing agency are not adequate to carry out activities relating to the goal of the public housing agency of providing decent, safe, and affordable housing in viable communities.

''(2) ALLOCATION.—Amounts set aside under this paragraph shall be allocated pursuant to a competition based upon relative need to such public housing agencies, in such manner, and in such amounts as the Secretary shall determine.''.

SEC. 111. LABOR STANDARDS.

Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437j) is amended by adding at the end the following new subsection:

''(c) WORK REQUIREMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, each adult member of each household assisted under this Act shall contribute not less than 8 hours of volunteer work per month within the community of that adult.

''(2) INCLUSION IN PLAN.—Each public housing agency shall include in the plan submitted to the Secretary under section 5A, a detailed description of how the public housing agency intends to implement and administer the requirements of paragraph (1).

''(3) EXEMPTIONS.—The Secretary may provide an exemption from the requirements of paragraph (1) for any individual who is—

''(A) not less than 62 years of age;

''(B) a person with disabilities who is unable, as determined in accordance with guidelines established by the Secretary, to comply with this section; or

''(C) working full-time, a student, receiving vocational training, or otherwise meeting work requirements of a public assistance program.''.

SEC. 112. REPEAL OF ENERGY CONSERVATION; CONSORTIA AND JOINT VENTURES.

Section 13 of the United States Housing Act of 1937 (42 U.S.C. 1437k) is amended to read as follows:

''SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND SUBSIDIARIES OF PUBLIC HOUSING AGENCIES.

''(a) CONSORTIA.—

''(1) IN GENERAL.—Any 2 or more public housing agencies may participate in a consortium for the purpose of administering any or all of the housing programs of those public housing agencies in accordance with this section.

''(2) EFFECT.—With respect to any consortium described in paragraph (1)—

''(A) any assistance made available under this title to each of the public housing agencies participating in the consortium shall be paid to the consortium; and

''(B) all planning and reporting requirements imposed upon each public housing agency participating in the consortium with respect to the programs operated by the consortium shall be consolidated.

''(3) RESTRICTIONS.—

''(A) AGREEMENT.—Each consortium described in paragraph (1) shall be formed and operated in accordance with a consortium agreement, and shall be subject to the requirements of a joint public housing agency plan, which shall be submitted by the consortium in accordance with section 5A.

''(B) MINIMUM REQUIREMENTS.—The Secretary shall specify minimum requirements relating to the formation and operation of consortia and the minimum contents of consortium agreements under this paragraph.

''(b) JOINT VENTURES.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency, in accordance with its public housing agency plan submitted under section 5A, may—

''(A) form and operate wholly owned or controlled subsidiaries (which may be nonprofit corporations) and other affiliates, any of which may be directed, managed, or controlled by the same persons who constitute the board of commissioners or other similar governing body of the public housing agency, or who serve as employees or staff of the public housing agency; or

''(B) enter into joint ventures, partnerships, or other business arrangements with, or contract with, any person, organization, entity, or governmental unit, with respect to the administration of the programs of the public housing agency, including any program that is subject to this title.

''(2) USE OF INCOME.—Any income generated under paragraph (1) shall be used for low-income housing or to benefit the tenants of the public housing agency.

''(3) AUDITS.—The Secretary may conduct an audit of any activity undertaken under paragraph (1) at any time.''.

SEC. 113. REPEAL OF MODERNIZATION FUND.

Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437*l*) is repealed.

SEC. 114. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended to read as follows:

''SEC. 16. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

''(a) IN GENERAL.—

''(1) INITIAL OCCUPANCY BY CERTAIN HOUSEHOLDS.—Of the dwelling units of a public housing agency, including public housing units in a designated mixed-income project, made available for initial occupancy—

''(A) not less than 40 percent shall be occupied by households whose incomes do not exceed 30 percent of the area median income for such households; and

''(B) any remaining dwelling units may be made available for households whose incomes do not exceed 80 percent of the area median income for such households.

''(2) ESTABLISHMENT OF DIFFERENT STANDARDS.—Notwithstanding paragraph (1), if approved by the Secretary, a public housing agency may for good cause establish and implement an occupancy standard other than the standard described in paragraph (1).

''(b) APPLICABILITY TO INDIAN HOUSING.—Subsection (a) shall not apply to any dwelling unit assisted by an Indian housing agency.''.

SEC. 115. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) IN GENERAL.—Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended to read as follows:

''SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

''(a) APPLICATIONS FOR DEMOLITION AND DISPOSITION.—Not later than 60 days after receiving an application by a public housing agency for authorization, with or without financial assistance under this title, to demolish or dispose of a public housing project or a portion of a public housing project, the Secretary shall approve the application, if the public housing agency certifies—

''(1) in the case of—

''(A) an application proposing demolition of a public housing project or a portion of a public housing project, that—

''(i) the project or portion of the project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and

''(ii) no reasonable program of modifications is cost-effective to return the project or portion of the project to useful life; and

''(B) an application proposing the demolition of only a portion of a project, that the demolition will help to assure the useful life of the remaining portion of the project;

''(2) in the case of an application proposing disposition of public housing project or other real property subject to this title by sale or other transfer, that—

''(A) the retention of the property is not in the best interests of the residents or the public housing agency because—

''(i) conditions in the area surrounding the project adversely affect the health or safety of the residents or the feasible operation of the project by the public housing agency; or

''(ii) disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing;

''(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are—

''(i) in the best interests of the residents and the public housing agency;

''(ii) consistent with the goals of the public housing agency and the public housing agency plan of the public housing agency; and

''(iii) otherwise consistent with this title; or

''(C) for property other than dwelling units, the property is excess to the needs of a public housing project or the disposition is incidental to, or does not interfere with, continued operation of a public housing project;

''(3) that the public housing agency has specifically authorized the demolition or disposition in the public housing agency plan of the public housing agency submitted under section 5A, and has certified that the actions contemplated in the public housing agency plan comply with the requirements of this section;

''(4) that the public housing agency—

''(A) will provide for the payment of the relocation expenses of each resident to be displaced;

''(B) will ensure that the amount of rent paid by the tenant following relocation will not exceed the amount permitted under this Act; and

''(C) will not commence demolition or disposition until all tenants residing in the unit are relocated;

''(5) that the net proceeds of any disposition will be used—

''(A) unless waived by the Secretary, for the retirement of outstanding obligations issued to finance the original public housing project or modernization of the project; and

''(B) to the extent that any proceeds remain after the application of proceeds in accordance with subparagraph (A), for the provision of low-income housing or to benefit the tenants of the public housing agency; and

''(6) that the public housing agency has complied with subsection (b).

''(b) TENANT OPPORTUNITY TO PURCHASE IN CASE OF PROPOSED DISPOSITION.—

''(1) IN GENERAL.—In the case of a proposed disposition of a public housing project or portion of a project, the public housing agency shall, in appropriate circumstances, as determined by the Secretary, initially offer the property to any eligible resident organization, eligible resident management corporation, or nonprofit organization for resale to low-income families, if such entity—

''(A) is operating only at the public housing project that is the subject of the disposition; and

''(B) has expressed an interest, in writing, to the public housing agency in a timely manner, in purchasing the property for continued use as low-income housing.

''(2) TIMING.—

''(A) THIRTY-DAY NOTICE.—A resident organization, resident management corporation, or other entity referred to in paragraph (1) may express interest in purchasing property that is the subject of a disposition, as described in paragraph (1), during the 30-day period beginning on the date of notification of a proposed sale of the property.

''(B) SIXTY-DAY NOTICE.—If an entity expresses written interest in purchasing a property, as provided in subparagraph (A), no disposition of the property shall occur during the 60-day period beginning on the date of receipt of such written notice, during which time that entity shall be given the opportunity to obtain a firm commitment for financing the purchase of the property.

''(c) HOMEOWNERSHIP ACTIVITIES.—This section does not apply to the disposition of a public housing project, or any portion thereof, in accordance with a homeownership program under which the property is sold or conveyed to low-income persons or families or to an organization acting as a conduit for sales or conveyances to such persons or families.

''(d) REPLACEMENT UNITS.—Notwithstanding any other provision of law, replacement housing units for public housing units demolished in accordance with this section may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of such replacement units is fewer than the number of units demolished.''.

(b) HOMEOWNERSHIP REPLACEMENT PLAN.—

(1) IN GENERAL.—Section 304(g) of the United States Housing Act of 1937 (42 U.S.C. 1437aaa–3(g)), as amended by section 1002(b) of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in

the Recovery from the Tragedy that Occurred At Oklahoma City, and Rescissions Act, 1995, is amended to read as follows:

''(g) [Reserved.]''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective for plans for the demolition, disposition, or conversion to homeownerhsip of public housing approved by the Secretary after September 30, 1995.

(c) UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT.—The Uniform Relocation and Real Property Acquisition Act shall not apply to activities under section 18 of the United States Housing Act of 1937, as amended by this section.

SEC. 116. REPEAL OF FAMILY INVESTMENT CENTERS; VOUCHERS FOR PUBLIC HOUSING.

(a) IN GENERAL.—Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t) is amended to read as follows:

''SEC. 22. VOUCHERS FOR PUBLIC HOUSING.

''(a) IN GENERAL.—

''(1) AUTHORIZATION.—A public housing agency may convert any public housing project (or portion thereof) owned and operated by the public housing agency to a system of tenant-based assistance in accordance with this section.

''(2) REQUIREMENTS.—In making a conversion under this section, the public housing agency shall develop a conversion plan and an assessment under subsection (b) in consultation with the appropriate public housing officials and residents, which plan and assessment shall be consistent with and part of the public housing agency plan submitted under section 5A, and shall describe the conversion and future use or disposition of the public housing project, including an impact analysis on the affected community.

''(b) CONVERSION ASSESSMENT.—

''(1) IN GENERAL.—Not later than 2 years after the date of enactment of the Public Housing Reform and Empowerment Act of 1995, each public housing agency shall assess the status of each public housing project owned and operated by that public housing agency and shall submit to the Secretary a report that includes—

''(A) a cost analysis of the public housing project, including costs attributable to the physical condition, modernization needs, operating costs, and market value (both before and after rehabilitation) of the project;

''(B) a market analysis of the public housing project, including an evaluation of the availability of rental dwelling units at or below the fair market rent in the market area in which the public housing project is located; and

''(C) the impact of the conversion on the neighborhood in which the public housing project is located.

''(2) STREAMLINED ASSESSMENT.—The Secretary may waive or otherwise require a streamlined assessment at the request of the public housing agency.

''(c) COST OF CONVERSION.—The cost of any conversion under this section shall be payable from funds made available from the Capital Fund and the Operating Fund established under section 9 attributable to the converted public housing and any additional funds made available by the Secretary or in an appropriations Act.''.

(b) SAVINGS PROVISION.—The amendment made by subsection (a) does not affect any contract or other agreement entered into under section 23 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

SEC. 117. REPEAL OF FAMILY SELF-SUFFICIENCY; HOMEOWNERSHIP OPPORTUNITIES.

(a) IN GENERAL.—Section 23 of the United States Housing Act of 1937 (42 U.S.C.1437u) is amended to read as follows:

''SEC. 23. PUBLIC HOUSING HOMEOWNERSHIP OPPORTUNITIES.

''(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may sell low-income dwelling units, to the low-income residents of the public housing agency, to other low-income persons or families, or to organizations serving as conduits for sales to such persons.

''(b) SALE PRICES, TERMS AND CONDITIONS.—Any sales under subsection (a) may involve such sales prices, terms, and conditions as the public housing agency may determine in accordance with procedures set forth in the public housing agency plan of the public housing agency submitted under section 5A.

''(c) PROTECTION OF NONPURCHASING FAMILIES.—If a tenant decides not to purchase a unit, or is not qualified to do so, the public housing agency shall—

''(1) ensure that rental assistance under section 8 is made available to the tenant; and

''(2) provide for the payment of the reasonable relocation expenses of the tenant.

''(d) NET PROCEEDS.—The net proceeds of any sales under this section remaining after payment of all costs of the sale and any unassumed, unpaid indebtedness owed in connection with the dwelling units sold unless waived by the Secretary, shall be used for purposes relating to low-income housing and in accordance with the public housing agency plan of the public housing agency submitted under section 5A.''.

(b) SAVINGS PROVISION.—The amendment made by subsection (a) does not affect any contract or other agreement entered into under section 23 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

SEC. 118. CONVERSION OF DISTRESSED PUBLIC HOUSING TO VOUCHERS.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

''SEC. 28. CONVERSION OF DISTRESSED PUBLIC HOUSING TO VOUCHERS.

''(a) IDENTIFICATION OF UNITS.—Each public housing agency shall identify any public housing developments—

''(1) that are on the same or contiguous sites;

''(2) that total more than—

''(A) 600 dwelling units; or

''(B) in the case of high-rise family buildings or substantially vacant buildings, 300 dwelling units;

''(3) that have a vacancy rate of at least 10 percent for dwelling units not in funded, on-schedule modernization programs;

''(4) identified as distressed housing that the public housing agency cannot assure the long-term viability as public housing through density reduction, achievement of a broader range of household income, or other measures; and

''(5) for which the estimated cost of continued operation and modernization of the developments as public housing exceeds the cost of providing tenant-based assistance under section 8 for all families in occupancy.

''(b) CONSULTATION.—Each public housing agency shall consult with the applicable public housing tenants and the unit of general local government in identifying any public housing under subsection (a).

''(c) REMOVAL OF UNITS FROM THE INVENTORIES OF PUBLIC HOUSING AGENCIES.—

''(1) IN GENERAL.—Each public housing agency shall develop a plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a), over a period of not more than 5 years, from the inventory of the public housing agency and the annual contributions contract. The plan shall be approved as part of the public housing agency plan under section 5A and by the relevant local official as consistent with the Comprehensive Housing Affordability Strategy under title I of the Housing and Community Development Act of 1992, including a description of any disposition and demolition plan for the public housing units.

''(2) EXTENSIONS.—The Secretary may extend the deadline in paragraph (1) by not more than 5 years if the Secretary makes a determination that the deadline is impracticable.

''(3) DEMOLITION AND DISPOSITION.—To the extent approved in advance in an appropriations Act, the Secretary may establish requirements and provide funding under the Urban Revitalization Demonstration program for demolition and disposition of public housing under this section.

''(d) CONVERSION TO TENANT-BASED ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall make authority available to a public housing agency to provide tenant-based assistance pursuant to section 8 to families residing in any development that is removed from the inventory of the public housing agency and the annual contributions contract pursuant to subsection (b).

''(2) CONVERSION PLANS.—Each conversion plan under subsection (c) shall—

''(A) require the agency to notify families residing in the development, consistent with any guidelines issued by the Secretary governing such notifications, that the development shall be removed from the inventory of the public housing agency and the families shall receive tenant-based or project-based assistance, and to provide any necessary counseling for families; and

''(B) ensure that all tenants affected by a determination under this section that a development shall be removed from the inventory of a public housing agency shall be offered tenant-based or project-based assistance and shall be relocated to other decent, safe, and affordable housing that is, to the maximum extent practicable, housing of their choice.

''(e) ADMINISTRATION.—

''(1) IN GENERAL.—The Secretary may require a public housing agency to provide such information as the Secretary considers necessary for the administration of this section.

''(2) APPLICABILITY OF SECTION 18.—SECTION 18 DOES NOT APPLY TO THE DEMOLITION OF DEVELOPMENTS REMOVED FROM THE INVENTORY OF THE PUBLIC HOUSING AGENCY UNDER THIS SECTION.''.

SEC. 119. APPLICABILITY TO INDIAN HOUSING.

In accordance with section 201(b)(2) of the United States Housing Act of 1937, except as otherwise provided in this Act, this title and the amendments made by this title shall apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority, as such term is defined in section 3(b) of the United States Housing Act of 1937.

TITLE II—SECTION 8 RENTAL ASSISTANCE

SEC. 201. MERGER OF THE CERTIFICATE AND VOUCHER PROGRAMS.

Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended to read as follows:

''(o) VOUCHER PROGRAM.—

''(1) PAYMENT STANDARD.—

''(A) IN GENERAL.—The Secretary may provide assistance to public housing agencies for tenant-based assistance using a payment standard established in accordance with subparagraph (B). The payment standard shall be used to determine the monthly assistance that may be paid for any family, as provided in paragraph (2).

''(B) ESTABLISHMENT OF PAYMENT STANDARD.—The payment standard shall not exceed 120 percent of the fair market rental established under subsection (c) and shall be not less than 80 percent of that fair market rental.

''(C) SET-ASIDE.—The Secretary may set aside not more than 5 percent of the budget authority available under this subsection as an adjustment pool. The Secretary shall use amounts in the adjustment pool to make adjusted payments to public housing agencies under subparagraph (A), to ensure continued affordability, if the Secretary determines that additional assistance for such purpose is necessary, based on documentation submitted by a public housing agency.

''(D) APPROVAL.—The public housing agency shall submit the payment standard of the public housing agency as part of the public housing agency plan submitted under section 5A.

''(E) REVIEW.—The Secretary shall monitor rent burdens and review any payment standard that results in a significant percentage of the families occupying units of any size paying more than 30 percent of adjusted income for rent. The Secretary shall require each public housing agency to modify the payment standard based on the results of such review.

''(2) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—

''(A) FAMILIES RECEIVING TENANT-BASED ASSISTANCE; RENT DOES NOT EXCEED PAYMENT STANDARD.—For a family receiving tenant-based assistance under this title, if the rent for that family (including the amount allowed for tenant-paid utilities) does not exceed the payment standard established under paragraph (1), the monthly assistance payment to that family shall be equal to the amount by which the rent exceeds the greatest of the following amounts, rounded to the nearest dollar:

''(i) Thirty percent of the monthly adjusted income of the family.

''(ii) Ten percent of the monthly income of the family.

''(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

''(B) FAMILIES RECEIVING TENANT-BASED ASSISTANCE; RENT EXCEEDS PAYMENT STANDARD.—For a family receiving tenant-based assistance under this title, if the rent for that family (including the amount allowed for tenant-paid utilities) exceeds the payment standard established under paragraph (1), the monthly assistance payment to that family shall be equal to the amount by which the applicable payment standard exceeds the greatest of the following amounts, rounded to the nearest dollar:

''(i) Thirty percent of the monthly adjusted income of the family.

''(ii) Ten percent of the monthly income of the family.

''(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

''(C) FAMILIES RECEIVING PROJECT-BASED ASSISTANCE.—For a family receiving project-based assistance under this title, the rent that the family is required to pay shall be determined in accordance with section 3(a)(1), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

''(3) FORTY PERCENT LIMIT.—At the time at which a family initially receives tenant-based assistance under this title with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.

''(4) ELIGIBLE FAMILIES.—At the time at which a family initially receives assistance under this subsection, a family shall qualify as—

''(A) a very low-income family;

''(B) a family previously assisted under this title;

''(C) a low-income family that meets eligibility criteria specified by the public housing agency;

''(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act; or

''(E) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

''(5) ANNUAL REVIEW OF FAMILY INCOME.—Each public housing agency shall, not less frequently than annually, conduct a review of the family income of each family receiving assistance under this subsection.

''(6) SELECTION OF FAMILIES.—

''(A) IN GENERAL.—Each public housing agency may establish local preferences consistent with its public housing agency plan submitted under section 5A.

''(B) EVICTION FOR DRUG-RELATED ACTIVITY.—Any individual or family evicted from housing assisted under this subsection by reason of drug-related criminal activity (as defined in subsection (f)(5)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include waiver for any member of the family of an individual prohibited from receiving assistance under this title whom the public housing agency determines clearly did not participate in and had no knowledge of such criminal activity, or if the circumstances leading to the eviction no longer exist).

''(C) SELECTION OF TENANTS.—The selection of tenants shall be made by the owner of the dwelling unit, subject to the annual contributions contract between the Secretary and the public housing agency.

''(7) LEASE.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit shall provide that—

''(A) the screening and selection of households for such units shall be the function of the owner;

''(B) the lease between the tenant and the owner shall be for a term of not less than 1 year, except that the public housing agency may approve a shorter term for an initial lease between the tenant and the dwelling unit owner if the public housing agency determines that such shorter term would improve housing opportunities for the tenant;

''(C) except as otherwise provided by the public housing agency, may provide for a termination of the tenancy of a resident assisted under this subsection after 1 year;

''(D) the dwelling unit owner shall offer leases to tenants assisted under this subsection that are—

''(i) in a standard form used in the locality by the dwelling unit owner; and

''(ii) contain terms and conditions that—

''(I) are consistent with State and local law; and

''(II) apply generally to tenants in the property who are not assisted under this section;

''(E) the dwelling unit owner may not terminate the tenancy of any person assisted under this subsection during the term of a lease that meets the requirements of this section unless the owner determines, on the same basis and in the same manner as would apply to a tenant in the property who does not receive assistance under this subsection, that—

''(i) the tenant has committed a serious violation of the terms and conditions of the lease;

''(ii) the tenant has violated applicable Federal, State, or local law; or

''(iii) other good cause for termination of the tenancy exists; and

''(F) any termination of tenancy under this subsection shall be preceded by the provision of written notice by the owner to the tenant specifying the grounds for such action, and any relief shall be consistent with applicable State and local law.

''(8) INSPECTION OF UNITS BY PUBLIC HOUSING AGENCIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for each dwelling unit for which a housing assistance payment contract is established under this subsection, the public housing agency shall—

''(i) inspect the unit before any assistance payment is made to determine whether the dwelling unit meets housing quality standards for decent and safe housing established—

''(I) by the Secretary for purposes of this subsection; or

''(II) by local housing codes that exceed housing quality standards or by housing agency-designed codes that exceed housing quality standards; and

''(ii) make periodic inspections during the contract term.

''(B) LEASING OF UNITS OWNED BY PUBLIC HOUSING AGENCY.—If an eligible household assisted under this subsection leases a dwelling unit that is owned by a public housing agency administering assistance under this subsection, the Secretary shall require the unit of general local government, or another entity approved by the Secretary, to make inspections and rent determinations as required by this paragraph.

''(9) EXPEDITED INSPECTION PROCEDURES.—The Secretary shall establish a demonstration project to identify efficient procedures to determine whether units meet housing quality standards for decent and safe housing established by the Secretary. The demonstration project shall include the development of procedures to be followed in any case in which a family receiving tenant-based assistance under this subsection is moving into a dwelling unit, or in which a family notifies the Secretary that a dwelling unit in which they no longer live fails to meet housing quality standards. The Secretary shall also establish procedures for the expedited repair and inspection of units that do not meet housing quality standards.

''(10) VACATED UNITS.—If a family vacates a dwelling unit, no assistance payment may be made under this subsection for the dwelling unit after the month during which the unit was vacated.

''(11) RENT.—

''(A) REASONABLE MARKET RENT.—The rent for dwelling units for which a housing assistance payment contract is established under this subsection shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted, local market.

''(B) NEGOTIATED RENT.—A public housing agency shall, at the request of a family receiving tenant-based assistance under this

subsection, assist such family in negotiating a reasonable rent with a dwelling unit owner. A public housing agency shall review the rent for a unit under consideration by the family (and all rent increases for units under lease by the family) to determine whether the rent (or rent increase) requested by the owner is reasonable. If a public housing agency determines that the rent (or rent increase) for a dwelling unit is not reasonable, the public housing agency shall not make housing assistance payments to the owner under this subsection with respect to such unit.

''(C) UNITS EXEMPT FROM LOCAL RENT CONTROL.—If a dwelling unit for which a housing assistance payment contract is established under this subsection is exempt from local rent control provisions during the term of such contract, the rent for such unit shall be reasonable in comparison with other units in the market area that are exempt from local rent control provisions.

''(D) TIMELY PAYMENTS.—Each public housing agency shall make timely payment of any amounts due to a dwelling unit owner under this subsection. The housing assistance payment contract between the owner and the public housing agency may provide for penalties for the late payment of amounts due under the contract, which shall be imposed on the public housing agency in accordance with generally accepted practices in the local housing market.

''(E) PENALTIES.—Unless otherwise authorized by the Secretary, each public housing agency shall pay any penalties from administrative fees collected by the public housing agency.

''(12) MANUFACTURED HOUSING.—

''(A) IN GENERAL.—A public housing agency may make assistance payments in accordance with this subsection on behalf of a family that utilizes a manufactured home as its principal place of residence. Such payments may be made for the rental of the real property on which the manufactured home owned by any such family is located.

''(B) RENT CALCULATION.—

''(i) CHARGES INCLUDED.—For assistance pursuant to this paragraph, the rent for the space on which a manufactured home is located and with respect to which assistance payments are to be made shall include maintenance and management charges and tenant-paid utilities.

''(ii) PAYMENT STANDARD.—The public housing agency shall establish a payment standard for the purpose of determining the monthly assistance that may be paid for any family under this paragraph. The payment standard may not exceed an amount approved or established by the Secretary.

''(iii) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment under this paragraph shall be determined in accordance with paragraph (2).

''(13) CONTRACT FOR ASSISTANCE PAYMENTS.—

''(A) IN GENERAL.—If the Secretary enters into an annual contributions contract under this subsection with a public housing agency pursuant to which the public housing agency will enter into a housing assistance payment contract with respect to an existing structure under this subsection, the housing assistance payment contract may not be attached to the structure unless the owner agrees to rehabilitate or newly construct the structure other than with assistance under this Act, and otherwise complies with the requirements of this section. The public housing agency may approve a housing assistance payment contract for such structures for not more than 15 percent of the funding available for tenant-based assistance administered by the public housing agency under this section.

''(B) EXTENSION OF CONTRACT TERM.—In the case of a housing assistance payment contract that applies to a structure under this paragraph, a public housing agency shall enter into a contract with the owner, contingent upon the future availability of appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts, to extend the term of the underlying housing assistance payment contract for such period as the Secretary determines to be appropriate to achieve long-term affordability of the housing. The contract shall obligate the owner to have such extensions of the underlying housing assistance payment contract accepted by the owner and the owner's successors in interest.

''(C) RENT CALCULATION.—For project-based assistance under this paragraph, housing assistance payment contracts shall establish rents and provide for rent adjustments in accordance with subsection (c).

''(14) INAPPLICABILITY TO TENANT-BASED ASSISTANCE.—Subsection (c) does not apply to tenant-based assistance under this subsection.

''(15) HOMEOWNERSHIP OPTION.—A public housing agency providing assistance under this subsection may, at the option of the agency, provide assistance for homeownership under subsection (y).''.

SEC. 202. REPEAL OF FEDERAL PREFERENCES.

(a) SECTION 8 EXISTING AND MODERATE REHABILITATION.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

''(A) the selection of tenants shall be the function of the owner, subject to the annual contributions contract between the Secretary and the agency, except that with respect to the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that are not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;''.

(b) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(1) REPEAL.—Section 545(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended to read as follows:

''(c) [Reserved.]''.

(2) PROHIBITION.—Notwithstanding any other provision of law, no Federal tenant selection preferences shall apply with respect to—

(A) housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937 (as such section existed on the day before October 1, 1983); or

(B) projects financed under section 202 of the Housing Act of 1959 (as such section existed on the day before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act).

(c) RENT SUPPLEMENTS.—Section 101(k) of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is amended to read as follows:

''(k) [Reserved.]''.

(d) CONFORMING AMENDMENTS.—

(1) UNITED STATES HOUSING ACT OF 1937.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(A) in section 6(o), by striking ''preference rules specified in'' and inserting ''written selection criteria established pursuant to'';

(B) in section 7(a)(2), by striking ''according to the preferences for occupancy under'' and inserting ''in accordance with the written selection criteria established pursuant to'';

(C) in section 7(a)(3), by striking ''who qualify for preferences for occupancy under'' and inserting ''who meet the written selection criteria established pursuant to'';

(D) in section 8(d)(2)(A), by striking the last sentence;

(E) in section 8(d)(2)(H), by striking ''notwithstanding subsection (d)(1)(A)(i), an'' and inserting ''An'';

(F) in section 16(c), in the second sentence, by striking ''the system of preferences established by the agency pursuant to section 6(c)(4)(A)(ii)'' and inserting ''the written selection criteria established by the public housing agency pursuant to section 6(c)(4)(A)''; and

(G) in section 24(e)—

(i) by striking ''(e) EXCEPTIONS.—'' and all that follows through ''The Secretary may'' and inserting the following:

''(e) EXCEPTION TO GENERAL PROGRAM REQUIREMENTS.—The Secretary may''; and

(ii) by striking paragraph (2).

(2) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704 et seq.) is amended—

(A) in section 455(a)(2)(D)(iii), by striking ''would qualify for a preference under'' and inserting ''meet the written selection criteria established pursuant to'';

(B) in section 522(f)(6)(B), by striking ''any preferences for such assistance under section 8(d)(1)(A)(i)'' and inserting ''the written selection criteria established pursuant to section 8(d)(1)(A)''; and

(3) LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990.—The second sentence of section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is amended by striking ''requirement for giving preferences to certain categories of eligible families under'' and inserting ''written selection criteria established pursuant to''.

(4) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking ''preferences for occupancy'' and all that follows before the period at the end and inserting ''selection criteria established by the owner to elderly families according to such written selection criteria, and to near-elderly families according to such written selection criteria, respectively''.

(5) REFERENCES IN OTHER LAW.—Any reference in any Federal law other than any provision of any law amended by paragraphs (1) through (5) of this subsection or section 201 to the preferences for assistance under section 6(c)(4)(A)(i), 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States Housing Act of 1937 (as such sections existed on the day before the date of enactment of this Act) shall be considered to refer to the written selection criteria established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(6)(A), respectively, of the United States Housing Act of 1937, as amended by this subsection and section 201 of this Act.

SEC. 203. PORTABILITY.

Section 8(r) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)) is amended—

(1) in paragraph (1), by striking ''assisted under subsection (b) or (o)'' and inserting ''receiving tenant-based assistance under subsection (o)'';

(2) in paragraph (3)—

(A) by striking ''(b) or''; and

(B) by adding at the end the following new sentence: ''The Secretary may reserve amounts available for assistance under subsection (o) to compensate public housing

agencies that issue vouchers to families that move into the jurisdiction of the public housing agency under portability procedures.''; and

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

''(5) LEASE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease.''.

SEC. 204. LEASING TO VOUCHER HOLDERS.

Section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)) is amended to read as follows:

''(t) [Reserved.]''.

SEC. 205. HOMEOWNERSHIP OPTION.

Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) in paragraph (1)(A), by inserting before the semicolon '', or owns or is acquiring shares in a cooperative'';

(2) in paragraph (1)(B)(i), by inserting before the semicolon ''and demonstrates to the public housing agency that it has sufficient resources for homeownership'';

(3) by amending paragraph (2) to read as follows:

''(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—

''(A) MONTHLY EXPENSES DO NOT EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

''(i) Thirty percent of the monthly adjusted income of the family.

''(ii) Ten percent of the monthly income of the family.

''(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

''(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the following amounts, rounded to the nearest dollar:

''(i) Thirty percent of the monthly adjusted income of the family.

''(ii) Ten percent of the monthly income of the family.

''(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.'';

(4) by striking paragraphs (3) and (4); and

(5) by redesignating paragraphs (5) through (8) as paragraphs (3) through (6), respectively.

SEC. 206. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CONTRACT PROVISIONS AND REQUIREMENTS.—Section 6(p)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437d(p)(1)(B)) is amended by striking ''holding certificates and vouchers'' and inserting ''receiving tenant-based assistance''.

(b) LOWER INCOME HOUSING ASSISTANCE.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) in subsection (a), by striking the second and third sentences;

(2) in subsection (b)—

(A) in the section heading, by striking ''RENTAL CERTIFICATES AND''; and

(B) in the first undesignated paragraph—

(i) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary''; and

(ii) by striking the second sentence;

(3) in subsection (c)—

(A) in paragraph (3)—

(i) by striking ''(A)''; and

(ii) by striking subparagraph (B);

(B) in the first sentence of paragraph (4), by striking ''or by a family that qualifies to receive'' and all that follows through ''1990'';

(C) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5);

(D) by striking paragraph (7) and redesignating paragraphs (8) through (10) as paragraphs (6) through (8), respectively;

(E) in paragraph (6), as redesignated, by inserting ''(other than a contract under section 8(o))'' after ''section'';

(F) in paragraph (7), as redesignated, by striking ''(but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o))'' and inserting '', other than a contract for tenant-based assistance under this section''; and

(G) in paragraph (8), as redesignated, by striking ''Secretary'' and inserting ''contract administrator'';

(4) in subsection (d)—

(A) in paragraph (1)(B)(iii), by striking ''on or near such premises''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking the third sentence and all that follows through the end of the subparagraph; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) [Reserved.]'';

(5) in subsection (f)—

(A) in paragraph (6), by striking ''(d)(2)'' and inserting ''(o)(11)''; and

(B) in paragraph (7)—

(i) by striking ''(b) or''; and

(ii) by inserting before the period the following: ''and that provides for the eligible family to select suitable housing and to move to other suitable housing'';

(6) by striking subsection (j) and inserting the following:

''(j) [Reserved.]'';

(7) by striking subsection (n) and inserting the following:

''(n) [Reserved.]'';

(8) in subsection (q)—

(A) in the first sentence of paragraph (1), by striking ''and housing voucher programs under subsections (b) and (o)'' and inserting ''program under this section'';

(B) in paragraph (2)(A)(i), by striking ''and housing voucher programs under subsections (b) and (o)'' and inserting ''program under this section''; and

(C) in paragraph (2)(B), by striking ''and housing voucher programs under subsections (b) and (o)'' and inserting ''program under this section'';

(9) in subsection (u), by striking ''certificates or'' each place such term appears; and

(10) in subsection (x)(2), by striking ''housing certificate assistance'' and inserting ''tenant-based assistance''.

(c) RENTAL REHABILITATION AND DEVELOPMENT GRANTS.—Section 17(d)(6)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437o(d)(6)(B)) is amended by striking ''holding certificates under'' and inserting ''receiving tenant-based assistance''.

(d) PUBLIC HOUSING HOMEOWNERSHIP AND MANAGEMENT OPPORTUNITIES.—Section 21(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b)) is amended—

(1) in the first sentence, by striking ''(at the option of the family) a certificate under section 8(b)(1) or a housing voucher under section 8(o)'' and inserting ''tenant-based assistance under section 8''; and

(2) by striking the second sentence.

(e) DOCUMENTATION OF EXCESSIVE RENT BURDENS.—Section 550(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended—

(1) in paragraph (1), by striking ''assisted under the certificate and voucher programs established'' and inserting ''receiving tenant-based assistance'';

(2) in the first sentence of paragraph (2)—

(A) by striking '', for each of the certificate program and the voucher program'' and inserting ''for the tenant-based assistance under section 8''; and

(B) by striking ''participating in the program'' and inserting ''receiving tenant-based assistance''; and

(3) in paragraph (3), by striking ''assistance under the certificate or voucher program'' and inserting ''tenant-based assistance under section 8 of the United States Housing Act of 1937''.

(f) GRANTS FOR COMMUNITY RESIDENCES AND SERVICES.—Section 861(b)(1)(D) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12910(b)(1)(D)) is amended by striking ''certificates or vouchers'' and inserting ''assistance''.

(g) SECTION 8 CERTIFICATES AND VOUCHERS.—Section 931 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437c note) is amended by striking ''assistance under the certificate and voucher programs under sections 8(b) and (o) of such Act'' and inserting ''tenant-based assistance under section 8 of the United States Housing Act of 1937''.

(h) ASSISTANCE FOR DISPLACED TENANTS.—Section 223(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 4113(a)) is amended by striking ''assistance under the certificate and voucher programs under sections 8(b) and 8(o)'' and inserting ''tenant-based assistance under section 8''.

(i) RURAL HOUSING PRESERVATION GRANTS.—Section 533(a) of the Housing Act of 1949 (42 U.S.C. 1490m(a)) is amended in the second sentence by striking ''assistance payments as provided by section 8(o)'' and inserting ''tenant-based assistance as provided under section 8''.

(j) REPEAL OF MOVING TO OPPORTUNITIES FOR FAIR HOUSING DEMONSTRATION.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note) is repealed.

(k) PREFERENCES FOR ELDERLY FAMILIES AND PERSONS.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking ''the first sentence of section 8(o)(3)(B)'' and inserting ''section 8(o)(6)(A)''.

(*l*) ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS.—Section 201(m)(2)(A) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1a(m)(2)(A)) is amended by striking ''section 8(b)(1)'' and inserting ''section 8''.

(m) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203(g)(2) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(g)(2)), as amended by section 101(b) of the Multifamily Housing Property Disposition Reform Act of 1994, is amended by striking ''8(o)(3)(B)'' and inserting ''8(o)(6)(A)''.

SEC. 207. IMPLEMENTATION.

In accordance with the negotiated rulemaking procedures set forth in subchapter

III of chapter 5 of title 5, United States Code, the Secretary shall issue such regulations as may be necessary to implement the amendments made by this title after notice and opportunity for public comment.

SEC. 208. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this title shall become effective not later than 1 year after the date of enactment of this Act.

(b) CONVERSION ASSISTANCE.—

(1) IN GENERAL.—The Secretary may provide for the conversion of assistance under the certificate and voucher programs under subsections (b) and (o) of section 8 of the United States Housing Act of 1937, as such sections existed before the effective date of the amendments made by this title, to the voucher program established by the amendments made by this title.

(2) CONTINUED APPLICABILITY.—The Secretary may apply the provisions of the United States Housing Act of 1937, or any other provision of law amended by this title, as such provisions existed on the day before the effective date of the amendments made by this title, to assistance obligated by the Secretary before such effective date for the certificate or voucher program under section 8 of the United States Housing Act of 1937, if the Secretary determines that such action is necessary for simplification of program administration, avoidance of hardship, or other good cause.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. PUBLIC HOUSING FLEXIBILITY IN THE CHAS.

Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended—

(1) by redesignating the second paragraph designated as paragraph (17) (as added by section 681(2) of the Housing and Community Development Act of 1992) as paragraph (20);

(2) by redesignating paragraph (17) (as added by section 220(b)(3) of the Housing and Community Development Act of 1992) as paragraph (19);

(3) by redesignating the second paragraph designated as paragraph (16) (as added by section 220(c)(1) of the Housing and Community Development Act of 1992) as paragraph (18);

(4) in paragraph (16)—

(A) by striking the period at the end; and

(B) by striking ''(16)'' and inserting ''(17)'';

(5) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and–

(6) by inserting after paragraph (10) the following new paragraph:

''(11) describe how the jurisdiction's plan will help address the needs of public housing and coordinate with the local public housing agency plan under section 5A of the United States Housing Act of 1937;''.

SEC. 302. PUBLIC HOUSING FLEXIBILITY IN THE HOME PROGRAM.

Section 212(d) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742) is amended—

(1) in paragraph (3), by adding ''or'' at the end;

(2) by striking paragraphs (4) and (5); and

(3) by redesignating paragraph (6) as paragraph (4).

SEC. 303. REPEAL OF CERTAIN PROVISIONS.

(a) MAXIMUM ANNUAL LIMITATION ON RENT INCREASES RESULTING FROM EMPLOYMENT.—

(1) REPEAL.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12714) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be deemed to have the same effective date as section 957 of the Cranston-Gonzalez National Affordable Housing Act.

(b) ECONOMIC INDEPENDENCE.—

(1) REPEAL.—Section 923 of the Housing and Community Development Act of 1992 (42 U.S.C. 12714 note) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be deemed to have the same effective date as section 923 of the Housing and Community Development Act of 1992.

SEC. 304. DETERMINATION OF INCOME LIMITS.

(a) IN GENERAL.—Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is amended—

(1) in the fourth sentence—

(A) by striking ''County'' and inserting ''and Rockland Counties''; and

(B) by inserting ''each'' before ''such county''; and

(2) in the fifth sentence, by striking ''County'' each place such term appears and inserting ''and Rockland Counties''.

(b) REGULATIONS.—Not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, the Secretary shall issue regulations implementing the amendments made by subsection (a).

PUBLIC HOUSING REFORM AND RESIDENT EMPOWERMENT ACT—SUMMARY OF KEY PROVISIONS

FINDINGS

Recognizes the Federal government's limited capacity and expertise to manage and oversee 3,400 public housing agencies nationwide. Acknowledges the concentration of the very poor in very poor neighborhoods, disincentives for economic self-sufficiency, and lack of resident choice have been the unintended consequences resulting from Federal micromanagement of housing programs in the past.

PURPOSE

To reform the public housing system by consolidating programs, streamlining program requirements, and providing maximum flexibility and discretion to public housing authorities (PHAs) who perform well with strict accountability to residents and localities, and to address the problems of housing authorities with severe management deficiencies.

BASIC PROVISIONS

Program consolidation.—Consolidates public housing programs into two flexible block grants—one for operating expenses and one for capital needs. Requires HUD to establish new formulas through negotiated rulemaking.

Elimination of obsolete regulations.—Eliminates all current HUD rules, regulations, handbooks, and notices pertaining to the 1937 Housing Act one year after enactment; requires HUD to propose new regulations necessary to carry out revised Act within 6 months.

Public housing agency plan [PHAP].—As a condition for funding, requires each PHA to submit annually a written agency plan to HUD, developed with an advisory board made up of residents and members of the community. The plan is intended to serve as an operating, management and planning tool for PHAs. The plan would include: a description of the PHA's uses for operating and capital funds; a description of the PHA's management policies; procedures relating to eligibility, selection, and admission; and policies involving marketing, rents, security, and tenant empowerment activities.

Vouchering out of public housing.—Allows PHAs to convert any public housing development to a tenant-based or ''voucher'' system, but requires the vouchering out of all severely distressed public housing. Requires each PHA to assess all public housing for the purpose of vouchering out by performing a cost and market analysis and an impact analysis on the affected community.

Choice and opportunity for residents.—Provides families with vouchers and the freedom to move out of housing projects that are in deplorable, unlivable condition. Involves residents in the process of developing a PHA plan that is responsive to their needs. Provides funds for resident organizations to develop resident management and empowerment activities.

Federal preferences.—Repeals Federal preferences and allows PHAs to operate according to locally established preferences consistent with local housing needs.

Income targeting and eligibility.—Allows PHAs to serve families with incomes up to 80 percent of median income, except that at least 40 percent of the units must be reserved for families whose income does not exceed 30 percent of the area median.

Rent flexibility.—Allows high performing PHAs to establish rents with protections for very low income families (families with incomes below 30 percent of the area median would not have to pay more than 30 percent of their income for rent, except that a PHA could charge a minimum rent up to $30 per month). Encourages PHAs to develop rental policies that encourage and reward employment and upward mobility.

Ceiling rents.—Allows PHAs to set ceiling rents that reflect the reasonable rental value of units in order to remove the disincentive for residents to work or seek higher paying jobs where rents are based on a percentage of income.

Minimum rents.—Allows PHAs to set a minimum rent for both Section 8 and public housing units, not to exceed $30 per month.

Income adjustments.—Allows a PHA to disregard certain income in calculating rents to take away the disincentive for tenants to work and earn higher incomes.

Troubled PHAs.—Requires HUD to take over or appoint a receiver for PHAs that are in substantial default within one year of enactment. Expands HUD's powers for dealing with troubled PHAs by allowing it to break up troubled agencies into one or more agencies, abrogate contracts that impede correction of the agency's default, and demolish and dispose of a PHA's assets.

Demolition and disposition.—Repeals the one-for-one replacement requirement and streamlines the demolition and disposition process to permit PHAs to dispose of vacant or obsolete housing.

Criminal activity.—Strengthens the ability of PHAs to evict residents for drug-related criminal activity; denies housing assistance to residents evicted for drug-related activities for up to three years; and provides PHAs with greater access to the criminal conviction records of adult applicants and residents.

Consortia and joint ventures.—Allows PHAs to form a consortium with other PHAs, form and operate wholly-owned or controlled subsidiaries, or enter into joint ventures, partnerships or other business arrangements to administer housing programs.

Designated housing for the elderly and disabled.—Permits PHAs to separate elderly and disabled persons by designating specific projects or parts of projects for a particular population only.

Work requirements.—Requires residents to perform 8 hours of community work per month with the exception for the elderly, disabled and those working full time.

Section 8 tenant based assistance.—Merges the voucher and certificate program into a single voucher program that emphasizes lease requirements similar to the market place. Repeals requirements that are administratively burdensome to landlords, such as ''take one take all,'' endless lease, federal

preferences, and ninety-day termination notice requirements.

Mr. D'AMATO. Mr. President, I rise to cosponsor the Public Housing Reform and Empowerment Act of 1995. I wish to salute Senators CONNIE MACK and KIT BOND for their successful leadership in the development of this legislation. Without their guidance and direction, there would not be a public housing reform bill before you today. Both Senators are to be commended for their strong commitment to improving housing conditions in America.

Mr. President, ''The Public Housing Reform and Empowerment Act of 1995'' is an important first step in the lengthy process of addressing the housing concerns of our nation. It represents a significant starting point in the passage of long overdue reforms of the Department of Housing and Urban Development [HUD]. Given limited Federal resources and the need to balance the budget within 7 years, Congress must find more cost-effective ways to provide affordable housing. This bill represents a concrete step in the fulfillment of Congress' responsibility to the American taxpayer to ensure that every Federal dollar is maximized to its greatest potential.

Substantial input from HUD, public housing authorities, tenant associations and other interested parties has been received and incorporated into this legislation. However, I look forward to additional examination of this bill and further improvement of its provisions.

Mr. President, the Honorable Senator from Florida has outlined the provisions of the bill in great detail. I would like to comment on several guiding principles of the legislation. First, it would reform the public housing system through the devolution of control from the Federal Government to the public housing authorities and their tenants. It would consolidate programs, streamline program requirements and provide greatly increased flexibility to public housing authorities.

The bill also provides incentives to facilitate the transition from welfare to work and empower public housing tenants. This will allow our nation's public housing residents a greater opportunity to achieve economic independence. Furthermore, the bill would streamline the demolition and disposition process of distressed housing projects through the repeal of the one-for-one replacement requirement and other measures.

The bill recognizes that public housing is most effective when there is a viable income mix among its residents. Federal preferences would be repealed. High performance public housing authorities would be allowed to establish rents with protections provided for very low-income families. The ''Brooke Amendment,'' which does not allow a rent greater than 30 percent of tenant income, would be waived in some instances. I will continue to closely analyze the impact, both immediate and future, which such a waiver would have on the tenants whom we are committed to serving. Also, special protections should be considered for elderly and disabled individuals living on fixed incomes.

The safety and security of the residents of public and assisted housing is a paramount objective. To that end, the bill would allow public housing authorities increased access to criminal conviction records and permit greater flexibility in the eviction of drug criminals. Public housing authorities depend on drug elimination funding to provide police to safeguard law-abiding tenants. I will continue to closely examine the practical effects of the bill's provision which would fold the drug elimination grant program into a block grant.

''The Public Housing Reform and Empowerment Act'' officially embarks us on the reinvention of the Department of Housing and Urban Development and the redirection of our Nation's housing policy. I would like to personally congratulate Senator MACK for his initiative and steadfastness in producing a public housing reform bill which is thoughtful and well-balanced. As chairman of the Banking Subcommittee on Housing Opportunity and Community Development, he faces the strong challenge of reforming the Department of Housing and Urban Development. I strongly support the Senator's deliberate and measured approach to addressing the complex and difficult housing issues before us.

HUD is at a crossroads. HUD's fiscal crisis, poor management, and lack of capacity have placed the Department in a situation in which it can no longer continue with business as usual. HUD is expected to do too much and has too many varied and competing constituencies. We must determine which current functions should be transferred to other Federal agencies or other levels of government and which programs, if any, should be preserved within HUD.

The Banking Committee and its Housing Subcommittees will continue to evaluate proposals for HUD reorganization and elimination. Congress will seek to thoroughly address a myriad of housing issues.

I would like to acknowledge Senator LAUCH FAIRCLOTH, chairman of the Banking Subcommittee on HUD Oversight and Structure, for his diligence in his oversight role of the Department of Housing and Urban Development. His forthright views on the future of HUD effectively serve to widen the debate on the Department's potential for reform.

Additional legislative initiatives to reform HUD will be offered. However, reforms must be made with caution and careful consideration of budgetary and social impacts. Congress must assess fully the potential ramifications of statutory change on State and local governments and entities, the capital and bond markets, property owners and managers, local communities, and program recipients.

We must remember that the fundamental goal of this process is to address adequately the affordable housing and community development needs of our citizens in a time of dwindling Federal resources. It is imperative that we protect our needy poor and working class residents whom these programs are intended to serve. I believe this bill balances the social purpose of public and assisted housing programs while also responding to Federal fiscal constraints.

I look forward to working with all Members of the Banking Committee on a bipartisan basis to ensure the swift passage of this important housing initiative.

Mr. BOND. Mr. President, today, Senator MACK, Senator D'AMATO, and I are introducing a housing reauthorization bill, the Public Housing Reform and Empowerment Act of 1995.

Over the last several months, I have worked with my colleagues on the appropriating committee where I serve as chairman of the VA/HUD Appropriations Subcommittee, and my fellow members of the housing authorizing committee to do something about the train wreck that has occurred in public housing. Within this context, this public housing reform bill dovetails with many of the public housing reforms contained in the VA/HUD FY 1996 appropriations bill and reflects the need to provide streamlined programs and local responsibility as the most appropriate method to address local housing needs. This bill also represents a complete overhaul of the public housing system and a move away from HUD's ''one size fits all'' mentality.

As I discussed on this floor this summer, when the rescissions bill was before us, HUD not only is a dysfunctional agency but it has made far too many commitments to be able to live up to those commitments. HUD has undertaken advance commitments for new housing beyond its ability and capacity particularly under these budget constraints to fund.

We have in the rescissions bill taken over $6 billion out of the current year's budget authority for Department of Housing and Urban Development. In the coming fiscal year, our subcommittee has over $9 billion less for budget authority than we do in the current year. As a result, the budgetary pressures are forcing us to reevaluate all HUD housing and community development programs, including the public housing programs. It is not only the budget pressures, Mr. President; it is the total lack of foresight in planning in HUD that has led us to the situation where reforms are vitally needed.

Any of us who go back to our States and talk with people who are in housing, who are concerned about providing housing for those in need, know that reforms are needed. The housing reauthorization bill that I am introducing with my colleagues on the Banking

Committee today goes a long way towards making the changes in law that will enable public housing authorities in local jurisdictions to make the decisions that are so vitally important to assure that we continue to supply housing to those who are counting on it.

In public housing, frankly, we are going to move to two flexible block grants, one for operating funds, one for capital grants. I emphasize flexibility; for example, the operating funds should be used by well performing public housing authority as that housing authority wants and needs. Too many times in too many areas we have seen HUD trying to second-guess the decisions made by those who are on-site directly responsible to the residents or tenants they serve, and the decisions have been delayed or denied. There has been an inordinate amount of red tape and delay, hamstringing the ability of public housing authorities to move forward.

This block grant system would allow PHAs to make the decisions on operating funds. PHAs also would have a separate fund for capital grants. This would enable them to decide how to modernize or rehabilitate public housing or, in many instances, demolish unusable and obsolete public housing.

We also tell housing authorities that if they have uninhabitable housing units that are not good places to raise families, that are unsafe, unclean, crime and drug havens, then they ought to tear them down and move those families out. This to me is a very important step for us to clean up our communities and provide decent housing for the people who depend upon publicly assisted housing.

We think there are tremendous savings and tremendously improved services that will come about from getting HUD out of the business of micromanaging public housing at the local level.

Now, we believe that good performing public housing authorities ought to be freed of the day-to-day regulation by HUD. We would require that all public housing authorities submit a public housing agency plan to HUD that tells how they are going to serve their tenants. They would have an advisory committee made up of 60 percent of the tenants or residents who would work with them on the plan, but the housing authority would have the final authority.

That plan would be submitted to the HUD Secretary, and the Secretary would have 45 days to disapprove it. If it were not disapproved, it would be in effect. The only reasons the Secretary could disapprove a plan is if it is incomplete, does not comply with law, or HUD has other information that the housing authority is not living up to the commitments made in its previous plans. So there would be some minimal oversight for good performing public housing.

We also make it clear that where public housing authorities are not doing their job, HUD can then step in and provide more extensive oversight, and if they are totally failed public housing authorities, HUD would be empowered to take over the authorities, be able to petition for a receiver and take over the management, turn it over to a competent manager, either private sector, not-for-profit or for-profit manager to make sure that the people who are in public housing are well served.

I have seen too many instances, as I have visited public housing authorities around this country, where they are not being well served; the residents are not being well served because too much time, effort and energy is being spent on complying with rules, requirements, and directives that HUD bureaucrats have laid down that make no sense and do not serve local needs.

In addition to the basic structure, we get rid of permanently the one-for-one hard unit replacement rule on public housing. That has prevented many, many housing authorities and communities from tearing down outmoded, obsolete and unsafe public housing units. Even though there may only be 25 percent occupancy, the rules that HUD has previously operated under say if you tear down a dilapidated, unsafe housing project, which is only 25 percent occupied, you have to replace it with 100 percent of the units. This removes the ability to make common sense decisions on the demolition and disposition of public housing. The Secretary of HUD has agreed with us, that the one-for-one replacement rule needs to go. That is essential for our communities.

This legislation would still continue to protect the poorest of the poor by requiring public housing authorities to continue to make 40 percent of all units available to families whose incomes do not exceed 30 percent of the area median income, and to make all other units available to families with incomes no greater than 80 percent of median.

This bill also addresses the problem of mixed populations in public housing where we house both the elderly and the young disabled, including drug abusers, alcoholics, and people with mental disabilities. This has been a significant housing problem and this housing legislation would provide local flexibility to designate elderly-only housing and disabled-only housing, subject to strong tenant protections. The existing, burdensome HUD requirements have proven to be unacceptable and unworkable.

Finally this bill reforms and consolidates the section 8 voucher and certificate programs into a single voucher program which is designed to reduce administrative burden and increase the acceptability of vouchers in the private housing market.

I think of this bill as part of a downpayment on a larger HUD reform which I expect will be pursued through appropriations and the Banking Committee. I reemphasize that the job is not simple; as chairman of the VA/HUD Appropriations Subcommittee and as a member of the Housing Opportunities Subcommittee of the Senate Banking Committee, I can personally attest to the many complexities of HUD programs and the need to redirect federal housing and community development policy from federal micromanagement to state and local decisionmaking.

HUD has become the poster child for bad government. Nevertheless, I am not recommending that we dismantle HUD, but I do suggest that we devolve many of HUD's responsibilities to states and localities or other entities better able to handle them.

Mr. President, I see that my time has expired. I ask unanimous consent that a letter in support of this measure prepared by the Missouri National Association of Housing Officers be printed in the RECORD.

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

MISSOURI CHAPTER, NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS,
Jefferson City, MO, September 15, 1995.

Hon. CHRISTOPHER S. BOND,
U.S. Senate,
Washington, DC.

DEAR SENATOR BOND: The members of the Missouri Chapter of the National Association of Housing and Redevelopment Officials (NAHRO), representing 250 members of public housing organizations across the state today voted to endorse the draft Bond-Mack Public Housing Reform and Empowerment Act of 1995.

There is a need for safe, affordable housing in every community. Yet public housing authorities cannot hope to meet the needs of their communities in a new era of spending limitations without the flexibility to design and administer housing programs for their own set of challenges. Further, de-emphasizing the Housing and Urban Development Department's reams of regulations in favor of better accountability assessment and incentives is an idea which is long overdue.

The Bond-Mack legislation offers a reasonable step toward continuing a federal housing policy with consistent eligibility guidelines and rent floors, yet allowing the establishment of local priorities by providing broad flexibility for demolishing and disposing of obsolete public housing and simplifying the procedures for designating elderly and disabled public housing.

Especially important in this difficult budget time is the Bond-Mack bill's elimination of the numerous, restrictive funding categories administered by HUD in favor of a flexible Operating Fund and Capital Fund with part of the Capital Fund available for use for Operating Fund projects. The bill also consolidates the Section 8 voucher and certificate programs into a single voucher program, which translates into improved administrative efficiencies.

Public housing authorities welcome the opportunity to show that we can improve housing and streamline bureaucratic regulations if given the opportunity. The Bond-Mack bill recognizes that only by replacing restrictive federal regulations with local flexibility can public housing meet the needs of its communities in tough budget times, and we appreciate having had the opportunity to work

with you and your staff during the drafting of the bill. Missouri NAHRO looks forward to continuing to work closely with you as the legislation continues to develop and move toward final passage.

Sincerely,

ALLEN POLLOCK, PE,
President, MO NAHRO.

By Mr. MOYNIHAN:

S. 1261. A bill to amend the Internal Revenue Code of 1986 to prevent the avoidance of tax through the use of foreign trusts; to the Committee on Finance.

THE USE OF FOREIGN TRUSTS TO AVOID U.S. TAXES

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation designed to stem the use of foreign trusts for the avoidance of U.S. taxes. The administration's fiscal year 1996 budget, which contained a series of proposals for change in the taxation of income from foreign trusts, called attention to this problem earlier this year. Since then, I have been committed to developing practical rules to dramatically improve tax compliance when foreign trusts are used, without unduly burdening legitimate financial transactions. The bill I introduce today represents a serious attempt to achieve that balance.

It is difficult to estimate precisely the magnitude of tax avoidance occurring through the use of foreign trusts. But we have some disturbing evidence. Under current law, U.S. taxpayers are required to report the assets held in foreign trusts that they have established. But the IRS reports that only $1.5 billion of foreign trust assets were reported in 1993. The estimates of total U.S. source funds held abroad in tax haven jurisdictions are staggering by comparison, in the hundreds of billions.

In 1989, the New York Times reported that financial institutions in the Cayman Islands, Luxembourg, and the Bahamas had $240 billion, $200 billion, and $180 billion, respectively, on deposit from the United States. (New York Times, October 29, 1989, pg. 10.) More recently, Barron's estimated that a total of $440 billion was on deposit in the Cayman Islands in 1993, with 60 percent of that amount—$264 billion—coming from the United States. (Barron's, January 4, 1993, pg. 14.) To put this in some perspective, Barron's calculated that there was more American money on deposit in the Cayman Islands than in all of the commercial banks in California. Although only a portion of U.S. funds abroad are held in foreign trusts, the Treasury Department estimates that tens of billions of dollars are held in offshore asset protection trusts established by U.S. persons.

Undoubtedly motivations behind establishing offshore accounts vary, and tax advantages may pale in comparison to the ability to protect assets from U.S. tort or other liabilities. Whatever the initial motivation for moving assets offshore, however, it seems clear that a very large portion of the assets soon disappear insofar as U.S. tax reporting is concerned. The result is rampant tax avoidance. Because tax haven jurisdictions typically have bank secrecy laws, the IRS is effectively precluded from uncovering the information necessary to enforce our tax laws. Tax enforcement is almost entirely dependent upon voluntary reporting by taxpayers, and the evidence is clear that voluntary compliance in this area is lacking.

Something must be done, and the intent behind this bill is to end the ease with which taxpayers can reduce their tax bills by legally or illegally taking advantage of existing foreign trust rules.

Over the past several months I have received extensive comments from practitioners and academics concerning the administration's original foreign trust proposals and possible alternatives. These comments have been very useful. I would like to thank in particular the tax section of the New York State Bar Association for their detailed analysis. A tremendous amount of work went into their submission, prepared on request and within a very short period of time.

The bill I introduce today is substantially revised from the original administration bill—S. 453—to reflect many of the comments received. It has been developed over the last few months in cooperation with my counterpart on the Ways and Means Committee, Congressman GIBBONS, who has been unwavering in his efforts to improve tax compliance in the foreign area. I have also worked with the Treasury Department to develop rules that adequately address the needs for effective tax administration.

There are a number of aspects to this legislation. The provisions designed to enable the IRS to obtain better information on foreign trusts are perhaps the most significant. The bill would substantially strengthen the current information reporting rules on transfers to, and annual operations of, foreign trusts. Among other changes, the bill includes new rules designed to lead most foreign trusts established by U.S. persons to appoint a U.S. agent that can provide trust information to the IRS. In addition, the recipients of monies from foreign trusts would be required to report amounts received. Penalties for failure to comply with reporting requirements would be raised so that they have genuine deterrent effect—as contrasted to the nominal penalties of current law.

The bill would also close a number of loopholes in the existing grantor trust tax rules, a series of rules that specify when the existence of a trust will be ignored for tax purposes because the creator of the trust retains sufficient control over the assets transferred to be appropriately treated as continuing to own the assets. For example, a foreign person—generally not taxable in the United States—transferring assets to a trust for the benefit of U.S. persons generally would not be treated as the tax owner of the assets in the trust unless the trust was fully revocable. Instead, the U.S. beneficiary receiving income from the trust would be taxed on receipt of that income.

The ability to manipulate other foreign trust rules also would be curbed. A U.S. beneficiary's use of property of a foreign trust would be treated as the receipt of a distribution from the trust, taxable to the beneficiary. In addition, a U.S. beneficiary receiving a distribution from a foreign trust's accumulated income would be charged a market rate of interest on taxes due—on a prospective basis—rather than the currently prescribed 6 percent simple interest.

Finally, the bill includes rules to provide greater certainty as to the classification of a trust as foreign or domestic. Under current law, there is considerable uncertainty on this issue because the determination is based on all relevant facts.

A more comprehensive description of the bill, and of the major differences between the legislation that I introduce today and the original administration proposal, has been prepared. I ask unanimous consent that this summary, together with the bill, be placed in the RECORD at the conclusion of my remarks.

Mr. President, I believe this legislation represents a balanced approach to the problem of tax avoidance through the use of foreign trusts, and a significant improvement over the administration's initial legislative proposal. There should be an opportunity to act this year to end the use of foreign trusts to avoid U.S. taxes. I look forward to continuing this effort.

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

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

S. 1261

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Foreign Trust Tax Compliance Act of 1995''.

SEC. 2. IMPROVED INFORMATION REPORTING ON FOREIGN TRUSTS.

(a) IN GENERAL.—Section 6048 of the Internal Revenue Code of 1986 (relating to returns as to certain foreign trusts) is amended to read as follows:

''SEC. 6048. INFORMATION WITH RESPECT TO CERTAIN FOREIGN TRUSTS.

''(a) NOTICE OF CERTAIN EVENTS.—

''(1) GENERAL RULE.—On or before the 90th day (or such later day as the Secretary may prescribe) after any reportable event, the responsible party shall provide written notice of such event to the Secretary in accordance with paragraph (2).

''(2) CONTENTS OF NOTICE.—The notice required by paragraph (1) shall contain such information as the Secretary may prescribe, including—

''(A) the amount of money or other property (if any) transferred to the trust in connection with the reportable event, and

''(B) the identity of the trust and of each trustee and beneficiary (or class of beneficiaries) of the trust.

''(3) REPORTABLE EVENT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'reportable event' means—

''(i) the creation of any foreign trust by a United States person,

''(ii) the transfer of any money or property (directly or indirectly) to a foreign trust by a United States person, including a transfer by reason of death, and

''(iii) the death of a citizen or resident of the United States if—

''(I) the decedent was treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, or

''(II) any portion of a foreign trust was included in the gross estate of the decedent.

''(B) EXCEPTIONS.—

''(i) FAIR MARKET VALUE SALES.—Subparagraph (A)(ii) shall not apply to any transfer of property to a trust in exchange for consideration of at least the fair market value of the transferred property. For purposes of the preceding sentence, consideration other than cash shall be taken into account at its fair market value and the rules of section 679(a)(3) shall apply.

''(ii) PENSION AND CHARITABLE TRUSTS.—Subparagraph (A) shall not apply with respect to a trust which is—

''(I) described in section 404(a)(4) or 404A, or

''(II) determined by the Secretary to be described in section 501(c)(3).

''(4) RESPONSIBLE PARTY.—For purposes of this subsection, the term 'responsible party' means—

''(A) the grantor in the case of the creation of an inter vivos trust,

''(B) the transferor in the case of a reportable event described in paragraph (3)(A)(ii) other than a transfer by reason of death, and

''(C) the executor of the decedent's estate in any other case.

''(b) UNITED STATES GRANTOR OF FOREIGN TRUST.—

''(1) IN GENERAL.—If, at any time during any taxable year of a United States person, such person is treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, such person shall be responsible to ensure that—

''(A) such trust makes a return for such year which sets forth a full and complete accounting of all trust activities and operations for the year, the name of the United States agent for such trust, and such other information as the Secretary may prescribe, and

''(B) such trust furnishes such information as the Secretary may prescribe to each United States person (i) who is treated as the owner of any portion of such trust or (ii) who receives (directly or indirectly) any distribution from the trust.

''(2) TRUSTS NOT HAVING UNITED STATES AGENT.—

''(A) IN GENERAL.—If the rules of this subsection apply to any foreign trust, the determination of amounts required to be taken into account with respect to such trust by a United States person under the rules of subpart E of part I of subchapter J of chapter 1 shall be determined by the Secretary in the Secretary's sole discretion from the Secretary's own knowledge or from such information as the Secretary may obtain through testimony or otherwise.

''(B) UNITED STATES AGENT REQUIRED.—The rules of this subsection shall apply to any foreign trust to which paragraph (1) applies unless such trust agrees (in such manner, subject to such conditions, and at such time as the Secretary shall prescribe) to authorize a United States person to act as such trust's limited agent solely for purposes of applying sections 7602, 7603, and 7604 with respect to—

''(i) any request by the Secretary to examine records or produce testimony related to the proper treatment of amounts required to be taken into account under the rules referred to in subparagraph (A), or

''(ii) any summons by the Secretary for such records or testimony.

The appearance of persons or production of records by reason of a United States person being such an agent shall not subject such persons or records to legal process for any purpose other than determining the correct treatment under this title of the amounts required to be taken into account under the rules referred to in subparagraph (A). A foreign trust which appoints an agent described in this subparagraph shall not be considered to have an office or a permanent establishment in the United States, or to be engaged in a trade or business in the United States, solely because of the activities of such agent pursuant to this subsection.

''(C) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (2) and (4) of section 6038A(e) shall apply for purposes of this paragraph.

''(c) REPORTING BY UNITED STATES BENEFICIARIES OF FOREIGN TRUSTS.—

''(1) IN GENERAL.—If any United States person receives (directly or indirectly) during any taxable year of such person any distribution from a foreign trust, such person shall make a return with respect to such trust for such year which includes—

''(A) the name of such trust,

''(B) the aggregate amount of the distributions so received from such trust during such taxable year, and

''(C) such other information as the Secretary may prescribe.

''(2) INCLUSION IN INCOME IF RECORDS NOT PROVIDED.—If adequate records are not provided to the Secretary to determine the proper treatment of any distribution from a foreign trust, such distribution shall be treated as an accumulation distribution includible in the gross income of the distributee under chapter 1. To the extent provided in regulations, the preceding sentence shall not apply if the foreign trust elects to be subject to rules similar to the rules of subsection (b)(2)(B).

''(d) SPECIAL RULES.—

''(1) DETERMINATION OF WHETHER UNITED STATES PERSON RECEIVES DISTRIBUTION.—For purposes of this section, in determining whether a United States person receives a distribution from a foreign trust, the fact that a portion of such trust is treated as owned by another person under the rules of subpart E of part I of subchapter J of chapter 1 shall be disregarded.

''(2) DOMESTIC TRUSTS WITH FOREIGN ACTIVITIES.—To the extent provided in regulations, a trust which is a United States person shall be treated as a foreign trust for purposes of this section and section 6677 if such trust has substantial activities, or holds substantial property, outside the United States.

''(3) TIME AND MANNER OF FILING INFORMATION.—Any notice or return required under this section shall be made at such time and in such manner as the Secretary shall prescribe.

''(4) MODIFICATION OF RETURN REQUIREMENTS.—The Secretary is authorized to suspend or modify any requirement of this section if the Secretary determines that the United States has no significant tax interest in obtaining the required information.''

(b) INCREASED PENALTIES.—Section 6677 of such Code (relating to failure to file information returns with respect to certain foreign trusts) is amended to read as follows:

''SEC. 6677. FAILURE TO FILE INFORMATION WITH RESPECT TO CERTAIN FOREIGN TRUSTS.

''(a) CIVIL PENALTY.—In addition to any criminal penalty provided by law, if any notice or return required to be filed by section 6048—

''(1) is not filed on or before the time provided in such section, or

''(2) does not include all the information required pursuant to such section or includes incorrect information,

the person required to file such notice or return shall pay a penalty equal to 35 percent of the gross reportable amount. If any failure described in the preceding sentence continues for more than 90 days after the day on which the Secretary mails notice of such failure to the person required to pay such penalty, such person shall pay a penalty (in addition to the amount determined under the preceding sentence) of $10,000 for each 30-day period (or fraction thereof) during which such failure continues after the expiration of such 90-day period.

''(b) SPECIAL RULES FOR RETURNS UNDER SECTION 6048(b).—In the case of a return required under section 6048(b)—

''(1) the United States person referred to in such section shall be liable for the penalty imposed by subsection (a), and

''(2) subsection (a) shall be applied by substituting '5 percent' for '35 percent'.

''(c) GROSS REPORTABLE AMOUNT.—For purposes of subsection (a), the term 'gross reportable amount' means—

''(1) the gross value of the property involved in the event (determined as of the date of the event) in the case of a failure relating to section 6048(a),

''(2) the gross value of the portion of the trust's assets at the close of the year treated as owned by the United States person in the case of a failure relating to section 6048(b)(1), and

''(3) the gross amount of the distributions in the case of a failure relating to section 6048(c).

''(d) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by this section on any failure which is shown to be due to reasonable cause and not due to willful neglect. The fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the required information is not reasonable cause.

''(e) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subsection (a).''

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 6724(d) of such Code is amended by striking ''or'' at the end of subparagraph (S), by striking the period at the end of subparagraph (T) and inserting '', or'', and by inserting after subparagraph (T) the following new subparagraph:

''(U) section 6048(b)(1)(B) (relating to foreign trust reporting requirements).''

(2) The table of sections for subpart B of part III of subchapter A of chapter 61 is of such Code amended by striking the item relating to section 6048 and inserting the following new item:

''Sec. 6048. Information with respect to certain foreign trusts.''

(3) The table of sections for part I of subchapter B of chapter 68 of such Code is amended by striking the item relating to section 6677 and inserting the following new item:

''Sec. 6677. Failure to file information with respect to certain foreign trusts.''

(d) EFFECTIVE DATES.—

(1) REPORTABLE EVENTS.—To the extent related to subsection (a) of section 6048 of the Internal Revenue Code of 1986, as amended by this section, the amendments made by this section shall apply to reportable events (as defined in such section 6048) occurring after the date of the enactment of this Act.

(2) GRANTOR TRUST REPORTING.—To the extent related to subsection (b) of such section 6048, the amendments made by this section shall apply to taxable years of United States persons beginning after the date of the enactment of this Act.

(3) REPORTING BY UNITED STATES BENEFICIARIES.—To the extent related to subsection (c) of such section 6048, the amendments made by this section shall apply to distributions received after the date of the enactment of this Act.

SEC. 3. MODIFICATIONS OF RULES RELATING TO FOREIGN TRUSTS HAVING ONE OR MORE UNITED STATES BENEFICIARIES.

(a) TREATMENT OF TRUST OBLIGATIONS, ETC.—

(1) Paragraph (2) of section 679(a) of the Internal Revenue Code of 1986 is amended by striking subparagraph (B) and inserting the following:

''(B) TRANSFERS AT FAIR MARKET VALUE.—To any transfer of property to a trust in exchange for consideration of at least the fair market value of the transferred property. For purposes of the preceding sentence, consideration other than cash shall be taken into account at its fair market value.''

(2) Subsection (a) of section 679 of such Code (relating to foreign trusts having one or more United States beneficiaries) is amended by adding at the end the following new paragraph:

''(3) CERTAIN OBLIGATIONS NOT TAKEN INTO ACCOUNT UNDER FAIR MARKET VALUE EXCEPTION.—

''(A) IN GENERAL.—In determining whether paragraph (2)(B) applies to any transfer by a person described in clause (ii) or (iii) of subparagraph (C), there shall not be taken into account—

''(i) any obligation of a person described in subparagraph (C), and

''(ii) to the extent provided in regulations, any obligation which is guaranteed by a person described in subparagraph (C).

''(B) TREATMENT OF PRINCIPAL PAYMENTS ON OBLIGATION.—Principal payments by the trust on any obligation referred to in subparagraph (A) shall be taken into account on and after the date of the payment in determining the portion of the trust attributable to the property transferred.

''(C) PERSONS DESCRIBED.—The persons described in this subparagraph are—

''(i) the trust,

''(ii) any grantor or beneficiary of the trust, and

''(iii) any person who is related (within the meaning of section 643(i)(3)) to any grantor or beneficiary of the trust.''

(b) EXEMPTION OF TRANSFERS TO CHARITABLE TRUSTS.—Subsection (a) of section 679 of such Code is amended by striking ''section 404(a)(4) or 404A'' and inserting ''section 6048(a)(3)(B)(ii)''.

(c) OTHER MODIFICATIONS.—Subsection (a) of section 679 of such Code is amended by adding at the end the following new paragraphs:

''(4) SPECIAL RULES APPLICABLE TO FOREIGN GRANTOR WHO LATER BECOMES A UNITED STATES PERSON.—

''(A) IN GENERAL.—If a nonresident alien individual has a residency starting date within 5 years after directly or indirectly transferring property to a foreign trust, this section and section 6048 shall be applied as if such individual transferred to such trust on the residency starting date an amount equal to the portion of such trust attributable to the property transferred by such individual to such trust in such transfer.

''(B) TREATMENT OF UNDISTRIBUTED INCOME.—For purposes of this section, undistributed net income for periods before such individual's residency starting date shall be taken into account in determining the portion of the trust which is attributable to property transferred by such individual to such trust but shall not otherwise be taken into account.

''(C) RESIDENCY STARTING DATE.—For purposes of this paragraph, an individual's residency starting date is the residency starting date determined under section 7701(b)(2)(A).

''(5) OUTBOUND TRUST MIGRATIONS.—If—

''(A) an individual who is a citizen or resident of the United States transferred property to a trust which was not a foreign trust, and

''(B) such trust becomes a foreign trust while such individual is alive,

then this section and section 6048 shall be applied as if such individual transferred to such trust on the date such trust becomes a foreign trust an amount equal to the portion of such trust attributable to the property previously transferred by such individual to such trust. A rule similar to the rule of paragraph (4)(B) shall apply for purposes of this paragraph.''

(d) MODIFICATIONS RELATING TO WHETHER TRUST HAS UNITED STATES BENEFICIARIES.—Subsection (c) of section 679 of such Code is amended by adding at the end the following new paragraphs:

''(3) CERTAIN UNITED STATES BENEFICIARIES DISREGARDED.—A beneficiary shall not be treated as a United States person in applying this section with respect to any transfer of property to foreign trust if such beneficiary first became a United States person more than 5 years after the date of such transfer.

''(4) TREATMENT OF FORMER UNITED STATES PERSONS.—To the extent provided by the Secretary, for purposes of this subsection, the term 'United States person' includes any person who was a United States person at any time during the existence of the trust.''

(e) TECHNICAL AMENDMENT.—Subparagraph (A) of section 679(c)(2) is amended to read as follows:

''(A) in the case of a foreign corporation, such corporation is a controlled foreign corporation (as defined in section 957(a)),''.

(f) REGULATIONS.—Section 679 is amended by adding at the end the following new subsection:

''(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers of property after February 6, 1995.

SEC. 4. FOREIGN PERSONS NOT TO BE TREATED AS OWNERS UNDER GRANTOR TRUST RULES.

(a) GENERAL RULE.—

(1) Subsection (f) of section 672 of the Internal Revenue Code of 1986 (relating to special rule where grantor is foreign person) is amended to read as follows:

''(f) SUBPART NOT TO RESULT IN FOREIGN OWNERSHIP.—

''(1) IN GENERAL.—Notwithstanding any other provision of this subpart, this subpart shall apply only to the extent such application results in an amount being currently taken into account (directly or through 1 or more entities) under this chapter in computing the income of a citizen or resident of the United States or a domestic corporation.

''(2) EXCEPTIONS.—

''(A) CERTAIN REVOCABLE AND IRRECOVABLE TRUSTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), paragraph (1) shall not apply to any trust if—

''(I) the power to revest absolutely in the grantor title to the trust property is exercisable solely by the grantor without the approval or consent of any other person or with the consent of a related or subordinate party who is subservient to the grantor, or

''(II) the only amounts distributable from such trust (whether income or corpus) during the lifetime of the grantor are amounts distributable to the grantor or the spouse of the grantor.

''(ii) EXCEPTION.—Clause (i) shall not apply to any trust which has a beneficiary who is a United States person to the extent such beneficiary has made transfers of property by gift (directly or indirectly) to a foreign person who is the grantor of such trust. For purposes of the preceding sentence, any gift shall not be taken into account to the extent such gift is excluded from taxable gifts under section 2503(b).

''(B) COMPENSATORY TRUSTS.—Except as provided in regulations, paragraph (1) shall not apply to any portion of a trust distributions from which are taxable as compensation for services rendered.

''(3) SPECIAL RULES.—Except as otherwise provided in regulations prescribed by the Secretary—

''(A) a controlled foreign corporation (as defined in section 957) shall be treated as a domestic corporation for purposes of paragraph (1), and

''(B) paragraph (1) shall not apply for purposes of applying part III of subchapter G (relating to foreign personal holding companies) and part VI of subchapter P (relating to treatment of certain passive foreign investment companies).

''(4) RECHARACTERIZATION OF PURPORTED GIFTS.—In the case of any transfer directly or indirectly from a partnership or foreign corporation which the transferee treats as a gift or bequest, the Secretary may recharacterize such transfer in such circumstances as the Secretary determines to be appropriate to prevent the avoidance of the purposes of this subsection.

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations providing that paragraph (1) shall not apply in appropriate cases.''

(2) The last sentence of subsection (c) of section 672 of such Code is amended by inserting ''subsection (f) and'' before ''sections 674''.

(b) CREDIT FOR CERTAIN TAXES.—Paragraph (2) of section 665(d) of such Code is amended by adding at the end the following new sentence: ''Under rules or regulations prescribed by the Secretary, in the case of any foreign trust of which the settlor or another person would be treated as owner of any portion of the trust under subpart E but for section 672(f), the term 'taxes imposed on the trust' includes the allocable amount of any income, war profits, and excess profits taxes imposed by any foreign country or possession of the United States on the settlor or such other person in respect of trust gross income.''

(c) DISTRIBUTIONS BY CERTAIN FOREIGN TRUSTS THROUGH NOMINEES.—

(1) Section 643 of such Code is amended by adding at the end the following new subsection:

''(h) DISTRIBUTIONS BY CERTAIN FOREIGN TRUSTS THROUGH NOMINEES.—For purposes of this part, any amount paid to a United States person which is derived directly or indirectly from a foreign trust of which the payor is not the grantor shall be deemed in the year of payment to have been directly

paid by the foreign trust to such United States person.''

(2) Section 665 of such Code is amended by striking subsection (c).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR CERTAIN TRUSTS.—The amendments made by this section shall not apply to any trust—

(A) which is treated as owned by the grantor or another person under section 676 or 677 (other than subsection (a)(3) thereof) of the Internal Revenue Code of 1986, and

(B) which is in existence on September 19, 1995.

The preceding sentence shall not apply to the portion of any such trust attributable to any transfer to such trust after September 19, 1995.

(e) TRANSITIONAL RULE.—If—

(1) by reason of the amendments made by this section, any person other than a United States person ceases to be treated as the owner of a portion of a domestic trust, and

(2) before January 1, 1997, such trust becomes a foreign trust, or the assets of such trust are transferred to a foreign trust,

no tax shall be imposed by section 1491 of the Internal Revenue Code of 1986 by reason of such trust becoming a foreign trust or the assets of such trust being transferred to a foreign trust.

SEC. 5. INFORMATION REPORTING REGARDING FOREIGN GIFTS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6039E the following new section:

''SEC. 6039F. NOTICE OF GIFTS RECEIVED FROM FOREIGN PERSONS.

''(a) IN GENERAL.—If the value of the aggregate foreign gifts received by a United States person (other than an organization described in section 501(c) and exempt from tax under section 501(a)) during any taxable year exceeds $10,000, such United States person shall furnish (at such time and in such manner as the Secretary shall prescribe) such information as the Secretary may prescribe regarding each foreign gift received during such year.

''(b) FOREIGN GIFT.—For purposes of this section, the term 'foreign gift' means any amount received from a person other than a United States person which the recipient treats as a gift or bequest. Such term shall not include any qualified transfer (within the meaning of section 2503(e)(2)).

''(c) PENALTY FOR FAILURE TO FILE INFORMATION.—

''(1) IN GENERAL.—If a United States person fails to furnish the information required by subsection (a) with respect to any foreign gift within the time prescribed therefor (including extensions)—

''(A) the tax consequences of the receipt of such gift shall be determined by the Secretary in the Secretary's sole discretion from the Secretary's own knowledge or from such information as the Secretary may obtain through testimony or otherwise, and

''(B) such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 5 percent of the amount of such foreign gift for each month for which the failure continues (not to exceed 25 percent of such amount in the aggregate).

''(2) REASONABLE CAUSE EXCEPTION.— Paragraph (1) shall not apply to any failure to report a foreign gift if the United States person shows that the failure is due to reasonable cause and not due to willful neglect.

''(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the item relating to section 6039E the following new item:

''Sec. 6039F. Notice of large gifts received from foreign persons.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act in taxable years ending after such date.

SEC. 6. MODIFICATION OF RULES RELATING TO FOREIGN TRUSTS WHICH ARE NOT GRANTOR TRUSTS.

(a) MODIFICATION OF INTEREST CHARGE ON ACCUMULATION DISTRIBUTIONS.—Subsection (a) of section 668 of the Internal Revenue Code of 1986 (relating to interest charge on accumulation distributions from foreign trusts) is amended to read as follows:

''(a) GENERAL RULE.—For purposes of the tax determined under section 667(a)—

''(1) INTEREST DETERMINED USING UNDERPAYMENT RATES.—The interest charge determined under this section with respect to any distribution is the amount of interest which would be determined on the partial tax computed under section 667(b) for the period described in paragraph (2) using the rates and the method under section 6621 applicable to underpayments of tax.

''(2) PERIOD.—For purposes of paragraph (1), the period described in this paragraph is the period which begins on the date which is the applicable number of years before the date of the distribution and which ends on the date of the distribution.

''(3) APPLICABLE NUMBER OF YEARS.—For purposes of paragraph (2)—

''(A) IN GENERAL.—The applicable number of years with respect to a distribution is the number determined by dividing—

''(i) the sum of the products described in subparagraph (B) with respect to each undistributed income year, by

''(ii) the aggregate undistributed net income.

The quotient determined under the preceding sentence shall be rounded under procedures prescribed by the Secretary.

''(B) PRODUCT DESCRIBED.—For purposes of subparagraph (A), the product described in this subparagraph with respect to any undistributed income year is the product of—

''(i) the undistributed net income for such year, and

''(ii) the sum of the number of taxable years between such year and the taxable year of the distribution (counting in each case the undistributed income year but not counting the taxable year of the distribution).

''(4) UNDISTRIBUTED INCOME YEAR.—For purposes of this subsection, the term 'undistributed income year' means any prior taxable year of the trust for which there is undistributed net income, other than a taxable year during all of which the beneficiary receiving the distribution was not a citizen or resident of the United States.

''(5) DETERMINATION OF UNDISTRIBUTED NET INCOME.—Notwithstanding section 666, for purposes of this subsection, an accumulation distribution from the trust shall be treated as reducing proportionately the undistributed net income for prior taxable years.

''(6) PERIODS BEFORE 1996.—Interest for the portion of the period described in paragraph (2) which occurs before January 1, 1996, shall be determined—

''(A) by using an interest rate of 6 percent, and

''(B) without compounding until January 1, 1996.''

(b) ABUSIVE TRANSACTIONS.—Section 643(a) of such Code is amended by inserting after paragraph (6) the following new paragraph:

''(7) ABUSIVE TRANSACTIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations to prevent avoidance of such purposes.''

(c) TREATMENT OF USE OF TRUST PROPERTY.—

(1) IN GENERAL.—Section 643 of such Code (relating to definitions applicable to subparts A, B, C, and D) is amended by adding at the end the following new subsection:

''(i) USE OF FOREIGN TRUST PROPERTY.—For purposes of subparts B, C, and D—

''(1) GENERAL RULE.—If a foreign trust makes a loan of cash or marketable securities directly or indirectly to—

''(A) any grantor or beneficiary of such trust who is a United States person, or

''(B) any United States person not described in subparagraph (A) who is related to such grantor or beneficiary,

the amount of such loan shall be treated as a distribution by such trust to such grantor or beneficiary (as the case may be).

''(2) USE OF OTHER PROPERTY.—Except as provided in regulations prescribed by the Secretary, any direct or indirect use of trust property (other than cash or marketable securities) by a person referred to in subparagraph (A) or (B) of paragraph (1) shall be treated as a distribution to the grantor or beneficiary (as the case may be) equal to the fair market value of the use of such property. The Secretary may prescribe regulations treating a loan guarantee by the trust as a use of trust property equal to the value of the guarantee.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) CASH.—The term 'cash' includes foreign currencies and cash equivalents.

''(B) RELATED PERSON.—

''(i) IN GENERAL.—A person is related to another person if the relationship between such persons would result in a disallowance of losses under section 267 or 707(b). In applying section 267 for purposes of the preceding sentence, section 267(c)(4) shall be applied as if the family of an individual includes the spouses of the members of the family.

''(ii) ALLOCATION OF USE.—If any person described in paragraph (1)(B) is related to more than one person, the grantor or beneficiary to whom the treatment under this subsection applies shall be determined under regulations prescribed by the Secretary.

''(C) EXCLUSION OF TAX-EXEMPTS.—The term 'United States person' does not include any entity exempt from tax under this chapter.

''(D) TRUST NOT TREATED AS SIMPLE TRUST.—Any trust which is treated under this subsection as making a distribution shall be treated as not described in section 651.

''(4) SUBSEQUENT TRANSACTIONS REGARDING LOAN PRINCIPAL.—If any loan is taken into account under paragraph (1), any subsequent transaction between the trust and the original borrower regarding the principal of the loan (by way of complete or partial repayment, satisfaction, cancellation, discharge, or otherwise) shall be disregarded for purposes of this title.''

(2) TECHNICAL AMENDMENT.—Paragraph (8) of section 7872(f) is amended by inserting '', 643(i),'' before ''or 1274'' each place it appears.

(d) EFFECTIVE DATES.—

(1) INTEREST CHARGE.—The amendment made by subsection (a) shall apply to distributions after the date of the enactment of this Act.

(2) ABUSIVE TRANSACTIONS.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

(3) USE OF TRUST PROPERTY.—The amendment made by subsection (c) shall apply to—

(A) loans of cash or marketable securities after September 19, 1995, and

(B) uses of other trust property after December 31, 1995.

SEC. 7. RESIDENCE OF ESTATES AND TRUSTS, ETC.

(a) TREATMENT AS UNITED STATES PERSON.—

(1) IN GENERAL.—Paragraph (30) of section 7701(a) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D) and by inserting after subparagraph (C) the following:

''(D) any estate or trust if—

''(i) a court within the United States is able to exercise primary supervision over the administration of the estate or trust, and

''(ii) in the case of a trust, one or more United States fiduciaries have the authority to control all substantial decisions of the trust.''

(2) CONFORMING AMENDMENT.—Paragraph (31) of section 7701(a) of such Code is amended to read as follows:

''(31) FOREIGN ESTATE OR TRUST.—The term 'foreign estate' or 'foreign trust' means any estate or trust other than an estate or trust described in section 7701(a)(30)(D).''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply—

(A) to taxable years beginning after December 31, 1996, or

(B) at the election of the trustee of a trust, to taxable years ending after the date of the enactment of this Act.

Such an election, once made, shall be irrevocable.

(b) DOMESTIC TRUSTS WHICH BECOME FOREIGN TRUSTS.—

(1) IN GENERAL.—Section 1491 of such Code (relating to imposition of tax on transfers to avoid income tax) is amended by adding at the end the following new flush sentence:

''If a trust which is not a foreign trust becomes a foreign trust, such trust shall be treated for purposes of this section as having transferred, immediately before becoming a foreign trust, all of its assets to a foreign trust.''

(2) PENALTY.—Section 1494 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(c) PENALTY.—In the case of any failure to file a return required by the Secretary with respect to any transfer described in section 1491, the person required to file such return shall be liable for the penalties provided in section 6677 in the same manner as if such failure were a failure to file a return under section 6048(a).''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

SUMMARY OF FOREIGN TRUST PROPOSALS

I. INFORMATION REPORTING

A. Transferors to Foreign Trusts

Current Law. U.S. persons are required to report transfers of money or property to a foreign trust. Any person who fails to file the required information is subject to a penalty of 5 percent of the amount transferred to the foreign trust, up to a maximum of $1,000. A reasonable cause exception is available.

Reasons for Change. Existing penalties have not proven adequate to encourage some U.S. taxpayers to report transfers to foreign trusts. Information reporting of transfers to such trusts is necessary to identify transactions subject to existing excise taxes and to identify foreign trusts that must be monitored in the future.

Proposal. The proposal would increase the penalty for failure to report a transfer to a foreign trust. The new penalty would be 35 percent of the gross value of the property transferred. In addition, monetary penalties could be imposed for continuing noncompliance with IRS requests for information. The reasonable cause exception is retained. The proposal would be effective for transfers occurring after the date of enactment.

Differences from the Administration Proposal. The current proposal is similar to the Administration proposal.

B. U.S. Grantors of Foreign Trusts

Current Law. A U.S. grantor of a foreign trust is required to provide an annual accounting of trust activities to the IRS. Any person who fails to file the required information is subject to a penalty of 5 percent of the value of the corpus of the trust, up to a maximum of $1,000. A reasonable cause exception is available.

Reasons for Change. Existing information reporting rules predate the significant expansion of the foreign grantor trust rules in 1976. In general, penalties for noncompliance with reporting requirements are minimal. As a result, U.S. grantors of foreign trusts often do not report the income earned by foreign trusts. Because these foreign trusts are frequently established in tax haven jurisdictions with stringent secrecy rules, IRS attempts to verify income earned by foreign trusts are often unsuccessful. A regime which allows the IRS access to information held by the foreign trust is necessary to enforce existing law.

Proposal. The proposal would require a U.S. grantor of a foreign trust to cause the trust to (1) appoint a U.S. agent that can provide relevant information to the IRS; and (2) provide an annual accounting of trust activities, including separate schedules (K–1s) for income attributable to the U.S. grantor. If the foreign trust does not appoint a U.S. agent, the IRS would be authorized to determine, in its discretion, the tax consequences of any trust transactions. The proposal would retain the existing penalty for failure to file of 5 percent of the value of the trust corpus, except that the penalty would no longer be limited to $1,000. In addition, monetary penalties could be imposed for continuing noncompliance with IRS requests for information. The reasonable cause exception is retained. The proposal would be effective for taxable years of the U.S. grantor beginning after the date of enactment.

Differences from the Administration Proposal. The Administration proposal would have allowed the IRS to redetermine tax consequences if the trust did not appoint a U.S. agent or if the trust did not file the required information. The current proposal modifies the Administration proposal by limiting the special IRS redetermination rule to instances where the trust does not appoint a U.S. agent. The Administration proposal would have imposed a monetary penalty of 35 percent of trust income if either the agent were not appointed or the information were not provided. The current proposal modifies this penalty to 5 percent of trust assets, and only imposes the penalty if the required information is not reported.

C. Beneficiaries of Foreign Trusts

Current Law. U.S. persons receiving distributions from foreign nongrantor trusts are required to report them on their U.S. income tax return. If distributions are not reported, the U.S. person could be subject to general tax penalties for failure to report taxable income. A reasonable cause exception is available. U.S. persons receiving distributions from a foreign grantor trust are not required to report them to the IRS.

Reasons for Change. Existing penalties have not proven adequate to encourage some U.S. taxpayers to report distributions from foreign nongrantor trusts. In addition, requiring reporting of distributions from foreign grantor trusts will allow the IRS to verify that the foreign trust is a grantor trust.

Proposal. The proposal would require a U.S. person receiving money or property from a foreign trust, whether a grantor trust or a nongrantor trust, to disclose the distribution on the individual's Federal income tax return. If a beneficiary does not disclose distributions or does not have sufficient records to substantiate the tax treatment of the distributions, then the distributions will be considered distributions of accumulated income from the trust's average year (the years the trust has been in existence divided by two). If the beneficiary does not disclose distributions or provides inaccurate information, a penalty equal to 35 percent of the trust distributions would be imposed upon the beneficiary. In addition, monetary penalties could be imposed for continuing noncompliance with IRS requests for information. The reasonable cause exception is retained. It is intended that the IRS respect the privacy of foreign taxpayers to the extent consistent with the interests of tax administration. This proposal would be effective with respect to distributions received after the date of enactment.

Differences from the Administration Proposal. The Administration proposal placed the responsibility of reporting trust distributions on the trust. The current proposal places that responsibility on the beneficiary.

II. OUTBOUND FOREIGN GRANTOR TRUSTS

Under current law, a special rule applicable to foreign trusts established by a U.S. person for the benefit of U.S. persons provides that such trusts are generally ''grantor trusts'', and the U.S. transferor is treated as the owner of property transferred to the trust. The proposal revises certain exceptions to this foreign grantor trust rule.

A. Sales to Foreign Trusts

Current Law. Sales of property to a foreign trust at fair market value are not transfers that are subject to the foreign grantor trust rule.

Reasons for Change. U.S. persons who transfer property to foreign trusts sometimes attempt to inappropriately avoid the foreign grantor trust rule by selling property to a foreign trust in exchange for a note from the trust which the U.S. transferor may not intend to collect. (If there is no bona fide debt, these transactions are subject to challenge under current law, because the exchange would not be at fair market value.)

Proposal. The proposal disregards any obligation issued or guaranteed by the trust to any related person in determining whether a sale to a foreign trust is for fair market value. This proposal would be effective for assets transferred to foreign trusts after February 6, 1995.

Differences from the Administration Proposal. The Administration proposal would have disregarded any trust obligation issued or guaranteed by the trust to any U.S. person. The current proposal only applies this rule to trust obligations issued to related persons.

B. Pre-immigration Trust

Current Law. The foreign grantor trust rule does not apply to a foreign settlor who transfers property to a foreign trust for the benefit of U.S. persons even if the settlor later becomes a U.S. person.

Reasons for Change. Prior to becoming residents of the United States, foreign persons often put their assets into irrevocable trusts in tax haven jurisdictions for the benefit of U.S. persons. As a result, the future trust income escapes U.S. tax until distribution. Thus, under current law, U.S. persons

who have immigrated to the United States are able to avoid current taxation of trust income in ways that are not available to other U.S. persons.

Proposal. If a foreign person transfers property to a foreign trust with U.S. beneficiaries and the foreign person then becomes a U.S. person within five years of the transfer, the transferor would be treated as the owner of the trust assets when he becomes a U.S. person. This proposal would be effective for assets transferred to foreign trusts after February 6, 1995.

Differences from the Administration Proposal. The current proposal is similar to the Administration proposal.

C. Outbound Trust Migrations

Current Law. Although Revenue Ruling 91–6, 1991–1 C.B. 89, describes the rules that must be applied when a foreign trust becomes a domestic trust, current rules do not clearly describe the tax consequences of a domestic trust becoming a foreign trust.

Reasons for Change. Outbound trust migrations are becoming more common as tax haven jurisdictions enact legislation to enable U.S. trusts to move to those jurisdictions. Rules should be clarified to ensure that taxpayers will not be able to achieve tax results through the outbound migration of a domestic trust that they could not achieve directly by the creation of a foreign trust.

Proposal. If a domestic trust becomes a foreign trust during the life of a U.S. person who transferred assets to the domestic trust, the U.S. transferor will be considered the grantor of the foreign trust. This proposal would generally be effective for trust migrations after February 6, 1995.

Differences from the Administration Proposal. Under the Administration proposal, unless outbound trust migrations were part of a prearranged plan, beneficiaries of the migrating trust would be considered the grantors of the trust. Under the current proposal, if a U.S. person who transferred assets to a migrating trust is alive, that person is considered the grantor of the trust. If the transferor is not alive, a migrating trust is subject to the section 1491 excise tax (described below).

D. Other Provisions

Transfers at Death. The Administration proposal would have treated U.S. beneficiaries as grantors of foreign trusts which were funded at the death of a U.S. person. The current proposal does not include these provisions.

Discretionary Beneficiaries. Because of changes to the treatment of transfers at death and trust migrations, the provisions in the Administration proposal relating to the determination of a beneficiary's proportionate interests in trusts are no longer necessary. The current proposal does not include these provisions.

III. INBOUND FOREIGN GRANTOR TRUSTS

Current Law. A person with certain powers over the trust assets (the ''grantor'') is taxed as if he owned the trust assets directly. This treatment is designed to prevent attempts to shift income from U.S. grantors to U.S. beneficiaries who are likely to be paying taxes at lower rates than the grantor of the trust. Consequently, under existing anti-abuse grantor trust rules, the grantor of such a trust is taxed as if he owned the trust assets directly, even if he retains only minimal economic connections with the trust assets.

Revenue Ruling 69–70, 1969–1 C.B. 182, provides that if a foreign person is treated as the owner of a trust, a U.S. beneficiary of that trust is not taxable on trust income distributed to him.

However, special rules in the Code modify the general grantor trust rules where a U.S. beneficiary has made prior gifts to a foreign grantor. In such a case, the U.S. beneficiary is treated as the owner of the foreign trust assets to the extent of the U.S. beneficiary's prior gifts to the foreign grantor. The rule is designed to prevent wealthy U.S. persons who have immigrated to the United States from avoiding U.S. tax on their worldwide income. Prior to the enactment of this rule, before moving to the United States some immigrants transferred their assets to a foreign relative, who then retransferred those assets to a foreign trust for the benefit of the immigrant. Because the foreign relative retained limited powers over the trust, the immigrant treated the foreign relative as the owner of the trust assets, and did not pay U.S. tax on trust distributions.

Reasons for Change. Existing law inappropriately permits foreign taxpayers to affirmatively use the domestic anti-abuse grantor trust rules. Existing restrictions on the ability of foreign taxpayers to use these rules are not adequate to prevent U.S. beneficiaries, who enjoy the benefits of United States citizenship or residency, from avoiding U.S. tax on their income from trusts.

Proposal. The grantor trust rules generally will only apply to a trust if those rules would result in an amount being included (directly or indirectly) in the gross income of a U.S. citizen, domestic corporation, or a controlled foreign corporation. The grantor trust rules would continue to apply to trusts revocable by the grantor of the trust, to certain compensatory trusts, and for purposes of applying the foreign personal holding company rules and the passive foreign investment company rules. It is intended that no inference regarding the interpretation of present law be drawn from the exclusion of certain trusts, including compensatory trusts, from the application of the special rules of the proposal. These rules are not intended to apply to normal security arrangements involving a trustee (including the use of indenture trustees and similar arrangements). The proposal retains current rules regarding the treatment of U.S. immigrants who made prior gifts to a foreign grantor.

New rules would harmonize the treatment of purported gifts by corporations and partnerships with the new foreign grantor trust rules. In addition, U.S. persons would be required to report the receipt of what they claim to be large gifts from foreign persons in order to allow the IRS to verify that such purported gifts are not in fact, disguised income to the U.S. recipients.

If a foreign trust that is a grantor trust under current law becomes a nongrantor trust pursuant to this rule, the trust would be treated as if it were resettled on the date the trust becomes a nongrantor trust. Neither the grantor nor the trust would recognize gain or loss. The section 1491 excise tax would not be applied to such a trust if the trust migrates before December 31, 1996. Under special transition rules, these rules would not apply to certain foreign trusts where the foreign grantor retains substantial powers over the trust assets, if those trusts were funded prior to September 19, 1995. Otherwise, this proposal would be effective on the date of enactment.

Differences from the Administration Proposal. The current proposal modifies the Administration proposal by providing exceptions for revocable trusts, controlled foreign corporations, and compensatory trusts. The Administration proposal did not contain the special transition rules described above.

IV. FOREIGN NONGRANTOR TRUSTS

A. Accumulation Distributions

Current law. U.S. beneficiaries of foreign trusts are subject to a nondeductible interest charge on distributions of accumulated income earned by the trust in earlier taxable years. The charge is based on the length of time during which the tax was deferred because the accumulated income was not distributed. Under existing law, the interest charge is equal to 6 percent simple interest per year multiplied by the tax imposed on the distribution. Accumulated income is deemed to be distributed on a first-in, first-out basis. If adequate records are not available to determine the portion of a distribution that is accumulated income, the distribution is deemed to be an accumulation distribution from the year that the trust was organized.

Reasons for Change. Current rules need to be revised to eliminate U.S. tax incentives for accumulating income in foreign trusts. Practitioners sometimes advise U.S. persons to accumulate income trust because U.S. tax rules impose interest at such a low rate (6 percent simple interest). Thus, interest paid by U.S. beneficiaries of foreign trusts should be modified to reflect market rates of interest.

However, current rules also need to be liberalized to tax more appropriately distributions of accumulated income from foreign trusts. Currently, a U.S. beneficiary pays an interest charge on any distribution of accumulated trust income as if the oldest trust earnings were distributed first. The interest charge on such a distribution may be so high as to discourage the U.S. beneficiary from receiving any distributions from the trust. In addition, current rules effectively require U.S. beneficiaries to obtain extensive information about the foreign trust or, if information is not obtained, pay a substantial interest charge based on the assumption that all trust distributions were made from the year that the trust was organized.

Proposal. For periods of accumulation after December 31, 1995, the rate of interest charged on accumulation distributions would correspond with the interest rate that taxpayers pay on underpayments of tax.

Distributions of accumulated trust income would be deemed to come from a weighted average of the trust's accumulated income. This calculation should be simpler than current law because existing provisions require the taxpayer to maintain separate pools of accumulated income for each year of the trust. Under this weighted average method, the taxpayer would only need to maintain a single pool of undistributed income.

If information is not available regarding trust distributions, distributions would generally be deemed to be from income accumulated in the average year of the trust (the years the trust has been in existence divided by two). If a taxpayer is not able to demonstrate when the trust was created, the IRS may use an approximation based on available evidence.

Taxpayers have used a variety of methods (e.g., tiered trusts, divisions of trusts, mergers of trusts, and similar transactions with corporations) to convert a distribution of accumulated income into a distribution of current income or corpus. The proposal would authorize the IRS to recharacterize such transactions. Transactions that may be entered into to avoid the interest charge on accumulation distributions (e.g., excessive ''compensation'' paid to trust beneficiaries who are directors of corporations owned by the foreign trust) may be subject to recharacterization.

The proposal also clarifies existing law by providing that if an alien beneficiary of a foreign trust becomes a U.S. resident and thereafter receives an accumulation distribution, no interest would be charged during periods of accumulation that predate U.S. residency. The proposal would generally

be effective for distributions after the date of enactment.

Differences from the Administration Proposal. The current proposal is similar to the Administration proposal liberalizes current law by imposing the interest charge based on the weighted average life of the trust's accumulated income instead of the trust's oldest undistributed income. The current proposal also makes a corresponding change to the treatment of trust distributions when information about the trust is not available.

B. Constructive Distributions

Current law. The tax consequences of the use of trust assets by beneficiaries is ambiguous under present law. Taxpayers may assert that a benefidiary's use of assets owned by a trust does not constitute a distribution to the beneficiary.

Reasons for Change. If a corporation makes corporate assets available for a shareholder's personal use (e.g., a corporate apartment made available rent-free to a shareholder), the fair market value of the use of that property is treated as a constructive distribution. Further, if a controlled foreign corporation makes a loan to a U.S. person, the loan is treated as a deemed distribution by the foreign corporation to its U.S. shareholders. The use of nongrantor foreign trust assets by trust beneficiaries should give rise to tax consequences that are similar to those associated with the use of corporate assets by corporate shareholders.

Proposal. If a U.S. beneficiary (or a U.S. related person) uses assets of a nongrantor foreign trust, the value of that use would be treated as income to the foreign trust which is deemed distributed to the U.S. beneficiary. Thus, if a nongrantor foreign trust made a residence available for use by a U.S. beneficiary, the difference between the fair rental value of the residence and any rent actually paid would be treated as a constructive distribution to that beneficiary. If a nongrantor foreign trust purported to loan cash or marketable securities to a U.S. beneficiary, the loan proceeds would be treated as a constructive distribution by the foreign trust to the U.S. beneficiary. For this purpose, an organization exempt from U.S. tax would not be considered a U.S. person. It is intended that no inference be drawn from the proposal as to the treatment under present law of the use of trust assetss by beneficiaries and others. The provisions would be effective for loans of cash or marketable securities after September 19, 1995, and uses of other trust property after December 31, 1995.

Difference from the Administration Proposal. The current proposal is similar to the Administration proposal.

V. RESIDENCE OF TRUSTS

A. Definition

Current Law. Under current law, a ''foreign estate or trust'' is an estate or trust the ''income of which, from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States, is not includible in gross income under subtitle A'' of the Internal Revenue Code. Section 7701(a)(31). This definition does not provide criteria for determining when an estate or trust is foreign.

Court cases and rulings indicate that the residence of an estate or trust depends on various factors, such as the location of the assets, the country under whose laws the estate or trust is created, the residence of the trustee, the nationality of the decedent or settlor, the nationality of the beneficiaries, and the location of the administration of the trust. *See e.g., B.W. Jones Trust* v. *Comm'r,* 46 B.T.A. 531 (1942), *aff'd*, 132 F.2d 914 (4th Cir. 19543).

Reasons for Change. Present rules provide insufficient guidance for determining the residence of estates and trusts. In addition, the increasing mobility of people and capital make certain factors (e.g., nationality of the settlor or beneficiaries, situs of assets) less relevant. Because the tax treatment of an estate, trust, settlor or beneficiary may depend on whether the estate or trust is foreign or domestic, it is important to have an objective definition of the residence of an estate or trust. Fewer factors for determining the residence of estates or trusts would increase the flexibility of grantors and trust administrators to decide where to locate the trust and in what assets to invest. For example, if the location of the administration of the trust were no longer a relevant criterion, grantors of foreign trusts would be able to choose whether to administer the trusts in the United States or abroad based on nontax considerations.

Proposal. An estate or trust would be considered to be a domestic estate or trust if two factors are present: (1) a court within the United States is able to exercise primary supervision over the administration of the estate or trust; and (2) a U.S. fiduciary (alone or in concert with other U.S. fiduciaries) has the authority to control decisions of the estate or trust.

The first factor is intended to refer to the court with authority over the entire estate or trust, and not merely jurisdiction over certain assets or a particular beneficiary. Normally, the first factor would be satisfied if the trust instrument is governed by the laws of a U.S. State. One way to satisfy this factor is to register the estate or trust in a State pursuant to a State law which is substantially similar to Article VII of the Uniform Probate Code as published by the American Law Institute. The second factor would normally be satisfied if a majority of the fiduciaries are U.S. persons and a foreign fiduciary (including a ''protector'' or similar trust advisor) may not veto important decisions of the U.S. fiduciaries. In applying this factor, the IRS would allow an estate or trust a reasonable period of time to adjust for inadvertent changes in fiduciaries (e.g., a U.S. trustee dies or abruptly resigns where a trust has two U.S. fiduciaries and one foreign fiduciary).

The new rules defining domestic estates and trusts would be effective for taxable years of an estate or trust that begin after December 31, 1996. The delayed effective date is intended to allow an estate or trust a period of time to conform its governing instrument or to change fiduciaries so that the estate or trust may effectively elect to be treated as domestic or foreign. However, trustees will be allowed to elect to apply these rules for taxable years ending after the date of enactment.

Differences from the Administration Proposal. The current proposal is similar to the Administration proposal.

B. OUTBOUND TRUST MIGRATION

Current Law. Under current law, a 35 percent excise tax is imposed upon any appreciation in property that is transferred by a U.S. person to a nongrantor foreign trust. A taxpayer can avoid the excise tax by electing to pay income tax on any appreciation in the transferred property. No excise tax is imposed on transfers to foreign grantor trusts. Current law is not clear as to whether the excise tax applies when a nongrantor domestic trust changes its residence to become a nongrantor foreign trust.

Reasons for Change. The excise tax is designed to prevent U.S. persons from transferring assets to a nongrantor foreign trust without paying U.S. tax on the appreciation in those assets. Taxpayers should not be able to achieve tax results through migration of a domestic trust that they could not achieve directly by the creation of a foreign trust.

Proposal. The proposal would treat a nongrantor domestic trust that becomes a nongrantor foreign trust as having transferred, immediately before becoming a nongrantor foreign trust, all of its assets to a foreign trust. The section 1491 excise tax would apply to this transfer. Penalties would be imposed for failure to report any transaction subject to the excise tax. The provisions would be effective on the date of enactment.

Differences from the Administration Proposal. Under the Administration proposal, outbound migrations of trust with U.S. beneficiaries would generally have been subject to the foreign grantor trust rule, and the migrations would therefore not have been subject to the excise tax. Because the current proposal limits the application of the foreign grantor trust rule to certain outbound trust migrations, the current proposal applies the excise tax to outbound trust migrations that result in a nongrantor foreign trust.

ADDITIONAL COSPONSORS

S. 141

At the request of Mrs. KASSEBAUM, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 141, a bill to repeal the Davis-Bacon Act of 1931 to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, and for other purposes.

S. 358

At the request of Mr. HEFLIN, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 358, a bill to amend the Internal Revenue Code of 1986 to provide for an excise tax exemption for certain emergency medical transportation by air ambulance.

S. 381

At the request of Mr. HELMS, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 381, a bill to strengthen international sanctions against the Castro government in Cuba, to develop a plan to support a transition government leading to a democratically elected government in Cuba, and for other purposes.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 545

At the request of Mr. BUMPERS, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 545, a bill to authorize collection of certain State and local taxes with respect to the sale, delivery, and use of tangible personal property.

S. 773

At the request of Mrs. KASSEBAUM, the names of the Senator from Virginia

[Mr. WARNER], the Senator from Kentucky [Mr. FORD], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Virginia [Mr. ROBB], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 773, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for improvements in the process of approving and using animal drugs, and for other purposes.

S. 881

At the request of Mr. PRYOR, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 959

At the request of Mr. HATCH, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 1181

At the request of Mr. STEVENS, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of S. 1181, a bill to provide cost savings in the medicare program through cost-effective coverage of positron emission tomography (PET).

S. 1245

At the request of Mr. ASHCROFT, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1245, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to identify violent and hardcore juvenile offenders and treat them as adults, and for other purposes.

SENATE RESOLUTION 173—TO PROCLAIM NATIONAL DOG WEEK

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 173

Whereas, dogs play an integral role in our lives, communities and nation, in good and bad times; and their present and future well-being in society requires education about responsible dog ownership;

Whereas, many assistance dogs provide valuable service as seeing eye dogs; hearing dogs; disabled assistance dogs; drug, bomb and arson detection dogs; and for tracking and locating missing persons and fugitives;

Whereas, as the public good is advanced when we foster the ideas of canine good citizens by promoting the positive interaction between dogs and society;

Whereas, raising a canine good citizen, is first and foremost, an obligation of the owner;

Whereas, dog owners must make conscientious efforts to develop the essential traits and characteristics that comprise responsible dog ownership;

Whereas, the decision to become a dog owner is an emotional and monetary long-term commitment which carries a tremendous responsibility;

Whereas, dog owners bear a special responsibility to their canine companions to provide proper care and humane treatment at all times;

Whereas, this proper care and treatment includes an adequate and nutritious diet, clean water, clean and comfortable living conditions, regular veterinary care, kind and responsive human companionship and training in appropriate behavior;

Whereas, dog ownership requires honesty about an owner's readiness and ability to be responsible for their canine companion;

Whereas, this requires personal questioning about one's time commitments, desire for a dog and family situations;

Whereas, the next component of choosing a canine companion involves educating oneself about obtaining a dog or puppy from a responsible source;

Whereas, a responsible source will provide a prospective dog owner with appropriate information about the breed of dog, training, feeding and care;

Whereas, the Senate encourages people to be responsible dog owners and encourages people to recognize the positive ramifications on society of promoting Canine Good Citizens.

Whereas, the Senate encourages people to recognize the contributions that our canine companions make to all of us throughout the year;

Now therefore be it

Resolved, That the Senate proclaims the week of September 24–30, as National Dog Week.

• Mr. D'AMATO. Mr. President, I submit a resolution commemorating September 24 through September 30, 1995, as National Dog Week. Dogs have always been a source of comfort and companionship to men, women and children of all ages. They play an important role in the lives of many and provide valuable services such as seeing eye dogs, drug detection dogs and dogs that locate missing persons. Dog ownership requires a serious commitment by the owner, but the rewards are great. I urge my colleagues to support this resolution.•

SENATE RESOLUTION 174—RELATIVE TO VIETNAM

Mr. GRAMS (for himself, Mr. DOLE, Mr. HELMS, and Mr. THOMAS) submitted the following resolution; which was considered and agreed to:

S. RES. 174

Whereas there are many outstanding issues between the United States and Vietnam including a full accounting of MIAs/POWs; pursuant of democratic freedoms in Vietnam, including freedom of expression and association; and resolution of human rights violations;

Whereas the Government of Vietnam continues to imprison political and religious leaders to suppress the nonviolent pursuit of freedom and human rights;

Whereas the Government of Vietnam has not honored its commitments under the Universal Declaration of Human Rights and the International Covenant of Civil and Political Rights;

Whereas two American citizens, Mr. Nguyen Tan Tri and Mr. Tran Quang Liem, are among those recently sentenced to prison terms of 7 and 4 years, respectively, for their efforts to organize a conference, after 2 years of detention without charge; and

Whereas these two Americans are in poor health and are not receiving proper treatment: Now, therefore, be it

Resolved, That the Senate hereby—

(1) urges the Secretary of State to pursue the release of the American prisoners as well as all political and religious prisoners in Vietnam as a matter of the highest priority;

(2) requests that the Secretary of State submit regular reports to the Committee on Foreign Relations of the Senate regarding the status of the imprisonment and wellbeing of the two American prisoners; and

(3) requests that the President meet with relatives of the two Americans at his earliest convenience.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State.

AMENDMENTS SUBMITTED

THE WORK OPPORTUNITY ACT OF 1995

DOLE AMENDMENT NO. 2692

Mr. DOMENICI (for Mr. DOLE) proposed an amendment to the amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

On page 12, between lines 22 and 23, in the matter inserted by amendment No. 2486 as modified—

(1) in subparagraph (G), strike ''3 years'' and insert ''2 years''; and

(2) in subparagraph (G), strike ''6 months'' and insert ''3 months''.

On page 69, line 18, in the matter inserted by amendment No. 2479, as modified—

(1) in section 413(a), strike ''country'' and insert ''county''; and

(2) in section 413(b)(5), strike ''eligible countries are defined as:'' and insert ''ELIGIBLE COUNTY.—A county may participate in a demonstration project under this subsection if the county is—''.

On page 50, line 6, in the matter inserted by amendment No. 2528—

(1) in subsection (d)(3)(A), strike ''1998'' and insert ''1996'';

(2) in subsection (d)(3)(C), strike ''1998, 1999, and 2000'' and insert ''1996, 1997, 1998, 1999, 2000, 2001, and 2002''; and

(3) in subsection (d)(3)(C), strike ''as may be necessary'' and insert ''specified in subparagraph (B)(ii)''.

On page 77, between lines 21 and 22, insert the following new section:

''SEC. 420. ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Notwithstanding section 658T of the Child Care and Development Block Grant Act of 1990, the State agency specified in section 402(a)(6) shall determine eligibility for child

care assistance provided under this part in accordance with criteria determined by the State.''.

On page 303, line 15, add ''and'' after the semicolon.

On page 304, line 22, strike ''and'' after the semicolon.

On page 305, line 16, insert '', not including direct service costs,'' after ''administrative costs''.

On page 305, line 18, strike the second period and insert ''; and''.

On page 305, between lines 18 and 19, insert the following:

''(C) by adding at the end thereof the following new paragraph:

'' '(6) SERVICES FOR THE WORKING POOR.—The State plan shall describe the manner in which services will be provided to the working poor.' ''.

Beginning on page 305, strike line 19, and all that follows through line 6, on page 306, and insert the following:

(d) CLARIFICATION OF ELIGIBLE CHILD.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking ''75 percent'' and inserting ''100 percent''.

On page 738, line 10, strike ''on'' and insert ''for''.

On page 753, line 8, strike ''subsections (c) and (d)'' and insert ''subsection (c)''.

On page 753, lines 20 and 21, strike ''or serious physical, sexual, or emotional harm, or'' and insert '', serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which''.

On page 776, line 1, strike ''other'' the second time such term appears.

On page 786, line 7, strike '', through 2000'' and insert ''and 1997''.

On page 22, line 12, strike ''$16,795,323,000'' and insert ''$16,803,769,000''.

On page 99, line 20, strike ''$92,250,000'' and insert ''$100,039,000''.

On page 100, line 9, strike ''$3,150,000'' and insert ''$3,489,000''.

On page 100, line 22, strike ''$4,275,000'' and insert ''$4,593,000''.

On page 99, strike lines 4 and 5 and insert the following:

(I) by inserting ''(or paid, in the case of part A of title IV)'' after ''certified''; and

On page 27, strike lines 17 through 22, and insert the following:

''(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

On page 54, line 25, add after ''amount.'' the following: ''The Secretary may not forgive any outstanding loan amount nor interest owed thereon.''

On page 293, lines 8 and 9, strike ''any benefit described in clause (1)(A)(ii) of subsection (d)'' and insert ''any benefit under a program described in subsection (d)(2)''.

On page 293, line 19, strike ''subsection (d)(2)'' and insert ''subsection (d)(4)''.

On page 293, line 21, insert ''the'' before ''enactment''.

On page 294, line 20, insert ''under a program'' after ''benefit''.

On page 297, line 11, strike ''Federal''.

On page 297, line 20, strike ''and''.

Beginning on page 297, line 21, strike all through page 298, line 3, and insert the following:

(2) the term ''poverty line'' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

On page 298, line 3, strike ''involved.'' and insert ''involved; and''.

Line to be added at the appropriate place in Title XII of Dole's Amendment to HR. 4:

''In making reductions in full-time equivalent positions, the Secretary is encouraged to reduce personnel in the Washington, DC area office (agency headquarters) before reducing field personnel.''

(1) In Section 501(b)(1), strike ''(IV), or (V)'' and insert in lieu thereof ''or (IV)''.

(2) In Section 502(f)(1), strike ''(IV), or (V)'' and insert in lieu thereof ''or (IV)''.

AGRICULTURE APPROPRIATIONS FOR FISCAL YEAR 1996

BINGAMAN AMENDMENT NO. 2693

Mr. BUMPERS (for Mr. BINGAMAN) proposed an amendment to the bill (H.R. 1976) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1996, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from the average previous three fiscal year levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the Secretary of Agriculture (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

McCAIN (AND OTHERS) AMENDMENT NO. 2694

Mr. McCAIN (for himself, Mr. DOMENICI, Mr. INOUYE, Mr. BINGAMAN, Mr. CONRAD, and Mr. DORGAN) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 25, line 14, strike ''$568,685,000'' and insert in lieu thereof ''$564,685,000''.

On page 15, line 13, after the semi-colon insert ''$1,450,000 for payments to the 1994 institutions pursuant to Sec. 534(a)(1) of P.L. 103–382;''.

On page 15, line 17, strike ''$418,172,000'' and insert in lieu thereof ''$419,622,000''.

On page 18, line 2, after the semi-colon, insert ''$2,550,000 for payments to the 1994 institutions pursuant to Sec. 534(b)(3) of P.L. 103–382;''.

On page 18, line 11, strike ''$437,131,000'' and insert ''$439,681,000''.

KERRY (AND OTHERS) AMENDMENT NO. 2695

Mr. KERRY (for himself, Mr. BRYAN, Mr. SMITH, Mr. LIEBERMAN, and Mr. DORGAN) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place, insert the following:

SEC. . MINK INDUSTRY.

(a) FINDINGS.—Congress finds that—

(1) since 1989, the Federal government, through the Department of Agriculture Market Promotion Program, has provided more than $13,000,000 to the Mink Export Development Council for the overseas promotion of mink coats and products; and

(2) the Department of Commerce has estimated that since 1989 the value of United States exports of mink products has declined by more than 33 percent and total United States mink production has been halved.

(b) FUNDING.—None of the funds made available in this Act may be used to carry out, or to pay the salaries of personnel who carry out, the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623), in a manner that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

STEVENS AMENDMENT NO. 2696

Mr. STEVENS proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 32 of the bill, strike lines 7 through 11 and insert in lieu thereof the following:

SEC. . For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by Congress for the Natural Resources Conservation Service, $677,000: *Provided*, That none of these funds shall be available to administer laws enacted by Congress for the Forest Service: *Provided further*, That $350,000 shall be made available to the Secretary of Agriculture to administer the laws enacted by Congress for the Forest Service: *Provided further*, That notwithstanding Section 245(c) of Public Law 103–354 (7 U.S.C. 6961(c)), the Secretary of Agriculture may not delegate any authority to administer laws enacted by Congress, or funds provided by this Act, for the Forest Service to the Under Secretary for Natural Resources and Environment.

FEINGOLD (AND McCAIN) AMENDMENT NO. 2697

Mr. FEINGOLD (for himself and Mr. McCAIN) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place, insert the following:

SEC. . SPECIAL RESEARCH GRANTS PROGRAM.

(a) IN GENERAL.—None of the funds made available under this Act for the program established under section 2(c) of Public Law 89–106 (7 U.S.C. 450i(c)) may be used for a grant that is not subject to a competitive process

and a scientific peer review evaluation by qualified scientists in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector.

(b) DEFICIT REDUCTION.—Any funds made available under this Act that are not expended because of subsection (a) shall revert to the general fund of the Treasury for deficit reduction.

CONRAD AMENDMENT NO. 2698

Mr. CONRAD proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place, insert the following:

SEC. . REPAYMENT OF ADVANCE DEFICIENCY PAYMENTS FOR 1995 DISASTER LOSSES.

(a) IN GENERAL.—Notwithstanding subparagraphs (G) and (H) of section 114(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445j(a)(2)), if the producers on a farm received an advance deficiency payment for the 1995 crop of a commodity and suffered a loss in the production of the crop due to weather or related condition, the producers shall not be required to repay an amount of the payment that is equal to, subject to subsection (b), the product obtained by multiplying the applicable crop acreage base and the farm program payment yield.

(b) LIMITATIONS.—The amount of the payment that the producers on a farm are not required to repay under subsection (a) shall—

(1) not exceed $2,500; and

(2) not be available for production on which crop insurance coverage is available, as determined by the Secretary of Agriculture.

(c) FUNDING.—Up to $35,000,000 that has been made available to carry out the export enhancement program established under section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651) during fiscal year 1996 may be used to carry out this section.

BUMPERS (AND BRYAN) AMENDMENT NO. 2699

Mr. BUMPERS (for himself and Mr. BRYAN) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 65, line 18, before the period at the end, insert the following: '': *Provided further*, That funds made available under this Act to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to associations described in the first section of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 22, 1922 (7 U.S.C. 291): *Provided further*, That such funds may not be used to provide cost-share assistance to a foreign eligible trade organization: *Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000''.

DORGAN (AND CONRAD) AMENDMENT NO. 2700

Mr. COCHRAN (for Mr. DORGAN, for himself, and Mr. CONRAD) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE ON UNITED STATES-CANADIAN COOPERATION CONCERNING AN OUTLET TO RELIEVE FLOODING AT DEVILS LAKE IN NORTH DAKOTA.

(a) FINDINGS.—The Senate finds that—

(1) flooding in Devils Lake Basin, North Dakota, has resulted in water levels in the lake reaching their highest point in 120 years;

(2)(A) 667,000 trees are inundated and dying;

(B) 2500 homeowners in the county are pumping water from basements;

(C) the town of Devils Lake is threatened with lake water nearing the limits of the protective dikes of the lake;

(D) 17,400 acres of land have been inundated;

(E) roads are under water;

(F) other roads are closed and will be abandoned;

(G) homes and businesses have been diked, abandoned, or closed; and

(H) if the lake rises another 2 to 3 feet, damages of approximately $74,000,000 will occur;

(3) the Army Corps of Engineers and the Bureau of Reclamation are now studying the feasibility of constructing an outlet from Devils Lake Basin;

(4) an outlet from Devils Lake Basin will allow the transfer of water from Devils Lake Basin to the Red River of the North watershed that the United States shares with Canada; and

(5) the Treaty Relating to the Boundary Waters and Questions Arising Along the Boundary Between the United States and Canada, signed at Washington on January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the ''Boundary Waters Treaty of 1909''), provides that ''. . . waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.'' (36 Stat. 2450).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States Government should seek to establish a joint United States-Canadian technical committee to review the Devils Lake Basin emergency outlet project to consider options for an outlet that would meet Canadian concerns in regard to the Boundary Waters Treaty of 1909.

DOLE AMENDMENT NO. 2701

Mr. COCHRAN (for Mr. DOLE) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 13, line 23, insert the following after ''law'': '': *Provided further*, That of the funds made available under this heading for the National Center for Agricultural Utilization Research, not less than $1,000,000 shall be available for the Grain Marketing Research Laboratory in Manhattan, Kansas''.

ABRAHAM (AND OTHERS) AMENDMENT NO. 2702

Mr. COCHRAN (for Mr. ABRAHAM, for himself, Mr. BROWN, and Mr. GRAMS) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place in title VII, insert the following:

SEC. 7 . ELIMINATION OF UNNECESSARY ADVISORY COMMITTEES.

(a) SWINE HEALTH ADVISORY COMMITTEE.—Section 11 of the Swine Health Protection Act (7 U.S.C. 3810) is repealed.

(b) GLOBAL CLIMATE CHANGE TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

GORTON (AND OTHERS) AMENDMENT NO. 2703

Mr. COCHRAN (for Mr. GORTON, for himself, Mrs. MURRAY, and Mr. BURNS) proposed an amendment to the bill H.R. 1976, supra; as follows:

To H.R. 1976, Title VII General Provisions, on page 84, line 1, insert the following new section:

SEC. 730. Upon the date of enactment of this Act, the Secretary of Agriculture shall immediately withdraw Federal regulation 36 CFR Part 223 promulgated on September 8, 1995, for a period of no less than 120 days; provided that during such time the Secretary shall take notice and public comment on the regulations and make the necessary revisions to reflect public comment. Any fines assessed pursuant to 36 CFR Part 223, from the effective date of said regulation to the date of enactment of this Act, shall be null and void. During the 120 day period, the interim regulatory guidelines published pursuant to 55 CFR 48572 and 56 CFR 65834 shall remain in effect.

BENNETT AMENDMENT NO. 2704

Mr. COCHRAN (for Mr. BENNETT) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 25, line 14, strike $564,685,000 and insert $563,004,000.

On page 37, line 8, strike $1,000,000 and insert $2,681,000.

FEINGOLD AMENDMENT NO. 2705

Mr. COCHRAN (for Mr. FEINGOLD) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 44, line 16, before the period insert the following: ''*Provided further*, That loan guarantees for business and industry assistance funded under this heading shall be made available to tourist or other recreational businesses in rural communities''.

LEAHY AMENDMENT NO. 2706

Mr. COCHRAN (for Mr. LEAHY) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 14, strike on line 12, ''40,670,000'' and insert in lieu thereof, ''42,620,000''.

On page 15, strike on line 17, $419,622,000'' and insert in lieu thereof ''421,622,000.''

On page 82, reduce ''$800,000,000'' by $4,444,000.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Tuesday, September 19, 1995, at 9 a.m., in SR–332, to mark up the Committee's Budget Reconciliation instructions.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, September 19, 1995, to conduct a hearing on legislation to reform public housing and tenant based section 8 assistance.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a business meeting Tuesday, September 19, at 9:30 a.m., hearing room SD–406, to consider the nomination of Greta Joy Dicus, to be a member of the Nuclear Regulatory Commission, and reconciliation legislation.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Tuesday, September 19, at 2:30 p.m. for a markup on reconciliation.

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

COMMITTEE ON SMALL BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Tuesday, September 19, 1995, at 2:30 p.m., in room 428A, Russell Senate Office Building, to conduct a hearing focusing on tax issues impacting small business.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. COCHRAN. The Committee on Veterans' Affairs would like to request unanimous consent to hold a joint hearing with the House Committee on Veterans' Affairs to receive the legislative presentation of the American Legion. The hearing will be held on September 19, 1995, at 9:30 a.m., in room 334 of the Cannon House Office Building.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, September 19, 1995, at 6 p.m. to hold a closed business meeting.

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

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Tuesday, September 19, 1995, at 10 a.m., in Senate Dirksen room G66, on the Ruby Ridge incident.

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

ADDITIONAL STATEMENTS

THIRD BATTLE OF WINCHESTER

• Mr. WARNER. Mr. President, I rise today to pay tribute to the brave Confederate and Union soldiers who fought in a turning-point battle 131 years ago today near Winchester, VA. The Third Battle of Winchester claimed more than 9,000 casualties and led to the burning and massive destruction of the Shenandoah Valley, which had effectively served as the Confederate Army's breadbasket, supplying food and materials that were critical to the war effort.

It is fitting that today the House of Representatives, under the skillful leadership of Representatives FRANK WOLF, passed H.R. 1091, which contains title IV, a section containing the Shenandoah Valley National Battlefield Partnership Act. I have introduced the same legislation here in the Senate. I note to my colleagues that we passed this bill by unanimous consent last year and I hope we will take the same step this year.

Mr. President, the Civil War is an important lesson for America and indeed, the rest of the world.

Here we are, 131 years since the War Between the States, and the same type of fighting and carnage that wrought havoc on Winchester and valley towns like New Market, Toms Brook, Port Republic, and Cedar Creek, is brutally being carried out in the Balkans today.

I have traveled five times to the war-torn Bosnian region. About 4 weeks ago I was there with my good and courageous friend Senator KERREY of Nebraska. We were in Croatia, right on the border with Bosnia. We went through villages that had been ravaged by cannons and soldiers.

Senator KERREY and I visited a refugee camp and talked with a doctor who appeared to be the spokesman for his group.

I asked this doctor, ''Can you explain to me why we are here, in this century, fighting this type of war of wanton destruction between people who live in villages and towns together and who live inside the same country.''

The doctor answered by saying, ''Senator, go back and study the origins of your Civil War.''

His answer, Mr. President, is the reason we must pay tribute to our heritage by preserving our Civil War battlefields in the Shenandoah Valley. We must preserve these battlefields so that we may create a better understanding in successive generations. The threats to the United States today are unlike World War I and World War II. The threats today are from the weapons of mass destruction, but also from the cultural and religious civil wars that take place throughout the world.

As we see in Bosnia and the Balkans today, these internal civil wars can boil over into neighboring countries and indeed, into Western Europe and North America.

The lessons for future generations are how best we can deter these wars from taking place. How best we, as a nation and leader of the free world, can step forward and try and bring about peace. Often the teachings and understandings begin hear at home and on hallowed ground like the Shenandoah Valley battlefields.

Mr. President, yesterday I attended the dedication of the Third Battle of Winchester. It was a great pleasure to be among so many friends and to join in the celebration of preserving that historic battlefield.

The commitment by local government and private preservation groups has energized me to ensure that the battlefields in the valley receive their long overdue national recognition.

Mr. President, I ask that my remarks from yesterday's ceremony be printed in the RECORD.

The remarks follow:

REMARKS BY SENATOR JOHN WARNER ON THE DEDICATION OF THE THIRD BATTLE OF WINCHESTER SEPTEMBER 18, 1995.

Good Morning, Director Kennedy, Director Diehl, distinguished guests and ladies and gentleman.

I want to join in applauding the tenacity of Congressman WOLF for successfully bringing the parties to agreement, the generosity of Dave Holliday as a responsible steward of this historic property, the commitment of the APCWS for effective preservation efforts here and throughout Virginia, and the responsiveness of the Civil War Trust for recognizing the urgency of preserving this unspoiled ground.

In the many years that I have traveled throughout the Valley, I have heard first-hand the heroic stories passed down from generation to generation about this war of valiant military strategies and brave personal sacrifices.

Many persons unfamiliar with the deep, intergenerational scars marking this period often ask, ''why now''? Why, after more than a century, stoke the coals of resentment associated with the most divisive conflict in our history?

It is not about reviving old hostilities, but of remembering, and paying homage, to old hurts.

So many families, so many businesses were destroyed or damaged irrevocably by forces beyond their control.

Innocent civilians bore the burdens of ''the burning.''

No one who lived in this valley escaped some vestige of the misery which plagued the area throughout the conflict. Their descendants share the pain and the pride today.

This region suffered severely from the destruction caused by the 100 engagements that occurred here. Throughout the war, Winchester was pivotal to both sides, having changed hands seventy-six times.

The epic ebb and flow of Confederate and Union forces during this conflict, however, is eloquently preserved in books by America's most respected historians—Bruce Catton, Shelby Foote, Douglas Southall Freeman, and Jim McPherson—and on film for the benefit of future generations.

So I often marvel at the passion and the emotion that this chapter in our Nation's history still stirs in the hearts of so many of us.

I have come to know that it is the love of this land which brings us together today.

It is this land which allows us to visualize the fierce battle between Sheridan and Early.

It renews our respect for our forefathers whose lives were changed forever by this war.

It is the preservation of these battlefields to serve as outdoor classrooms so that our children may understand the sacrifices that were made for a cause to which each side was deeply committed.

It is the land that will remain long after we are gone. And it is the land that we must protect so that these events will not be forgotten.●

COMMEMORATING UKRAINIAN INDEPENDENCE DAY

● Mr. BRADLEY. Mr. President, I rise today to commemorate Ukrainian independence. Tomorrow, Ukrainian-Americans will be honoring the fourth anniversary of Ukraine's independence in observance here in our Nation's Capital.

Ukraine was established as a state in the 9th century, but has struggled valiantly against several invaders to gain its independence from foreign domination. On July 15, 1990, Ukraine's efforts successfully resulted in its declaration of sovereignty, followed by its declaration of independence on August 24, 1991.

Upon gaining independence, Ukraine has continued to work for both economic reform and democracy. In particular, Ukraine has taken significant steps to reform its economy, working to stabilize inflation, liberalize prices, and privatize industries. Further, through the creation and continued improvement of a constitutional framework, Ukraine is developing its own strong democratic tradition. In light of Ukraine's efforts, it is fitting that members of this Chamber join in paying tribute to Ukraine's long struggle for freedom.

I also wish to pay to tribute to the Ukrainian-American community. During the long years when Ukraine suffered under foreign control, Ukrainian-Americans helped keep alive the flame of Ukraine's culture and traditions. On behalf of the Ukrainian community in New Jersey and all Americans of Ukrainian descent, I am honored to pay tribute, on behalf of the Nation, to the Ukrainian community in commemoration of its independence day.●

TRIBUTE TO ROSALIND W. WYMAN

● Mrs. FEINSTEIN. Mr. President, I'd like to take a moment today to pay tribute to someone I consider to be one of my best friends in the world. She is a fireball of energy and someone who has truly touched the lives of many, many people.

Rosalind Wyman is an extraordinary friend.

''Politics, arts, sports and my family are my life,'' Roz Wyman once said. Roz has indeed turned her passion into results.

A native and resident of Los Angeles, Wyman has been involved in the political world since before she can remember; her baby book includes a picture of 2-year-old Roz smiling happily at a portrait of Franklin D. Roosevelt. Strongly influenced by her parents' belief that you should serve your community, she turned immediately to elective politics following her graduation from the University of Southern California.

At the age of 22, Roz became the youngest elected legislator in a major U.S. city when she was elected to the Los Angeles City Council.

From 1953 to 1965, Wyman served as a member of the non-partisan council, earning particular recognition for her successful drive to bring the Dodgers to Los Angeles.

The late owner of the Dodgers, Walter O'Malley, often said: ''The Dodgers would not be in Los Angeles if it had not been for Roz.'' She also played a major role in the move of the Lakers basketball team to Los Angeles.

In the years since she left the council, Wyman has applied her formidable organizational skills to a variety of local, national and international tasks. Among her many other accomplishments, Roz served by appointment of the President on the Independent Commission to Review the National Endowment for the Arts grantmaking procedures. Locally, she became President of the Los Angeles County Music and Performing Arts Commission in 1992.

She served as executive chairperson of the Producers Guild of America (1977–1981) and as executive vice chair of the Los Angeles Center Theatre Group, which operates the Mark Taper Forum and the Ahmanson Theatre.

She helped direct State and national campaigns and chaired two Democratic Congressional Campaign Dinners, each of which set records by raising over $1 million.

Roz participated in the U.S. Delegation to the United National Economic and Social Council (UNESCO) and was part of the American delegation to the Commission on Security and Cooperation in Europe (Madrid, 1980).

But, it was in 1983 that Roz Wyman—this legend from Los Angeles—walked into my life.

Roz became the first woman ever selected to be the convention chair and chief executive officer for a Democratic Convention. She had been selected to chair the 1984 convention in San Francisco. I was Mayor of San Francisco at the time. And I can tell you this: The first time Roz Wyman walked into my office with her list of items that needed to be provided by the city of San Francisco, I knew I had met someone with formidable determination and tenacity. And I knew I had made a friend for life.

The convention was a huge success. And every convention since then has been modeled on what Roz made happen in San Francisco.

Since then, I always knew that Roz was someone who could get the job—any job—done.

When I thought about running for the U.S. Senate in 1992, Roz was one of the first people I turned to and she was one of the first people to volunteer to be a campaign co-chair.

For the last 4 years of my life, Roz has been the truly inspirational force who, in spirit, has never left my side.

She has opened her home to a tired candidate and staff. She has been the unyielding cheerleader who was always upbeat even in the face of tough times. And she has always been faithful to her vision of what is right for our State and our country.

One of Roz's dreams, she told me, was to see a woman elected U.S. Senator from California. I am so honored, and indeed lucky, to be the recipient of Roz's focused attention.

Roz will soon celebrate her birthday with her three children, her 5½ year-old granddaughter, Samantha, and her many, many friends. I am so glad that her family has asked some of Roz's friends to pay tribute in some way to our Roz.

There are few people in the world as passionate, as loving, as strong, and as inspiring as Roz Wyman.

Many may know Roz because she was the youngest person ever elected to the Los Angeles City Council or because she almost singlehandedly brought the Dodgers from Brooklyn to Los Angeles.

But, in my own heart, I will always know Roz because she is that special, life-long friend who helped make my dreams come true.●

GLIDERMEN OF NEPTUNE, THE AMERICAN D-DAY GLIDER ATTACK

● Mr. INOUYE. Mr. President, I would like to bring to my colleagues' attention a book written by Mr. Chuck J. Masters entitled, ''Glidermen of Neptune, The American D-Day Glider Attack.'' The book portrays the American soldiers who flew in the ''flying coffins'' of the D-Day invasions of Europe. Unarmed, these gliders carried a brave group of World War II soldiers known as glidermen. One of these brave soldiers was Senate President pro tempore STROM THURMOND. I commend this book to you so you may become better acquainted with Senator THURMOND's contribution to our Nation.●

GERMANY'S AGREEMENT TO COMPENSATE HUGO PRINCZ FOR HIS SUFFERING IN NAZI CONCENTRATION CAMPS

● Mr. BRADLEY Mr. President, Hugo Princz's war has ended.

By now, we are all familiar with the tragic story of Hugo Princz. He and his family were American citizens living in Slovakia when World War II broke out. In 1942, before they were able to get visas to America, Hugo Princz and his family were rounded up and put on a grain to the Treblinka concentration camp.

While all of his family perished in the camps, Hugo Princz managed to survive Treblinka, Auschwitz, a labor camp in the Warsaw ghetto, and Dachau, It is a story of remarkable strength and courage. In 1945, while en route to an extermination camp, Hugo Princz was rescued from his death train by an American tank division.

However, Hugo Princz's tragedy did not end with his liberation. Because he was an American citizen and was not processed through a Displaced Persons Center, in 1955 he was declared ineligible by the German Government for the reparations paid to other Holocaust survivors.

Hugo Princz did not let the matter drop, for Hugo Princz's war was not yet over. While living in New Jersey, where he worked, paid taxes, raised a family, and was a credit to his community, Hugo Princz continued to pursue justice from the German Government. He showed the same courage and perseverance that had brought him through the horrors of the Holocaust.

Slowly, over time, Hugo Princz began to find support in this country for his quest. He enlisted the help of two talented lawyers, Steve Perles and Bill Marks, who pursued his claims in the courts. The adminsitration raised the case with the German Government at the highest levels. Congress, belatedly, went into action and threatened to strip German's sovereign immunity.

Finally, yesterday, 50 years after the formal end of World War II and the formal liberation of the concentration camp prisoners, Hugo Princz made his own peace and accepted a settlement. It is not enough in dollar terms, Indeed, no amount of money could ever compensate Hugo Princz for his suffering—both during the war and during his quest for reparations. But by accepting German's settlement, Hugo Princz has vindicated his life of courage. He has won recognition of the justice of his cause.

Hugo Princz is an inspiration to the people of New Jersey and the United States. I am proud to congratulate him and wish him well in his new, post-war life.●

TRIBUTE TO ERIC SHAEFER

●Mr. SARBANES. Mr. President, over this past weekend Baltimore experienced a devastating eight alarm fire which swept through the Clipper Industrial Park, claiming the life of one Baltimore city firefighter and seriously injuring three others. I rise to pay tribute to Eric Schaefer who gave his life during this tragic event and to commend all of the firefighters who responded so quickly and put their lives on the line, including Capt. Joseph Lynczynski, Stu Curtain, and Barry Blackmon, who were injured in the blaze. This tragedy reminds us that firefighters risk their own lives every day to protect the lives and property of others against the very real dangers of fire. I ask that an article about Eric Sheafer, entitled ''Firefighter Loved Everything About the Job,'' from the Baltimore Sun of Monday, September 18, 1995, be printed in the RECORD.

The article Follows:

[From the Baltimore Sun, Sept 18, 1995]

FIREFIGHTER 'LOVED EVERYTHING' ABOUT JOB

(By Dennis O'Brien)

If he wasn't fighting fires or jumping from airplanes, Eric Schaefer was probably working in his garden.

The 25-year-old Baltimore native spent much of his spare time raising peppers and tomatoes in the garden behind the Glenmore Avenue home, when he and his wife had settled after their wedding in July.

Mr. Scheafer, a Baltimore firefighter who was killed Saturday during a fire at a Baltimore foundry, will likely be remembered and eulogized in Maryland this week for dying a hero's death.

But friends and relatives said last night their memories are of a lively, flesh-and-blood personality—a nonstop talker and would-be gourmet cook who loved fighting fires for the city Fire Department and jumping out of airplanes as an Army Reserve paratrooper.

''He loved anything that would give him a rush,'' Tina Schaefer said last night of her late husband.

Mrs. Schaefer and other relatives said Mr. Schaefer never talked about the dangers of the job he held for 18 months.

''He loved being a firefighter. He just loved everything about the job,'' said Dorian Schaefer, Mr. Schaefer's father.

He enjoyed camping and reading books about World War II and Vietnam. He had an aquarium with eight fish and was fascinated by snakes—keeping 15 of them as pets.

''He'd play games with them, sort of tease you with them, say, 'Here take this,' and he'd practically put one on your lap,'' said William Boyd, a longtime friend.

Mr. Schaefer had the usual culinary tastes. He liked pizza and enjoyed spicing up his taco chips with salsa. But he also enjoyed cooking exotic meals—tuna steaks and scallops in garlic were his specialties.

Mr. Schaefer and the former Tina Robinson had known each other since they were in school together at St. Francis of Assisi Elementary School in Northeast Baltimore.

Stories about being a firefighter from his fiancee's grandfather, Kenneth A. Robinson, a retired Baltimore fire captain, and her father, Kenneth B. Robinson, a retired fireboat engineer, inspired the Overlea High School graduate to take the firefighter's exam.

When he was accepted into the Baltimore Fire Academy about two years ago, ''He knew he had found his life's work,'' said Mr. Boyd.

Mr. Schaefer was born in Hamden, the oldest of three sons raised by Dorian Schaefer, a construction worker, and his wife, Suellyn.

Mr. Schaefer attended Archbishop Curley High School for three years and then transferred to Overlea High School, from which he graduated in 1989.

He worked as a picture framer at Total Crafts, a shop in the Parkville Shopping Center, until 1992. Then, he joined the Army Reserve, serving with the 450th Civil Affairs Battalion, an airborne unit based in Riverdale. As a paratrooper, he had 10 jumps to his credit, according to relatives.

Along with his parents and wife, Mr. Schaefer is survived by two brothers, Todd, 22, a dialysis technician in Baltimore, and Chad, 16, a senior at Overlea High School.

Services for Mr. Schaefer are set for 11 a.m. Thursday at St. Francis of Assisi Church on the 3600 block of Harford Road. There will be viewing at the Ruck Funeral Home on the 5300 block of Harford Road from 2 p.m. to 4 p.m. and from 7 p.m. to 9 p.m. tomorrow and Wednesday.

Mr. Schaefer's family has asked that memorial contributions be sent to the Johns Hopkins Bayview Medical Center Burn Center.●

ALBANIA AND THE UNITED STATES

●Mr. LIEBERMAN. Mr. President, Albanian President Berisha has recently concluded a successful visit to the United States, strengthening the relationship between his nation and ours. On this occasion, I would like to share with my colleagues the following article written by Michael D. Granoff, Director of the US-Albania Enterprise Fund, on September 6. I ask that the article be printed in the RECORD.

The article follows:

ALBANIA AND THE UNITED STATES: AN OLD NEW PARADIGM

There has been much handwringing lately by politicians, diplomats and pundits of all stripes lamenting the state of US foreign policy. The oft cited vision thing. I recently visited Albania as a Presidential appointee to the Board of the US-Albania Enterprise Fund and observed the beginning of a new relationship that may serve as a model as we confront a changing, and perhaps ironically a more unstable, world landscape.

Albania was one of the most isolated nations on earth under the communist dictatorship of Enver Hoxha after World War II. A nation with no relationship to the United States. Now, a democratically elected President, Sali Berisha, has embarked on a set of reforms to promote democratic institutions and the development of the private sector. Albania needs to create a new economy out of whole cloth. Its leaders do not have the benefit of prior experience in the world community. Its existing financial institutions are remnants of a bygone age and are not up to the task. To use the terminology of the venture capital business, Albania is a restart and restarts are always risky. In this case I think it may be a good bet.

I found President Berisha, Finance Minister Vrioni and other government officials to be committed to reform, honest about their problems and ready to take tough action. Our political leaders could perhaps learn something from the ''developing'' Albanians. Repressed for 50 years, the people of Albania exhibit a palpable desire to take control of their political and economic lives.

The US-Albania Enterprise Fund was initiated by President Clinton as the last of a series of funds first conceived under the Bush Administration to promote private sector development in the formerly communist countries of Eastern Europe. The Funds are controlled by Boards of Directors consisting largely of private business people appointed by the President, who serve without pay. As profit-seeking, privately managed entities, the funds represent a new approach to foreign assistance and offer one answer to the current impasse concerning the US foreign aid program in general.

The enterprise Fund's goal in Albania is to coinvest with Albanians in small and midsized businesses to create profitable enterprises. If successful, The Fund will assist Albanian employment, reduce imports and help integrate Albania into the global economic system. In addition to our efforts, the US Agency for International Development is well into a major program to assist with agriculture and housing sector development.

The World Bank and other international financial institutions have weighed in with infrastructure and privatization assistance. Together we have the rare potential to work collectively with a government to substantially improve the lives of its people. Many problems remain. The transition from an isolated society where nearly everyone was poor to a democracy where there will be those with more than others will not be easy. For example, the distinctions between equal opportunity and equal outcome are no more easily understood in Albania than is apparent from the current debate in the US over affirmative action.

On the political side, the US and Albania are beginning to cooperate diplomatically and militarily on regional issues. Albania occupies an important strategic position in the southern Balkans and has begun to play a stabilizing role in preventing the spread of the Bosnia conflict. As a long time resident in a tough neighborhood, Albania can provide the US with a vital local perspective. The bottom line is that Albania, a tiny nation with which the US has previously had virtually nonexistent relations, has the potential to become an important ally with a growing comity of interests. In the process, I believe we may be creating a model for future US foreign policy that cuts across traditional political and ideological lines. We are doing what we always say US foreign policy is supposed to do—promote democracy and the development of the private sector. And from a geostrategic point of view we are establishing an important alliance in an increasingly unstable region.

When first appointed to the enterprise fund board, I must admit I had to look at a map to see exactly where Albania was. Albanian President Berisha will visit the US in September. US policymakers should take the opportunity to take out their maps. They may be surprised by the opportunity for a bipartisan foreign policy success.●

REVISED CONFEREES—S. 219 AND S. 4

Mr. COCHRAN. I ask unanimous consent that the following be considered the revised list of conferees to accompany S. 219, the regulatory reform bill, and S. 4, the line-item veto bill.

I ask unanimous consent that the list be printed in the RECORD.

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

S. 219: Mr. Stevens, Mr. Nickles, Mr. Thompson, Mr. Grassley, Mr. Glenn, Mr. Levin, and Mr. Reid.

S. 4: Mr. Stevens, Mr. Roth, Mr. Thompson, Mr. Cochran, Mr. McCain, Mr. Glenn, Mr. Levin, Mr. Pryor, Mr. Sarbanes, Mr. Domenici, Mr. Grassley, Mr. Nickles, Mr. Gramm, Mr. Coats, Mr. Exon, Mr. Hollings, Mr. Johnston, and Mr. Dodd.

RELATIVE TO POLITICAL AND RELIGIOUS PRISONERS IN VIETNAM

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 174, submitted earlier today by Senator GRAMS.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 174), expressing the sense of the Senate that the Secretary of State should aggressively pursue the release of political and religious prisoners in Vietnam.

The Senate proceeded to consider the resolution.

Mr. GRAMS. Mr. President, today I am submitting Senate Resolution 174, which expresses the sense of the Senate that the Secretary of State should aggressively pursue the release of political and religious prisoners in Vietnam.

My resolution has been prompted by the recent sentencing of two American citizens for attempting to organize a conference in Vietnam to discuss democracy and human rights. These two American citizens, Mr. Nguyen Tan Tri and Mr. Tran Quang Liem, were detained for 2 years by the Vietnamese without charge. Mr. Tri has now been sentenced to a 7-year prison term and Mr. Liem to 4 years. Both are in ill health.

The resolution calls for the Secretary of State to pursue the release of these two prisoners as well as other American citizens—I understand that American citizens from the State of Virginia are imprisoned in Vietnam as well—and all political and religious prisoners in Vietnam.

The President has just normalized relations with Vietnam. I supported normalization, because I believe it will give us more leverage with the Vietnamese Government to pursue outstanding issues such as MIA's/POW's and the release of those imprisoned in violation of international law after expressing political and religious views. Not only are people jailed for espousing political views, but those who seek religious freedoms are as well. Persecution of Buddhist leaders is rampant. Catholic and other Christian leaders have also been imprisoned allegedly for political activities under the guise of their religion.

I was disappointed that Secretary Christopher and Secretary Lord did not address this matter with Vietnamese officials in Vietnam shortly after normalization was announced. While I appreciate the efforts of consular officers in Vietnam and lower-level State Department officials to address this matter with their peers in the Vietnamese Government, I believe this issue should have been addressed directly by Secretary Christopher.

Mr. President, I am told that Vietnam has now agreed to retry the cases of at least the two Americans. We do not know when, or if, that may occur. In my judgment, it is important to pass this resolution immediately to show Senate support for a quick resolution of this situation.

Passage of this resolution is being coordinated with other concerned governments. Last week the Canadian Parliament adopted a similar resolution, and the Australian Parliament will adopt one very shortly.

If we are to have a diplomatic relationship with Vietnam, we must work with them at the highest levels of government to urge them to honor their commitment under the Universal Declaration of Human Rights by releasing all religious and political prisoners. We must also urge Vietnam to continue our efforts to obtain a full accounting of MIA's/POW's.

I urge my colleagues to support the effort to pass this resolution under unanimous consent today.

Mr. COCHRAN. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The resolution (S. Res. 174) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S.RES 174

Whereas there are many outstanding issues between the United States and Vietnam including a full accounting of MIAs/POWs; pursuit of democratic freedoms in Vietnam, including freedom of expression and association; and resolution of human rights violations;

Whereas the Government of Vietnam continues to imprison political and religious leaders to suppress the nonviolent pursuit of freedom and human rights;

Whereas the Government of Vietnam has not honored its commitments under the Universal Declaration of Human Rights and the International Covenant of Civil and Political Rights;

Whereas two American citizens, Mr. Nguyen Tan Tri and Mr. Tran Quang Liem, are among those recently sentenced to prison terms of 7 and 4 years, respectively, for their efforts to organize a conference, after 2 years of detention without charge; and

Whereas these two Americans are in poor health and are not receiving proper treatment: Now, therefore, be it

Resolved, That the Senate hereby—

(1) Urges the Secretary of State to pursue the release of the American prisoners as well as all political and religious prisoners in Vietnam as a matter of the highest priority;

(2) requests that the Secretary of State submit regular reports to the Committee on Foreign Relations of the Senate regarding the status of the imprisonment and wellbeing of the two American prisoners; and

(3) requests that the President meet with relatives of the two Americans at his earliest convenience.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State.

SIGNING OF THE ISRAELI-PALESTINIAN DECLARATION OF PRINCIPLES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Res. 171, relating to the signing of the Israeli-Palestinian declaration of principles, and that the Senate then proceed to its immediate consideration.

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

The Senate proceeded to consider the resolution.

Mrs. FEINSTEIN. Mr. President, 2 years and 6 days ago, on September 13, 1993, my colleagues and I were privileged to witness an historic moment on the White House lawn: the signing of the Israeli-Palestinian Declaration of Principles.

Last week, on behalf of myself, Senator BROWN, Senator LIEBERMAN, and Senator PELL I submitted S. Res. 171, a resolution expressing the sense of the Senate on this important anniversary.

Today, I am pleased to welcome this resolution's adoption by the full Senate. This is an important demonstration of the Senate's continued support for the Middle East peace process, and a note of encouragement to those working to bring it to a successful conclusion.

From time to time, it is worth taking a moment to recognize the remarkable progress that has been achieved in the Middle East in such a short time. The Middle East has changed so much in the last 4 years that we often take the changes for granted. But reviewing the changes makes us realize that we are witnessing a true transformation in the region.

Think of it:

Four years ago, before the Madrid Conference in October 1991, Israel had never sat face-to-face in peace talks with most of its Arab neighbors. Today, meetings between Israeli and Arab officials—from Israel's immediate neighbors, from the Persian Gulf States, and from North Africa—are so routine and so numerous that they scarcely receive mention in the news media.

Just over 2 years ago, Israeli and Palestinian negotiators remained locked in a fruitless stalemate, and direct talks between Israel and the PLO were deemed impossible. Today, there is Palestinian self-rule in Gaza and Jericho, Israel and the Palestinian Authority are on the verge of reaching an agreement on Palestinian elections and further Israeli troop redeployments in the West Bank, and handshakes between Israeli and PLO leaders are commonplace.

Just over 1 year ago, Israel and Jordan remained officially in a state of war. Today, thanks to the courage and leadership of King Hussein and Prime Minister Rabin, Israel and Jordan have signed a full peace treaty, enjoy full diplomatic relations, and are continually expanding their cooperation in security, economic development, tourism, the environment, and many other areas.

Mr. President, no one would deny that peace has not yet been secured in the Middle East. Much, much work remains to be done. Although the Israeli-Syrian negotiations have at times showed promise, with senior Israeli and Syrian military officers holding substantive talks on the security arrangements that must accompany an agreement, these talks currently seem caught in a stalemate. Clearly, many hard rounds of negotiations remain.

Israel's talks with Lebanon are essentially on hold until there is an Israeli-Syrian deal. Israel and the Palestinians must continue to overcome obstacles to the implementation of their agreements, and their negotiations will get no easier once final status talks begin next year.

In addition, the peacemakers of the Middle East face continual opposition from those who would use terrorism to upset the peace process. We were reminded of this once again on August 21 when a suicide bomber blew up a bus in Jerusalem, killing five Israeli civilians. Like the suicide bombings that preceded it, this was a heinous and unforgivable act of terrorism.

All who are committed to peace must do everything in their power to prevent acts of terrorism. Nowhere is this more true than in the areas controlled by the Palestinian Authority. While the performance of Chairman Arafat's Authority in security matters has improved with time, it must do even more to prevent and punish all terrorist acts. Suicide bombers and other extremists must not be allowed to succeed in their goal preventing the arrival of peace.

But, the obstacles and the hard work ahead do not change the fact that real peace in the Middle East is today genuinely within reach, as it never has been before. The long-held dream of Israelis to live in peace with all their neighbors, in secure borders, is now a real possibility.

To bring this process to a successful conclusion, the parties themselves must make all the difficult decisions. But the support of the United States has always been essential to Middle East peacemaking, and it remains so today.

Presidents Bush and Clinton, and Secretaries of State Baker and Christopher, deserve enormous credit for their unyielding commitment to pursuing a comprehensive peace in the Middle East, and their efforts have earned them the respect and gratitude of parties throughout the region.

The Congress has also been consistent in its strong support of all efforts to advance the peace process, and expressions of that support help bolster the parties in their efforts. One recent expression of that support was the introduction of S. 1064, the Middle East Peace Facilitation Act of 1995, which I was proud to cosponsor along with Senators HELMS, PELL, DOLE, DASCHLE, MACK, LIEBERMAN, MCCONNELL, LEAHY, and LAUTENBERG. This bill would allow the President to continue to provide assistance to the Palestinians and to conduct relations with the PLO, but it includes strict new language mandating compliance by the PLO and the Palestinian Authority with all of their commitments. This bill is now part of the Foreign Operations Appropriations Act, which will be considered by the full Senate shortly.

This past weekend, Israeli Foreign Minister Shimon Peres and PLO Chairman Yasser Arafat met to try to finalize the agreement on the second phase of the Declaration of Principles. While substantial agreements have been reached on Palestinian elections, the redeployment of Israeli troops, and the expansion of Palestinian self-rule in the West Bank, differences remain over security arrangements in Hebron and the distribution of water resources. Both sides reiterated their commitment to return to the negotiating table to complete this phase at the earliest possible date.

In adopting this resolution today, the Senate lends encouragement to Israel and the Palestinians as they seek to finalize the second phase of the Declaration of Principles. In doing so, we also mark an important milestone on the long road to peace between Israel and the Palestinians. As we take note of these achievements, let us also reiterate once again that the successful conclusion of a comprehensive peace in the Middle East is in the United States' national interest, and that we in the U.S. Senate stand firmly behind all those who are committed to achieving that peace.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements appear at an appropriate place in the RECORD as if read.

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

The resolution (S. Res. 171) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas the Bush administration and the Clinton administration have both worked relentlessly to build on the Middle East peace process that began in Madrid in October 1991, with the goal of achieving a comprehensive, lasting peace between Israel and all its neighbors;

Whereas on September 13, 1993, the first major breakthrough of the Madrid peace process was achieved when Israel and the Palestinians signed the Declaration of Principles on Interim Self-Government Arrangements on the White House lawn;

Whereas September 13, 1995, marks the second anniversary of this important breakthrough;

Whereas the United States has pledged to support the Israeli-Palestinian Declaration of Principles through diplomatic and political efforts, the provision of assistance, and other means;

Whereas the May 4, 1994, Cairo Agreement between Israel and the Palestinians resulted in the withdrawal of the Israeli army from the Gaza Strip and the Jericho area and the establishment of a Palestinian Authority with responsibility for those areas;

Whereas Israel and the Palestinian Authority are continuing negotiations on the redeployment of Israeli troops out of Arab population centers in the West Bank, the expansion of the Palestinian Authority's jurisdiction into the areas vacated by the Israeli army, and the convening of elections for a Palestinian council;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for the October 25, 1994, signing of a full peace

treaty between Israel and Jordan, which established full diplomatic relations and pledged to resolve all future disputes by peaceful means;

Whereas the Israeli-Jordanian peace treaty has resulted in rapid normalization and unprecedented cooperation between the two nations in security, economic development, the environment, and other areas;

Whereas the Israeli-Palestinian Declaration of Principles helped pave the way for Israel to establish low-level diplomatic relations with Morocco and Tunisia, and to initiate official contacts with Qatar, Oman, and Bahrain;

Whereas the six nations of the Gulf Cooperation Council have announced their decision to end all enforcement of the secondary and tertiary boycotts of Israel;

Whereas extremists opposed to the Middle East peace process continue to use terrorism to undermine the chances of achieving a comprehensive peace, including on August 21, 1995, when a suicide bomber blew up on a bus in Jerusalem, killing one American and four Israeli civilians;

Whereas the issue of security and preventing acts of terrorism is and must remain of paramount importance in the Israeli-Palestinian negotiations; and;

Whereas compliance by the Palestine Liberation Organization and the Palestinian Authority with all of their solemn commitments is essential to the success of the peace process: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its support for the Israeli-Palestinian Declaration of Principles on the second anniversary of its historic signing;

(2) supports the efforts of Israel and the Palestinians to conclude an agreement on implementation of the second phase of the Declaration of Principles;

(3) condemns, in the strongest possible terms, all acts of terrorism aimed at undermining the Israeli-Palestinian peace negotiations and other tracks of the Middle East peace process, and calls upon all parties to take all necessary steps to prevent such acts;

(4) calls upon the Palestine Liberation Organization and the Palestinian Authority to comply with all of their commitments;

(5) welcomes the progress made toward peace between Israel and its neighbors;

(6) commends those Middle Eastern leaders who have committed to resolve their differences through only peaceful means;

(7) reiterates its believe that a comprehensive, lasting peace between Israel and its neighbors is in the national interest of the United States;

(8) encourages all participants in the Middle East peace process to continue working to achieve lasting peace agreements while adhering fully to all commitments made and agreements reached thus far;

(9) calls upon the Arab states to demonstrate their commitment to peace by completely dismantling the Arab boycott of Israel in its primary, secondary, and tertiary aspects; and

(10) strongly supports the Middle East peace process and seeks to effect policies that will help the peace process reach a successful conclusion.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 10:10 p.m., recessed until Wednesday, September 20, 1995, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate September 19, 1995:

DEPARTMENT OF JUSTICE

GLENN DALE CUNNINGHAM, OF NEW JERSEY, TO BE U.S. MARSHAL FOR THE DISTRICT OF NEW JERSEY FOR THE TERM OF 4 YEARS VICE ARTHUR DAVID BORINSKY.

DEPARTMENT OF TRANSPORTATION

CHARLES A. HUNNICUTT, OF GEORGIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION, VICE JEFFREY NEIL SHANE, RESIGNED.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

JAMES CHARLES RILEY, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION FOR A TERM OF 6 YEARS EXPIRING AUGUST 30, 2000, VICE RICHARD V. BACKLEY, TERM EXPIRED.

IN THE COAST GUARD

THE FOLLOWING REGULAR OFFICERS OF THE U.S. COAST GUARD FOR PROMOTION TO THE GRADE OF COMMANDER:

JAMES E. BUSSEY III
ANDREW T. MOYNAHAN
TIMOTHY R. QUINTON
CURTIS J. OTT
MARK J. BURROWS
MICHAEL P. RAND
STEVEN D. HARDY
KEVIN E. DALE
JAMES M. OBERNESSER
PATRICK T. KEANE
JOHNNY L. HOLLOWELL
PAUL D. JEWELL
EARLE G. THOMAS IV
JACK V. RUTZ
JON D. ALLEN
ROBERT C. THOMSON
JOHN E. FROST
DENNIS M. HOLLAND
MICHAEL A. JETT
William D. Baumgartner
Larry R. White
Tracy S. Allen
Stephen E. Mehling
Michael C. Ghizzoni
Daniel N. Riehm
William R. Marhoffer
Brandt R. Weaver
David S. Hill
James D. Maes
CRAIG M. JUCKNIESS
MICHAEL A.NEUSSL
GEORGE H. HEINTZ
JOSEPH W. BRUBAKER
JEFFREY H. BARKER
MICHAEL D. HUDSON
GREGORY A. MITCHELL III
PAUL J. REID
GREGORY L. SHELTON
ROBERT J. WILSON IV
KEVIN J. CAVANAUGH
GEORGE A. ASSENG, JR.
DANIEL L. WRIGHT
KATHY A. HAMBLETT
MICHAEL R. LINZEY
CHRISTINE J. QUEDENS
JEFF R. BROWN
LEROY A. JACOBS, JR.
JOSEPH C. LICHAMER
CHRISTOPHER D. MILLS
DANIEL C. WHITING
NEAL J. ARMSTRONG
ROBIN D. ORR
KEVIN L. MAEHLER
TIMOTHY V. SKUBY
PARTICK J. DIETRICH
HARRY E. HAYNES III
JOSEPH F. RODRIGUEZ
DAVID J. REGAN
JONATHON P. BENVENUTO
JAMES A. MCEWEN
MICHAEL P. NERINO
TAMERA R. GOODWIN
DOUGLAS S. TAYLOR
JEAN M. BUTLER
RANKLIN R. ALBERO
ROBERT A. BALL, JR.
GARY M. SMIALEK
ROBERT E. DAY, JR.
ROBER E. ACKER
MICHAEL E. RABER
MICHAEL D. INMAN
SHARON W. FIJALKA
MONEYY T. KAZEK
AUSTIN F. CALLWOOD
STEVEN P. HOW
IAN GRUNTHER
JEFFREY R. FREEMAN
FREDRICK D. PENDLETON
MARK S. PALMQUIST
ADOLFO D. RAMIREZ, JR.
MARGARET E. JONES
PETER M. KEANE
BLAINE H. HOLLIS
JOHN C. WILLIAMS
GREGG W. STEWART
STEPHEN D. AUSTIN
DEREK H. RIEKSTS
CHRIS OELSCHLEGEL
THOMAS D. HOOPER
JAMES D. BJOSTAD
KEVIN M. ROBB
MARGARET F. THURBER
ROBERT L. KAYLOR
ROBERT M. O'BRIEN
PAUL A. FRANCIS
JOHN A. MCCARTHY
DONALD E. OUELLETTE
TERRENCE W. CARTER
DAVALEE G. NORTON
JOE MATTINA, JR.
MICHAEL C. MCCLOUGHAN
SERGIO D. CERDA
PAUL W. LANGNER
EDWIN M. STANTON
STEVEN M. DOSS
STEPHEN C. NESEL
GAIL A. DONNELLY
ROGER H. DEROCHE
JOSEPH M. JACOBS
GILBERT E. SENA
STANLEY M. DOUGLAS
MATTHEW B. CRAWLEY
DOUGLAS A. MCCANN
JAY G. MANIK
JAMES C. HOWE
JUDITH E. KEENE
PHILIP H. SULLIVAN
LANCE L. BARDO
ERIC B. BROWN
DAVID W. KRANKING
JONATHAN S. KEENE
STEPHEN C. DUCA
DARRELL E. MILBURN
SCOTT L. KRAMMES

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. BRETT M. DULA, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES F. RECORD, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. THAD A. WOLFE, 000–00–0000, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. WILLIAM WELSER III, 000–00–0000, REGULAR AIR FORCE.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR PROMOTION IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be brigadier general

COL. BETTYE H. SIMMONS, 000–00–0000, U.S. ARMY.

THE FOLLOWING-NAMED MEDICAL CORPS COMPETITIVE CATEGORY OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be brigadier general

COL GEORGE J. BROWN, 000–00–0000, U.S. ARMY.
COL. ROBERT F. GRIFFIN, 000–00–0000, U.S. ARMY.

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, UNITED STATES CODE:

To be colonel

MEDICAL SERVICE CORPS

ANTHONY C. AIKEN, 000–00–0000
ALLEN F. ALMQUIST, 000–00–0000
JOHN A. BECKER, 000–00–0000
FRANK E. BLAKELY, 000–00–0000
LARRY E. CAMPBELL, 000–00–0000
TERRY D. CARROLL, 000–00–0000
FELIPE CASSO, 000–00–0000
RICHARD DANIELSON, 000–00–0000
DAVID L. DANLEY, 000–00–0000
JEFFREY W. DAVIES, 000–00–0000
LEE I. DRIGGERS, 000–00–0000
RONALD J. DUNN, 000–00–0000
DAVID B. GORSKI, 000–00–0000
JAMES R. GREENWOOD, 000–00–0000
JAMES B. HAWKINS, 000–00–0000
DORIS H. HENDERSON, 000–00–0000
JOHN P. HIGHTOWER, 000–00–0000
MARJORIE A. JACKSON, 000–00–0000
GARY K. KAGAWA, 000–00–0000
GEORGE L. KAUFFMAN, 000–00–0000
JONATHAN M. KISSANE, 000–00–0000
DAVID A. KOTZIN, 000–00–0000
RICHARD L. KUSSMAN, 000–00–0000
LARRY W. MATTHEWS, 000–00–0000
PHILIP X. NAVIN, 000–00–0000
GENNADY E. PLATOFF, 000–00–0000
HARRY J. QUEBBEMAN, 000–00–0000
MARK A. QUINN, 000–00–0000
NANCY K. RAIHA, 000–00–0000
ROBERT R. ROLAND, 000–00–0000
JIMMY SANDERS, 000–00–0000
CHARLES S. SERIO, 000–00–0000
TERRY P. SHANAHAN, 000–00–0000
ROBERT E. STIENEKER, 000–00–0000
STANFORD K. SUR, 000–00–0000
RAY J. TERRILL, 000–00–0000
ROBERT W. THOMAS, 000–00–0000

MEDICAL SPECIALIST CORPS

To be colonel

JEAN M. BRYAN, 000–00–0000
BONNIE J. DEMARS, 000–00–0000
KRISTIN D. KING, 000–00–0000

VETERINARY CORPS

To be colonel

LYNN J. ANDERSON, 000–00–0000
CLYDE B. HOSKINS, 000–00–0000
WILLIAM INSKEEP, II, 000–00–0000
CREIGHTON J. TRAHAN, 000–00–0000

NURSE CORPS

To be colonel

NIRANJAN BALLIRAM, 000–00–0000
DAVID T. BOLESH, 000–00–0000
DIANE L. BROWN, 000–00–0000
ERLINDA D. CONNORS, 000–00–0000
ROSEMARIE EDINGER, 000–00–0000
CAROLIN EITELJORGE, 000–00–0000
SUSAN R. FOX, 000–00–0000
GWENDOLYN FRYER, 000–00–0000
PATRICIA M. GILL, 000–00–0000
EILEEN A. HEMMAN, 000–00–0000
JANIS L. HOFMAN, 000–00–0000
JEANETTE S. JAMES, 000–00–0000
SALLIE J. JOLLY, 000–00–0000
WILLIAM T. KOEHLER, 000–00–0000
STEPHANIE MARSHALL, 000–00–0000
JOEL M. MESSING, 000–00–0000
GEORGE F. NUSSBAUM, 000–00–0000
VICKI R. ODEGAARD, 000–00–0000

AIDA R. PEREZ, 000–00–0000
JILL S. PHILLIPS, 000–00–0000
JEANNE PICARIELLO, 000–00–0000
CONSTANCE L. SCOTT, 000–00–0000
WENDY S. SWAN, 000–00–0000
JOYCE M. WALLER, 000–00–0000
DONNA M. WENDT, 000–00–0000
JENNIFER T. WILBER, 000–00–0000
KAREN L. WILKINS, 000–00–0000

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, UNITED STATES CODE. THE OFFICERS IDENTIFIED BY AN ASTERISK (*) ARE ALSO NOMINATED FOR REGULAR APPOINTMENT IN ACCORDANCE WITH SECTION 531 OF TITLE 10, UNITED STATES CODE:

ARMY COMPETITIVE

To be major

DAVID L. ABBOTT, 000–00–0000
*GEORGE A. ABELON, 000–00–0000
*JOSEPH E. ACREE, 000–00–0000
*BRUCE D. ADAMS, 000–00–0000
JAMES W. ADAMS, 000–00–0000
*TIMOTHY C. AGAZIO, 000–00–0000
*ALFRED B. AGEE, 000–00–0000
*ALFONSO J. AHUJA, 000–00–0000
MICHAEL C. AID, 000–00–0000
ROBERT B. AKAM, 000–00–0000
ELTON D. AKINS, 000–00–0000
*ERIC S. ALBERT, 000–00–0000
*GARY D. ALEXANDER, 000–00–0000
*JEFFREY ALEXANDER, 000–00–0000
*ROBERT E. ALI, 000–00–0000
*BARRETT S. ALLEN, 000–00–0000
JOHN T. ALLEN, 000–00–0000
JOHN W. ALLEN, 000–00–0000
MICHAEL C. ALLEN, 000–00–0000
MICHAEL J. ALLEN, 000–00–0000
REGINALD E. ALLEN, 000–00–0000
OLIVER B. ALT, 000–00–0000
*PETER ALVAREZ, 000–00–0000
*JOHN J. ALWINE, 000–00–0000
FRANZ J. AMANN, 000–00–0000
*ABRAHAM ANDERSON, 000–00–0000
DAVID E. ANDERSON, 000–00–0000
*JOSEPH A. ANDERSON, 000–00–0000
*MARCUS A. ANDERSON, 000–00–0000
*RANDAL S. ANDERSON, 000–00–0000
RICHARD J. ANDERSON, 000–00–0000
*ZELMA A. ANDERSON, 000–00–0000
*BRENDA A. ANDREWS, 000–00–0000
*DARREL W. ANDREWS, 000–00–0000
*GUY B. ANDREWS, 000–00–0000
JAMES T. ANIBAL, 000–00–0000
PATRICK ANTONIETTI, 000–00–0000
ARTHUR J. ARAGON, 000–00–0000
DENISE A. ARCHULETA, 000–00–0000
JUAN L. ARCOCHA, 000–00–0000
DAVID C. ARE, 000–00–0000
CHRISTOPHER S. ARGO, 000–00–0000
MICHAEL A. ARMSTEAD, 000–00–0000
MARK R. ARN, 000–00–0000
HENRY A. ARNOLD, 000–00–0000
JOHN K. ARNOLD I, 000–00–0000
JOHN A. ARUZZA, 000–00–0000
*JAMES M. ASH, 000–00–0000
JOHN C. ASHBAUGH, 000–00–0000
*JAMES W. ATKINSON, 000–00–0000
*MARY E. ATKINSON, 000–00–0000
GARY L. AUEN, 000–00–0000
*REGGIE L. AUSTIN, 000–00–0000
*MICHAEL G. AYCOCK, 000–00–0000
*STEPHEN M. BADGER, 000–00–0000
*RICARDO E. BAEZ, 000–00–0000
*CALVIN D. BAILEY, 000–00–0000
*CHRISTOPHER BAILEY, 000–00–0000
*CASEY E. BAIN, 000–00–0000
STAN D. BAIN, 000–00–0000
MICHAEL K. BAISDEN, 000–00–0000
CHRISTOPHER BAKER, 000–00–0000
DOUGLAS L. BAKER, 000–00–0000
GREGORY P. BAKER, 000–00–0000
*JANICE M. BAKER, 000–00–0000
JOHN W. BAKER, 000–00–0000
TERRY L. BALDWIN, 000–00–0000
*WILLIAM E. BALES, 000–00–0000
JAMES F. BALL, 000–00–0000
SHAWN D. BALL, 000–00–0000
CHRISTOPHER BALLARD, 000–00–0000
*JEFFERY A. BALLMER, 000–00–0000
WILLIAM P. BANKER, 000–00–0000
JAMES B. BANKSTON, 000–00–0000
MICHAEL J. BARBEE, 000–00–0000
JUNIO O. BARBER, 000–00–0000
ROBERT BARINOWSKI, 000–00–0000
*MARVIN BARKER, 000–00–0000
*MARKS S. BARNES, 000–00–0000
*RANDALL T. BARNES, 000–00–0000
WILLIAM M. BARNETT, 000–00–0000
*PHILIP S. BASILE, 000–00–0000
DAVID E. BASS, 000–00–0000
DAVID E. BASSETT, 000–00–0000
JEROLD D. BASTIAN 000–00–0000
MICHAEL A. BAUMANN 000–00–0000
*EARNEST A. BAZEMORE 000–00–0000
BRYAN S. BEAN 000–00–0000
MICHAEL D. BEAN 000–00–0000
*JAMES E. BEASLEY 000–00–0000
*JONATHAN D. BEASLEY 000–00–0000
PETER B. BECHTEL 000–00–0000
BRADLEY A. BECKER 000–00–0000
CRAIG I. BELL 000–00–0000
*SHELBY E. BELL 000–00–0000
*GERALD E. BELLIVEAU 000–00–0000
*GREGORY S. BENDA 000–00–0000
*WILLIAM J. BENDER 000–00–0000
LEITH A. BENEDICT 000–00–0000
EARNEST C. BENNER 000–00–0000
*ERIC H. BENNETT 000–00–0000
*JOSEHP A. BENNETT 000–00–0000
*LISA C. BENNETT 000–00–0000
JOHN G. BENNIS 000–00–0000
*CHRISTOPHER BENTLEY 000–00–0000
*STEWART W. BENTLEY 000–00–0000
RANDALL BENTZ 000–00–0000
*BRUCE V. BERARDINI 000–00–0000
JACOB L. BERLIN 000–00–0000
TIMONTHY BERNSTEIN 000–00–0000
*MICHAEL C. BERRY 000–00–0000
JOHN E. BESSLER 000–00–0000
*RICHARD A. BEZOLD 000–00–0000
ROB A. BIEDERMANN 000–00–0000
CLINTON R. BIGGER 000–00–0000
*MARTIN G. BINDER 000–00–0000
ALLEN E. BIRD 000–00–0000
CARL D. BIRD 000–00–0000
GARRY P. BISHOP 000–00–0000
*ROBERT G. BLACK 000–00–0000
BOBBY F. BLACKWELL 000–00–0000
MARLON D. BLOCKER 000–00–0000
MICHAEL BOEDING 000–00–0000
*EVELYN R. BOETTGER 000–00–0000
*MARK O. BOGGS 000–00–0000
MITCHEL BOHNSTEDT 000–00–0000
JOHN E. BOKOR 000–00–0000
*MICHAEL D. BOLLUYT 000–00–0000
*STEVEN S. BONK 000–00–0000
*JOHN R. BONNER 000–00–0000
BRADLEY W. BOOTH 000–00–0000
JOSEPH L. BORDERS 000–00–0000
*JOHN J. BOREK 000–00–000
KEVEN J. BOSTICK 000–00–0000
SHARON W. BOWERS 000–00–0000
RICHARD F. BOWYER 000–00–0000
ALLAN S. BOYCE, 000–00–0000
*CRIS J. BOYD, 000–00–0000
*ALLEN D. BOZARTH, 000–00–0000
WILLIE L. BRADLEY, 000–00–0000
CARL J. BRADSHAW, 000–00–0000
*GARRY L. BRANCH, 000–00–0000
*JAMES M. BRANDON, 000–00–0000
*PORT BRANDONMOCRAW, 000–00–0000
STEVEN BRATINA, 000–00–0000
DARCY A. BREWER, 000–00–0000
*DANIEL T. BRICK, 000–00–0000
DAVID D. BRIGGS, 000–00–0000
*RICHARD H. BRISBON, 000–00–0000
MATTHEW W. BRPADDIS, 000–00–0000
ALFRED L. BROOKS, 000–00–0000
*MICHAEL J. BROOKS, 000–00–0000
*SCOTT A. BROSCH, 000–00–0000
*JAMES M. BROSKY, 000–00–0000
DAVID J. BROST, 000–00–0000
MICHAEL BROUILLETTE, 000–00–0000
*CHARLES R. BROWN, 000–00–0000
*CHRISTOPHER BROWN, 000–00–0000
FREDRICK BROWN, 000–00–0000
*GREGORY S. BROWN, 000–00–0000
JAMES BROWN, 000–00–0000
PAUL D. BROWN, 000–00–0000
RONALD E. BROWN, 000–00–0000
*TIMONTHY J. BROWN, 000–00–0000
TODD A. BROWNE, 000–00–0000
*STEVEN P. BROWNING, 000–00–0000
*NORMAN E. BRUBAKER, 000–00–0000
*ROBERT M. BRUCE, 000–00–0000
VINCENT D. BRYANT, 000–00–0000
LISA A. BUCHALSKI, 000–00–0000
BRENT J. BUCHHOLZ, 000–00–0000
TIMONTHY BUENNEMYER, 000–00–0000
JOHN W. BULLION, 000–00–0000
*ANDREW F. BURCH, 000–00–0000
RENE G. BURGESS, 000–00–0000
*JERHALD A. BURGOA, 000–00–0000
MICHAEL P. BURKE, 000–00–0000
*BRETT R. BURLAND, 000–00–0000
PETER M. BURNHAM, 000–00–0000
STEPHEN T. BURNS, 000–00–0000
*GARY W. BURT, 000–00–0000
PAUL S. BURTON, 000–00–0000
*LOUIS S. BUSBY, 000–00–0000
HANS E. BUSH, 000–00–0000
*DAVID A. BUSINGER, 000–00–0000
*MATTHEW C. BUTLER, 000–00–0000
GREGORY K. BUTTS, 000–00–0000
RICHARD M. CABREY, 000–00–0000
SAMUEL M. CACCAMO, 000–00–0000
GRETCHEN CADWALLADER, 000–00–0000
RONALD D. CAFFEE, 000–00–0000
PAUL L. CAL, 000–00–0000
*ELIZABETH CALDWELL, 000–00–0000
JON D. CALL, 000–00–0000
MAUREEN C. CALLAN, 000–00–0000
CHARLOTTE CALLARI, 000–00–0000
DEAN C. CALONDER, 000–00–0000
*LUIS A. CAMACHO, 000–00–0000
*ELIJAH L. CAMPBELL, 000–00–0000
*ROBERT K. CAMPBELL, 000–00–0000
SCOTT A. CAMPBELL, 000–00–0000
*JOSEPH C. CANSLER, 000–00–0000
*LORRAINE CANTOLINA, 000–00–0000
MILES CANTRALL, 000–00–0000
SUE CANTU, 000–00–0000
CHRISTOPHER CARLSON, 000–00–0000
*GARY S. CARLSON, 000–00–0000
RICHARD E. CARLSON, 000–00–0000
*DAVID H. CARLTON, 000–00–0000
*DWAYNE CARMAN, JR., 000–00–0000
*MARK D. CARMODY, 000–00–0000
JACK M. CARNEY, 000–00–0000
STEVEN E. CARRIGAN, 000–00–0000
CEDRIC O. CARROLL, 000–00–0000
*FLORENTINO CARTER, 000–00–0000
GLORIA J. CARTER, 000–00–0000
ROSEMARY M. CARTER, 000–00–0000
MARK A. CARUSO, 000–00–0000
*THOMAS L. CASCIARO, 000–00–0000
OLIVER S. CASS, 000–00–0000
JAMES P. CASSELLA, 000–00–0000
*THOMAS P. CASSIDY, 000–00–0000
BYRON T. CASTLEMAN, 000–00–0000
JOHN G. CASTLES, 000–00–0000
NICHOLAS CASTRINOS, 000–00–0000
MICHAEL P. CAVALIER, 000–00–0000
*ROBERT J. CEJKA, JR., 000–00–0000
PAUL G. CEPEDA, 000–00–0000
*MICHAEL A. CEROLI, 000–00–0000
JOSEPH L. CHACON, 000–00–0000
KIM E. CHAMBERLAIN, 000–00–0000
PAUL W. CHAMBERLAIN, 000–00–0000
KENNETH A. CHANCE, 000–00–0000
CHRISTOPH CHANDLER, 000–00–0000
MICHAEL R. CHANDLER, 000–00–0000
DAVID A. CHAPMAN, 000–00–0000
JAMES J. CHAPMAN, 000–00–0000
*ALLEN M. CHAPPELL, 000–00–0000
MARK E. CHAPPELLE, 000–00–0000
STEVEN CHARBONNEAU, 000–00–0000
*ROOSEVELT CHARLES, 000–00–0000
*JOHN M. CHARVAT, 000–00–0000
TRACY E. CHAVIS, 000–00–0000
*ROBERT G. CHEATHAN, 000–00–0000
RAFAEL A. CHECA, 000–00–0000
EDWARD A. CHESKY, 000–00–0000
JAMES H. CHEVALLIER, 000–00–0000
*JAMES S. CHILDRESS, 000–00–0000
PAUL R. CHLEBO, 000–00–0000
*WILLIAM CHURCHWELL, 000–00–0000
*CHRISTOPHER CIMINO, 000–00–0000
THOMAS M. CIOPPA, 000–00–0000
ROBERT A. CLAFLIN, 000–00–0000
WILLIAM P. CLAPPIN, 000–00–0000
JAMES H. CLARK, 000–00–0000
*RUSSELL P. CLARK, 000–00–0000
FREDERICK S. CLARKE, 000–00–0000
*MATTHEW T. CLARKE, 000–00–0000
MARK F. CLEMENT, 000–00–0000
DANIEL C. CLEMENS, 000–00–0000
*RICHARD CLEVELAND, 000–00–0000
*EMMA L. CLOPTON, 000–00–0000
*ALAN A. CLUFF, 000–00–0000
MARK B. COATS, 000–00–0000
CLAYTON W. COBB, 000–00–0000
*THOMAS M. COBURN, 000–00–0000
*MARCUS A. COCHRAN, 000–00–0000
NICHOLA CODDINGTON, 000–00–0000
WILLIAM J. COJOCAR, 000–00–0000
*BYRON P. COLE, 000–00–0000
MARYLEE COLE, 000–00–0000
*RICHARD D. COLLEY, 000–00–0000
*JOHN E. COLLIE, 000–00–0000
*BRUCE D. COLLIER, 000–00–0000
JOHN K. COLLISON, 000–00–0000
RNRIQUE COLON, 000–00–0000
JOSE R. COLONDRES, 000–00–0000
*AARON D. COMBS, 000–00–0000
PEGGY C. COMBS, 000–00–0000
RAY A. COMBS I, 000–00–0000
GEORGE E. CONE, 000–00–0000
DARYL L. CONKLIN, 000–00–0000
*JOSEPH R. CONNELL, 000–00–0000
*MARK W. CONNELLY, 000–00–0000
*MARCO C. CONNERS, 000–00–0000
ANDRES CONTRERAS, 000–00–0000
JAY J. CONWAY, 000–00–0000
JAMES L. COOK, 000–00–0000
*JULIA C. COOK, 000–00–0000
CRAIG A. COOPER, 000–00–0000
*MICHAEL COOPER, 000–00–0000
GEORGE R. COPELAND, 000–00–0000
JEFFREY C. CORBETT, 000–00–0000
*MAX J. CORNEAU, 000–00–0000
*ROBERT E. CORNELIUS, 000–00–0000
BLA CORNELLDECHERT, 000–00–0000
LEONARD A. COSBY, 000–00–0000
*EDWIN T. COTTON, 000–00–0000
*PETER L. COUGHLIN, 000–00–0000
*WILLIAM J. COULTRUP, 000–00–0000
*CHARLES E. COURSEY, 000–00–0000

*MICHAEL COUTURIER, 000–00–0000
*LESLIE J. COWAN, 000–00–0000
*AUDDIE L. COX, 000–00–0000
*JAMES A. COX, 000–00–0000
*NATHANIEL C. COXON, 000–00–0000
*PAUL D. COYLE, 000–00–0000
*JAMES E. CRAFT, 000–00–0000
*MICHAEL P. CRALL, 000–00–0000
*LISA K. CRAMER, 000–00–0000
*PAUL D. CRAMER, 000–00–0000
ANTHONY K. CRAWFORD, 000–00–0000
BOBBY G. CRAWFORD, 000–00–0000
BRUCE T. CRAWFORD, 000–00–0000
*LINDA L. CRAWFORD, 000–00–0000
*WAYNE M. CRAWFORD, 000–00–0000
LUIS B. CRESPO, 000–00–0000
MARK S. CREVISTON I, 000–00–0000
JANE E. CRICHTON, 000–00–0000
DAVID W. CRITICS, 000–00–0000
MAUREEN W. CROSS, 000–00–0000
*DAVID A. CROWE, 000–00–0000
MELVIN CRUTCHER, 000–00–0000
*ALBERT CRUZ, 000–00–0000
ANTHONY CRUZ, 000–00–0000
*MARI CUELLARGARCIA, 000–00–0000
ROBERT M. CUMBIE, 000–00–0000
BRIAN K. CUMMINGS, 000–00–0000
*JEFFRY CUNNINGHAM, 000–00–0000
*MICHAEL J. CURRY, 000–00–0000
KENT C. CURTSINGER, 000–00–0000
*ERIC D. CUSICK, 000–00–0000
*DEBORAH M. CUSIMANO, 000–00–0000
TRENT R. CUTHBERT, 000–00–0000
*JOHN R. DACEY, 000–00–0000
BEVAN R. DALEY, 000–00–0000
*JAMES E. DALGLEISH, 000–00–0000
*AUSTIN L. DALTON, 000–00–0000
*GLENN J. DANIELSON, 000–00–0000
*RACHEL DANIELSON, 000–00–0000
JAMES W. DANNA, 000–00–0000
*KIRBY M. DARAS, 000–00–0000
DARRYL C. DARDEN, 000–00–0000
MARK C. DARDEN, 000–00–0000
CHRISTOPHER E. DASH, 000–00–0000
ANNE R. DAUGHERTY, 000–00–0000
*DAVID L. DAVENPORT, 000–00–0000
*JACKIE W. DAVID, 000–00–0000
*JEFFREY L. DAVIDSON, 000–00–0000
MARK C. DAVIDSON, 000–00–0000
SUSAN A. DAVIDSON, 000–00–0000
JEFFREY S. DAVIES, 000–00–0000
DAWNE M. DAVIS, 000–00–0000
*JOHN B. DAVIS, 000–00–0000
*JULIUS W. DAVIS, 000–00–0000
*QUINCY L. DAVIS, 000–00–0000
RONALD B. DAVIS, 000–00–0000
*SAMUEL J. DAVIS, 000–00–0000
*STEVAN A. DAVIS, 000–00–0000
MATTHEW Q. DAWSON, 000–00–0000
*MAURICE DAWSON, 000–00–0000
JEFFREY E. DAY, 000–00–0000
*TANYA J. DEAN, 000–00–0000
*ANTHONY E. DEANE, 000–00–0000
CARL E. DEANS, 000–00–0000
*STEVEN W. DECATO, 000–00–0000
ANGELO L. DECECCO, 000–00–0000
CRAIG A. DEDECKER, 000–00–0000
PEDRO DEJESUS, 000–00–0000
PATRICK J. DELANEY, 000–00–0000
DENISE A. DELAWTER, 000–00–0000
JOSE L. DELGADO, 000–00–0000
JOHN DELLAGIUSTINA, 000–00–0000
ARTURO DELOSSANTOS, 000–00–0000
DAVID B. DEMASSEY, 000–00–0000
*ROBERT H. DEMEYER, 000–00–0000
*MICHAEL L. DENNIS, 000–00–0000
DARRYL L. DERR, 000–00–0000
KATHERINE DERRICK, 000–00–0000
WILLIAM M. DERRICK, 000–00–0000
BRIAN M. DETOY, 000–00–0000
ALISSA B. DEUEL, 000–00–0000
*MARK A. DEWHURST, 000–00–0000
*BRIAN J. DIAZ, 000–00–0000
*JOSEPH J. DICHAIRO, 000–00–0000
*JAMES F. DICKENS, 000–00–0000
JAMES H. DICKINSON, 000–00–0000
FLOYD S. DICKSON, 000–00–0000
*SHANE DIETRICH, 000–00–0000
*CLIFFORD B. DILL, 000–00–0000
JEFFREY W. DILL, 000–00–0000
PHILIP D. DILLARD, 000–00–0000
KENNETH J. DILLER, 000–00–0000
PAUL A. DINKEL, 000–00–0000
ADDISON V. DISHMAN, 000–00–0000
*WALTER D. DISNEY, 000–00–0000
LILLIAN A. DIXON, 000–00–0000
*MARK R. DIXON, 000–00–0000
*ANDREW J. DODSON, 000–00–0000
TODD L. DODSON, 000–00–0000
ROBERT C. DOERER, 000–00–0000
*DANIEL J. DONOVAN, 000–00–0000
*KATHLEEN M. DORAN, 000–00–0000
*RANDAL E. DORF, 000–00–0000
DEAN E. DORKO, 000–00–0000
*LARY P. DORSETT, 000–00–0000
BRIAN L. DOSA, 000–00–0000
*DAVID A. DOUGHERTY, 000–00–0000
TERRY L. DOUGLAS, 000–00–0000
WILLIAM D. DOUGLASS, 000–00–0000
ROBERT L. DOUTHIT, 000–00–0000
STEVEN G. DRAKE, 000–00–0000
BRIAN M. DRINKWINE, 000–00–0000
*EDWIN M. DROSE, JR., 000–00–0000
*JOHN W. DRUCE, 000–00–0000
*THOMAS J. DUBOIS, 000–00–0000
COLLEEN E. DUFFY, 000–00–0000
ROBERT W. DUGGLEBY, 000–00–0000
JOHN R. DUKE, 000–00–0000
JAMES J. DULLAGHAN, 000–00–0000
*JAMES A. DUNCAN, 000–00–0000
JOHN R. DUNDAS, 000–00–0000
JEFFERY G. DUNN, 000–00–0000
*JOHN H. DUROCHER, 000–00–0000
THOMAS A. DURSO, 000–00–0000
DAVID P. DVORAK, 000–00–0000
KENNETH C. DYER, 000–00–0000
PATRICK J. EBERHART, 000–00–0000
EDWARD E. ECHOLS, 000–00–0000
JEFFREY R. ECKSTEIN, 000–00–0000
RODNEY D. EDGE, 000–00–0000
PETER B. EDMONDS, 000–00–0000
JOSEPH K. EDWARDS, 000–00–0000
*AMY L. EHMANN, 000–00–0000
SCOTT A. EISENHAUER, 000–00–0000
*STEPHEN E. ELDRED, 000–00–0000
*RACHEL M. ELKINS, 000–00–0000
*JEFFREY A. ELLIS, 000–00–0000
JOHN A. ELLIS, 000–00–0000
*JEFFREY D. ELLISON, 000–00–0000
*BRIAN E. ENG, 000–00–0000
CRAIG A. ENGEL, 000–00–0000
ANTHONY J. ENGLISH, 000–00–0000
OSWALD ENRIQUEZ, 000–00–0000
ANDREW G. ENTWISTLE, 000–00–0000
ROBERT W. EOFF, 000–00–0000
*ROBERT H. EPPERSON, 000–00–0000
*PAUL J. ERNST, 000–00–0000
MARK W. ERWIN, 000–00–0000
RAUL E. ESCRIBANO, 000–00–0000
*JAIME A. ESTEVA, 000–00–0000
CHARLES D. EUBANKS, 000–00–0000
BOYCE H. EVANS, 000–00–0000
*JOHN R. EVANS, 000–00–0000
*JOSEPH C. EVANS, 000–00–0000
THOMAS P. EVANS, 000–00–0000
*DAVID A. EXTON, 000–00–0000
LARNELL B. EXUM, 000–00–0000
MATTHEW J. FADDIS, 000–00–0000
*JOHN S. FANT, 000–00–0000
SCOTT C. FARQUHAR, 000–00–0000
ANTHONY FEAGIN, 000–00–0000
ROBERT J. FECTEAU, 000–00–0000
PHILIP T. FEIR, 000–00–0000
ALAN W. FEISTNER, 000–00–0000
JEFFREY L. FELDMAN, 000–00–0000
LUIS A. FELICIANO, 000–00–0000
ROBERT P. FELIU, 000–00–0000
KEVIN M. FELIX, 000–00–0000
SCOTT M. FELLOWS, 000–00–0000
MICHAEL D. FENNELL, 000–00–0000
GREGORY P. FENTON, 000–00–0000
FRANK S. FERACO, 000–00–0000
BRUCE H. FERRI, 000–00–0000
MARK A. FERRIS, 000–00–0000
*MARLENE S. FEY, 000–00–0000
*DENNIS D. FIEMEYER, 000–00–0000
*DAVID B. FIKE, 000–00–0000
ANTHONY J. FIORE, 000–00–0000
*JOSEPH M. FISCHETTI, 000–00–0000
*EDWARD J. FISH, 000–00–0000
*CASEY C. FLAGG, 000–00–0000
STEVEN D. FLEMING, 000–00–0000
ALEXANDER FLETCHER, 000–00–0000
SCOTT N. FLETCHER, 000–00–0000
*JACK D. FLOWERS, 000–00–0000
CHARLES A. FLYNN, 000–00–0000
KARL S. FLYNN, 000–00–0000
*WILLIAM B. FOGLE, 000–00–0000
DONALD J. FONTENOT, 000–00–0000
PETER J. FORMICA, 000–00–0000
MICHAEL N. FORREST, 000–00–0000
*ROGER A. FORTIER, 000–00–0000
JAMES S. FOSTER, 000–00–0000
AUGUSTUS FOUNTAIN, 000–00–0000
ANDREW H. FOWLER, 000–00–0000
*PATRICK M. FOWLER, 000–00–0000
*DANIEL T. FOX, 000–00–0000
*KIRK D. FRADY, 000–00–0000
ANDREW J. FRANK, 000–00–0000
CHRISTOPHER FRANKS, 000–00–0000
MICHAEL J. FRANKS, 000–00–0000
*ALFONSO FRANQUI, 000–00–0000
MICHAEL E. FRANTZ, 000–00–0000
JEFFREY D. FREELAND, 000–00–0000
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*LENNIE R. UPSHAW, 000–00–0000
CHRISTOPHER UPSON, 000–00–0000
*JOE A. USREY, 000–00–0000
GREGORY E. VALLET, 000–00–0000
ROBERT S. VANBEUGE, 000–00–0000
*MICHAEL VANDERBOGART, 000–00–0000
*DONALD VANDERGRIFF, 000–00–0000
*DIANE M. VANDERPOT, 000–00–0000
ROBERTO L. VAZQUEZ, 000–00–0000
ALEJANDRO J. VEGA, 000–00–0000
DAVID VELAZQUEZ, 000–00–0000
DAVID M. VENEZIA, 000–00–0000
*BRUCE C. VERDE, 000–00–0000
*RICHARD S. VICK, 000–00–0000
ARMANDO R. VIGIL, 000–00–0000
ALFRED J. VIGNA, 000–00–0000
JAMES A. VIOLA, 000–00–0000
*BERNARD VISHNESKI, 000–00–0000
LOUIS A. VOGLER, 000–00–0000
TIMOTHY A. VUONO, 000–00–0000
STEVEN L. WADE, 000–00–0000
SCOTT T. WAGGONER, 000–00–0000
ERIC C. WAGNER, 000–00–0000
MARC A. WAGNER, 000–00–0000
DOUGLAS L. WAHLERT, 000–00–0000
*GLENN R. WALKER, 000–00–0000
*WILLIAM E. WALPOLE, 000–00–0000
ERIC A. WALTERS, 000–00–0000
ROBERT P. WALTERS, 000–00–0000
MARK E. WALWORTH, 000–00–0000
DARRELL A. WARD, 000–00–0000
*DARRYL E. WARD, 000–00–0000
DAVID L. WARD, 000–00–0000
*JESSE S. WARD, 000–00–0000
MICHAEL V. WARREN, 000–00–0000
THOMAS F. WASHER, 000–00–0000
ANDREW WASHINGTON, 000–00–0000
VERSALL WASHINGTON, 000–00–0000
JOHN D. WASON, 000–00–0000
SCOTT T. WATERMAN, 000–00–0000
BILLIE S. WATTS, 000–00–0000
*CHARLES D. WATTS, 000–00–0000
BRIAN K. WEATHERLOW, 000–00–0000
*CHARLES B. WEBBER, 000–00–0000
WILLIAM WEIGESHOFF, 000–00–0000
HOWARD L. WEINSTOCK, 000–00–0000
SCOTT C. WELIVER, 000–00–0000
*CRAIG A. WELLS, 000–00–0000
JOHN M. WENDEL, 000–00–0000
ERIC P. WENDT, 000–00–0000
ANTHONY N. WENGER, 000–00–0000
*MICHAEL WESOLOWSKI, 000–00–0000
KATHRYN WESTBROOK, 000–00–0000
*MARVIN E. WESTEN, 000–00–0000
*CARY S. WESTIN, 000–00–0000
*JEFFREY H. WESTON, 000–00–0000
BRIAN R. WHALEN, 000–00–0000
*ROBERT P. WHALEN, 000–00–0000
*DAVID W. WHIPPLE, 000–00–0000
MARVIN S. WHITAKER, 000–00–0000
*ANDREW P. WHITE, 000–00–0000
*CLIFFORD T. WHITE, 000–00–0000
*DAVID J. WHITE, 000–00–0000
*DAVID L. WHITE, 000–00–0000
JEFFREY R. WHITE, 000–00–0000
*MARK M. WHITE, 000–00–0000
*PETER J. WHITE, 000–00–0000
*ROBERT L. WHITE, 000–00–0000
ROBERT P. WHITE, 000–00–0000
STEPHEN W. WHITE, 000–00–0000
STEVEN C. WICAL, 000–00–0000
*CHRISTOPHER WICKER, 000–00–0000
TRACY L. WICKHAM, 000–00–0000
KARL B. WIEDEMANN, 000–00–0000
ROBERT F. WIELER, 000–00–0000
MARK H. WIGGINS, 000–00–0000
*DAVID L. WILCOX, 000–00–0000
*GARY K. WILDS, 000–00–0000
*PHILIP G. WILKER, 000–00–0000
BRIAN L. WILLIAMS, 000–00–0000
CHARLES A. WILLIAMS, 000–00–0000
CHARLES E. WILLIAMS, 000–00–0000
DANIEL E. WILLIAMS, 000–00–0000
DARRELL K. WILLIAMS, 000–00–0000
DAVID M. WILLIAMS, 000–00–0000
*ERIC L. WILLIAMS, 000–00–0000
*GERALD E. WILLIAMS, 000–00–0000
JOE H. WILLIAMS, 000–00–0000
*RICHARD G. WILLIAMS, 000–00–0000
*STEVEN B. WILLIAMS, 000–00–0000
TASHA L. WILLIAMS, 000–00–0000
JEFFREY WILLIAMSON, 000–00–0000
*RANDALL WILLIAMSON, 000–00–0000
DONALD G. WILSEY, 000–00–0000
BELFORD S. WILSON, 000–00–0000
*DANIEL A. WILSON, 000–00–0000
*GREGORY K. WILSON, 000–00–0000
GREGORY R. WILSON, 000–00–0000
JEFFREY S. WILSON, 000–00–0000
*JOHN S. WILSON, 000–00–0000
*LATINA L. WILSON, 000–00–0000
*RONALD L. WILSON, 000–00–0000
THOMAS M. WILSON, 000–00–0000
JEFFREY S. WILTSE, 000–00–0000
*WILLIAM L. WIMBISH, 000–00–0000
*LOUIS B. WINGATE, 000–00–0000
KARL E. WINGENBACH, 000–00–0000
*CEDRIC T. WINS, 000–00–0000
NATHALIE WISNESKI, 000–00–0000
*DAVID M. WITTY, 000–00–0000
SUSAN F. WOJCIK, 000–00–0000
*DOUGLAS J. WOLFE, 000–00–0000
*BRADLEY J. WOOD, 000–00–0000
*DONALD K. WOOD, 000–00–0000
TODD R. WOOD, 000–00–0000
*JOHN I. WOODBERY, 000–00–0000
*KENNETH C. WOODBURN, 000–00–0000
BRENDA WORTHINGTON, 000–00–0000
*ANTHONY O. WRIGHT, 000–00–0000
GEORGE G. WRIGHT, 000–00–0000
WILLIAM D. WUNDERLE, 000–00–0000
*PHILLIP B. WYLLIE, 000–00–0000
*DAVID WYRICK, 000–00–0000
OLIVER K. WYRTKI, 000–00–0000
*LAWRENCE Y. YAP, 000–00–0000
*JAMES M. YOCUM, 000–00–0000
*KRISTINA A. YOUNG, 000–00–0000
ROBERT G. YOUNG, 000–00–0000
DAVID A. YOUNGBERG, 000–00–0000
*EVA M. YOUNGDAHL, 000–00–0000
*STEVEN ZACHARCZYK, 000–00–0000
WILLIAM J. ZAHARIS, 000–00–0000
*MICHAEL T. ZARYCZNY, 000–00–0000
*STEPHEN ZGLINICKI, 000–00–0000
*MICHAEL V. ZIEBA, 000–00–0000
ADAM C. ZIEGLER, 000–00–0000
EDWARD W. ZIMMERMAN, 000–00–0000
*MARC L. ZIMMERMAN, 000–00–0000
NEAL O. ZIMMERMAN, 000–00–0000
RANDAL J. ZIMMERMAN, 000–00–0000
JOHN L. ZORNICK, 000–00–0000
SCOTT W. ZURSCHMIT, 000–00–0000
X0154
*X2001
X0082
X0596
*X1613
X2444

IN THE NAVY

THE FOLLOWING-NAMED LIEUTENANTS IN THE STAFF CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF LIEUTENANT COMMANDER, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

MEDICAL CORPS OFFICERS

To be lieutenant commander

WILLIAM D. AGERTON, 000–00–0000
MARC L. ALESSANDRIA, 000–00–0000
BRIAN A. ALEXANDER, 000–00–0000
MIR B. ALI, 000–00–0000
CORINNE J. ANCONA-YOUNG, 000–00–0000
DAVID W. BAHL, 000–00–0000
EDUARDO J. BALBONA, 000–00–0000

THOMAS A. BALCOM, 000–00–0000
STEVEN L. BANKS, 000–00–0000
CHRISTOPHER J. BASHORE, 000–00–0000
STEVEN L. BASKERVILLE, 000–00–0000
MICHAEL B. BAUER, 000–00–0000
SHIUYUEH L. BAXTER, 000–00–0000
DAVID A. BEARD, 000–00–0000
BRUCE A. BECKER, 000–00–0000
DAVID R. BIERER, 000–00–0000
NANCY M. BISHOP, 000–00–0000
CHARLES D. BISSELL, 000–00–0000
KENT A. BLADE, 000–00–0000
CHRISTOPHER B. BOOKOUT, 000–00–0000
THOMAS L. BOSSHARDT, 000–00–0000
PHILLIP M. BOUTERSE, 000–00–0000
PATRICK H. BOWERS, 000–00–0000
GLORIA BOWLES-JOHNSON, 000–00–0000
PATRICK K. BOYLE, 000–00–0000
JEFFREY C. BROWN, 000–00–0000
JAMES E. BUNKER, 000–00–0000
STEPHEN W. BURGHER, 000–00–0000
RAFAEL A. CABRERA, 000–00–0000
JOSEPH C. CAMPBELL, 000–00–0000
ALEXANDER F. CARDENAS, 000–00–0000
MATTHEW A. CARLBERG, 000–00–0000
JANIS R. CARLTON, 000–00–0000
PHILIP D. CARON, 000–00–0000
JEFFREY S. CARSTENS, 000–00–0000
KEITH A. CARUSO, 000–00–0000
RHONDA S. CHANSON, 000–00–0000
HOLLACE D. CHASTAIN, 000–00–0000
JEFFREY W. CHUDOBA, 000–00–0000
JOHN P. CHUTE, 000–00–0000
DWAYNE C. CLARK, 000–00–0000
CHUNJAI L. CLARKSON, 000–00–0000
JEANNETTE M. CLEMONS, 000–00–0000
WILLIAM G. CLOWDIS, 000–00–0000
CATHERINE A. COUNARD, 000–00–0000
WILLIAM D. CRAIG, 000–00–0000
JOSEPH W. CUNNINGHAM, 000–00–0000
DAVID J. CZERTAK, 000–00–0000
DAVID J. DAMSTRA, 000–00–0000
ADRIAN M. DANCHENKO, 000–00–0000
THOMAS P. DAVIS, 000–00–0000
THOMAS E. DEBLOIS, 000–00–0000
DOUGLAS L. DECKER, 000–00–0000
RICHARD A. DELACRUZ, 000–00–0000
PAUL J. DEMARCO, 000–00–0000
PETER DEMARTINO, 000–00–0000
GREGORY L. DENISON, 000–00–0000
GERALD D. DENTON, 000–00–0000
JOAN C. DIMARZIO, 000–00–0000
MICHAEL J. DORLE, 000–00–0000
JAMES R. DUNNE, 000–00–0000
DAVID M. EBBITT, 000–00–0000
EDDY L. ECHOLS, 000–00–0000
MARK S. EDENS, 000–00–0000
ANN G. EGLAND, 000–00–0000
DAWN O. ELLIOTT, 000–00–0000
RICK A. FAIR, 000–00–0000
BRUCE J. FEIGELSON, 000–00–0000
CAROLYN J. FERRARI, 000–00–0000
NOEL FIGUEROA, 000–00–0000
MARSHA G. FINK, 000–00–0000
JAY W. FLOYD, 000–00–0000
ANNIE M. FONTAINE, 000–00–0000
MARK A. FONTANA, 000–00–0000
TERRANCE K. FOURNIER, 000–00–0000
ROBERT J. FRENCH, 000–00–0000
TONIANNE FRENCH, 000–00–0000
JULIE A. GAGE, 000–00–0000
MARCO V. GARCIAGALVEZ, 000–00–0000
AMY L. GARRETT, 000–00–0000
BRENDON L. GELFORD, 000–00–0000
JEFFREY S. GIBSON, 000–00–0000
MICHAEL F. GIITTER, 000–00–0000
MARTHA K. GIRZ, 000–00–0000
GARY S. GLUCK, 000–00–0000
ACEVEDO A. GONZALEZ, 000–00–0000
ELSIE T. GORDON, 000–00–0000
BRIAN J. GRADY, 000–00–0000
BRADLEY S. GRAHAM, 000–00–0000
MARY L. GREBENC, 000–00–0000
RICKY D. GROSS, 000–00–0000
SUZAN M. GROSS, 000–00–0000
BRADEN R. HALE, 000–00–0000
ROBERT J. HALLMARK, 000–00–0000
WILLIAM B. HAMMETT, 000–00–0000
ERIC T. HANSEN, 000–00–0000
AMIR E. HARARI, 000–00–0000
WENDELL D. HATCH, 000–00–0000
THOMAS J. HATTEN, 000–00–0000
SCOTT W. HELMERS, 000–00–0000
SARAJEAN M. HERRMANN, 000–00–0000
TAMARA J. HOOVER, 000–00–0000
JANE M. HOUTZ, 000–00–0000
STEVEN C. HOWE, 000–00–0000
JASON A. HUGHES, 000–00–0000
JOHN D. HUGHES, 000–00–0000
RANDALL N. HYER, 000–00–0000
MICHAEL A. ILLOVSKY, 000–00–0000
LISA INOUYE, 000–00–0000
CRAIG A. IRIYE, 000–00–0000
BETH R. JAKLIC, 000–00–0000
CHRISTOPHER J. JANKOSKY, 000–00–0000
KRISTOPHER L. JENSEN, 000–00–0000
ANDREW S. JOHNSON, 000–00–0000
JOHN L. KANE III, 000–00–0000
PAUL D. KANE, 000–00–0000
PATRICK J. KELTY, 000–00–0000
MICHELE A. KETTLES, 000–00–0000
SHAWN E. KIDDER, 000–00–0000
SUSAN M. KING, 000–00–0000
RICHARD A. KIRBY, 000–00–0000
CHRISTOPHER W. KOTTKE, 000–00–0000
JACQUELINE KOVACS, 000–00–0000
ALAN M. KRYSTAL, 000–00–0000
CHRISTOPHER C. LAGANKE, 000–00–0000
DOUGLAS R. LANDRY, 000–00–0000
DAVID M. LARSON, 000–00–0000
HOANG T. LE, 000–00–0000
LAWRENCE L. LECLAIR, 000–00–0000
WENDY LEE, 000–00–0000
KATHLEEN C. LEONE, 000–00–0000
CHRISTOPHER J. LEONI, 000–00–0000
IVAN K. LESNIK, 000–00–0000
DARRYL F. LESOSKI, 000–00–0000
EDGAR M. LEVINE, 000–00–0000
JOHN L. LINDSEY, 000–00–0000
ELIZABETH A. LIOTTA, 000–00–0000
KIMBERLY A. LONGMIRE, 000–00–0000
CHARLES E. LOPEZ, 000–00–0000
RODNEY D. LUCAS, 000–00–0000
ANDREW J. MACFADYEN, 000–00–0000
FREDERICK J. MADING, 000–00–0000
GAIL H.J. MANOS, 000–00–0000
ELIZABETH H. MASON, 000–00–0000
BYRON C. MAY, 000–00–0000
MICHAEL A. MAZZILLI, 000–00–0000
MICHAEL D. MC BETH, 000–00–0000
CHARLES E. MC CANNON, 000–00–0000
EDISON P. MC DANIELS, 000–00–0000
MICHAEL J. MC DERMOTT, 000–00–0000
ELIZABETH G. MC DONALD, 000–00–0000
JAMES V. MC DONALD, 000–00–0000
THOMAS J. MC DONALD, 000–00–0000
TERENCE M. MC GEE, 000–00–0000
ELIZABETH A.G. MC GUIGAN, 000–00–0000
BRIAN J. MC KINNON, 000–00–0000
SHAWN A. MENEFEE, 000–00–0000
DAVID S. MEZEBISH, 000–00–0000
JAMES M. MICK, 000–00–0000
MARGARET T. MIDDLEBROOK, 000–00–0000
MARK A. MIGHELL, 000–00–0000
BRADLEY T. MILLER, 000–00–0000
CHRISTOPHER J. MILLER, 000–00–0000
GREGORY A. MILLER, 000–00–0000
MAURICE M. MILLER, 000–00–0000
WILLIAM J. MILLIKEN, 000–00–0000
PETER B. MISHKY, 000–00–0000
MELANIE W. MITCHELL, 000–00–0000
MICHAEL E. MOLLERUS, 000–00–0000
WILLIAM L. MORSE, 000–00–0000
CYNTHIA M. MOSBRUCKER, 000–00–0000
KURT K. MUELLER, 000–00–0000
CLIFFORD C. MUNESES, 000–00–0000
ANTHONY J. MUSIELEWICZ, 000–00–0000
DARLENE MYLES, 000–00–0000
JOHN T. NEFF, 000–00–0000
JEFFREY D. NELSON, 000–00–0000
TRACY D. NELSON, 000–00–0000
JOHN C. NICHOLSON, 000–00–0000
DANIEL F. NOLTKAMPER, 000–00–0000
CHRISTOPHER W. NORWOOD, 000–00–0000
LOUIS D. OROSZ, 000–00–0000
CARY A. OSTERGAARD, 000–00–0000
JAMES R. PATE, 000–00–0000
WILLIAM J. PEKARSKE, 000–00–0000
TRUMAN L. PERRY, 000–00–0000
PAUL F. PIZZELLA, 000–00–0000
CYNTHIA A. POLO, 000–00–0000
JAMES M. POLO, 000–00–0000
THOMAS J. POSCH, 000–00–0000
MICHAEL H. POWER, 000–00–0000
SCOTT A. RABER, 000–00–0000
JOHN J. RAGAN, 000–00–0000
ERIC RASMUSSEN, 000–00–0000
JANET M. REYNOLDS, 000–00–0000
BENJAMIN K. RHEE, 000–00–0000
KEVIN P. RIEG, 000–00–0000
SCOTT K. RINEER, 000–00–0000
MICHAEL E. ROBIOLIO, 000–00–0000
RICARDO J. RODRIGUEZ, 000–00–0000
JAMES H. ROTHSTEIN, 000–00–0000
ANTHONY M. ROWEDDER, 000–00–0000
KEVIN L. RUSSELL, 000–00–0000
MARGARET A. RYAN, 000–00–0000
HOWARD J. SADINSKY, 000–00–0000
DONALD R. SALLEE, 000–00–0000
ANTHONY A. SANCHEZ, 000–00–0000
LOYCE J. SCHIMEK, 000–00–0000
MICHAEL S. SCHLEGEL, 000–00–0000
SUZANNE B. SCHOELCH, 000–00–0000
DOUGLAS R. SCHULTE, 000–00–0000
JAMES G. SCHWENDIG, 000–00–0000
MICHAEL E. SEIBERT, 000–00–0000
JOY Y. SELIGMAN, 000–00–0000
DAVID A. SEVERANCE, 000–00–0000
JOSEPH M. SHAUGHNESSY 000–00–0000
JAMES S. SHERRER 000–00–0000
WILLIAM T. SHERRER 000–00–0000
STEVEN C. SHIUE 000–00–0000
BRYAN A. SHOUSE 000–00–0000
RICHARD L. SIEMENS 000–00–0000
ROBERT J. SIGILLITO 000–00–0000
EDWARD D. SIMMER 000–00–0000
JEFFREY A. SIMON 000–00–0000
KRISTIN N. SLATTERY 000–00–0000
LLOYD W. SLOAN 000–00–0000
ERIC P. SMITH 000–00–0000
WILLIAM F. SMITH 000–00–0000
TERRENCE L. SOLDO 000–00–0000
ANNA M. STAUDT 000–00–0000
TERRY K. STEVENSON 000–00–0000
WENDY A. STROH 000–00–0000
CHRISTOPHER D. SWEARINGEN 000–00–0000
ANIL TANEJA 000–00–0000
DAVID J. TANZER 000–00–0000
CHARLES A. TAYLOR 000–00–0000
ELISE F. THOMAS 000–00–0000
JAMES W. THOMAS 000–00–0000
JOHN S. THURBER 000–00–0000
RICHARD TOMPSON 000–00–0000
CHARLES B. TONER 000–00–0000
JOHN C. TORRIS 000–00–0000
MATTHEW S. TURNER 000–0–0000
MARK W. ULRICKSON 000–00–0000
DANIEL J. VALAIK 000–00–0000
JAMES A. VANDERSLOOT 000–00–0000
KATHRYN M. VARGO 000–00–0000
DANIEL E. VANICK 000–00–0000
JONATHAN C. VOGAN 000–00–0000
JONATHAN H. VU 000–00–0000
JOHN W. WAIDNER 000–00–0000
YUSUKE WAKESHIMA 000–00–0000
CLARK W. WALKER 000–00–0000
JEFFREY W. WALL 000–00–0000
ANTOINE P. WASHINGTON 000–00–0000
BRENT T. WATSON 000–00–0000
JAMES A. WEBB 000–00–0000
PETER J. WEIS 000–00–0000
DAVID K. WEISS 000–00–0000
KIRK M. WELKER 000–00–0000
LOYD A. WEST 000–00–0000
DARRYL G. WHITE 000–00–0000
MICHAEL A. WHITMAN 000–00–0000
KENNETH D. WILLIAMS, 000–00–0000
SYMPHOROSA M. WILLIAMS, 000–00–0000
BRIAN D. WIPPERMANN, 000–00–0000
LELAND T. WONG, 000–00–0000
ROBIN E. WOOD, 000–00–0000
JAMES J. WOODS, 000–00–0000
GERALD L. YANCEY, 000–00–0000
BRIAN T. YATES, 000–00–0000
KEVIN E. ZAWACKI, 000–00–0000

SUPPLY CORPS OFFICERS

To be lieutenant commander

DAVID C. ACKERMAN, JR., 000–00–0000
WILLIAM G. BAKER, 000–00–0000
TODD L. BARNUM, 000–00–0000
ROGER T. BEAUBIEN, 000–00–0000
ROBERT J. BESTERCY, 000–00–0000
DEBORAH L. BIENEMAN, 000–00–0000
ROBERT B. BIRMINGHAM, 000–00–0000
MICHAEL B. BOHN, 000–00–0000
JIMMY L. BOSS, JR., 000–00–0000
ANTHONY P. BRAZAS, 000–00–0000
ROBERT L. BRUNSON, JR., 000–00–0000
MICHAEL J. BURR, 000–00–0000
DAVID W. CASH, 000–00–0000
SHARON P. CHAPMAN, 000–00–0000
DUANE A. CHILDRESS, 000–00–0000
SAMUEL S. CHINNAPONGSE, 000–00–0000
LAWRENCE J. COFFEY, 000–00–0000
SCOTT A. COHEN, 000–00–0000
GRISELL F. COLLAZO, 000–00–0000
BOBBI L. COLLINS, 000–00–0000
ARTHUR L. COTTON III, 000–00–0000
DWIN C. CROW, 000–00–0000
ALBERT L. DAVIS, 000–00–0000
JAMES P. DAVIS, 000–00–0000
GEORGE DEVRIES, 000–00–0000
STEVEN A. DIDIO, 000–00–0000
ROBERT W. DILL, 000–00–0000
KENT R. DILLS, 000–00–0000
DALE A. DIMICK, 000–00–0000
KIT A. DUNCAN, 000–00–0000
JOSEPH F. DUNN, 000–00–0000
JAMES M. ERSKINE, 000–00–0000
PHILIP A. FAHRINGER, 000–00–0000
KAREN FALLON, 000–00–0000
JAMES D. FLOWERS, 000–00–0000
ROBERT W. FOSTER, 000–00–0000
MICHAEL L. FULTON, 000–00–0000
DAVID M. FURR, 000–00–0000
JOHN S. GONZALEZ, 000–00–0000
ROBERT A. GOODMAN, 000–00–0000
STEPHEN D. GRACE, 000–00–0000
RANDALL L. GRAU, 000–00–0000
JOHN S. GRAY, 000–00–0000
JOHN M. GROLL III, 000–00–0000
KELLY J. GROSSKOPF, 000–00–0000
DAVID E. GUILBERT, 000–00–0000
STEVEN J. HAVERANECK, 000–00–0000
STEVEN B. HEMMRICH, 000–00–0000
CEDRIC D. HENRY, 000–00–0000
MARK C. HENRY, 000–00–0000
JOHN E. HICKS, 000–00–0000
ARTHUR D. HUGHES, 000–00–0000
CARY D. JOHNSON, 000–00–0000
CHRISTILYNN JONES, 000–00–0000
DAVID G. JONES, 000–00–0000
STUART S. JONES, 000–00–0000
SCOTT P. KELLEN, 000–00–0000
MICHAEL D. KELLY, 000–00–0000
ROBERT J. KILPATRICK, JR., 000–00–0000
ROGER T. KISSEL, 000–00–0000
BRIAN L. KNOTT, 000–00–0000
JOSEPH P. KUCZMARSKI, 000–00–0000
PAUL J. LABELLE, 000–00–0000
JOHN J. LANDRY, 000–00–0000
TRACY A. LARCHER, 000–00–0000
AMY L. LAUER, 000–00–0000
TAE H. LEE, 000–00–0000
VICTOR LOPEZ, 000–00–0000
MICHAEL K. LUCAS, 000–00–0000
STEVEN D. MAC DONALD, 000–00–0000
DAVID J. MAILANDER, 000–00–0000
BRIAN H. MALLADY, 000–00–0000
VITO V. MANNINO, 000–00–0000
MELINDA L. MATHENY, 000–00–0000
JAMES A. MC CORMACK, 000–00–0000
JOHN R. MC KONE II, 000–00–0000
NEAL P. MC MAHON, 000–00–0000
THOMAS R. MC MURDY, 000–00–0000
JOHN G. MEIER III, 000–00–0000
MATTHEWABRAM MERRITT, 000–00–0000
DAVID C. MEYERS, 000–00–0000
KEVIN F. MOONEY, 000–00–0000

ANDREW S. MORGART, 000–00–0000
DANIEL J. MOTHERWAY, 000–00–0000
JOHN M. MURDOCK, 000–00–0000
WILLIAM D. NELSON, 000–00–0000
MARK S. NEWELL, 000–00–0000
GERALD W. NORBUT, 000–00–0000
TIMOTHY J. OBRIEN, 000–00–0000
THOMAS B. ODOWD, 000–00–0000
THEODORE C. OLSON, 000–00–0000
RANDAL J. ONDERS, 000–00–0000
GARY R. PAETZKE, 000–00–0000
JAMES K. PATTON 000–00–0000
DAVID A. PETERS, 000–00–0000
JOHN D. PICKERING, 000–00–0000
DAVID R. PIMPO, 000–00–0000
GREGORY R. PORTER, 000–00–0000
CHARLES T. RACE, 000–00–0000
ALFRED C. RAINES II, 000–00–0000
SUSAN O. RANDALL, 000–00–0000
KEVIN D. REDMAN, 000–00–0000
JAMES M. REICH, 000–00–0000
SCOTT M. RETZLER, 000–00–0000
KATHRYN M. RING, 000–00–0000
ELLEN E. ROBERTS, 000–00–0000
MARK SANTACROCE, 000–00–0000
DUANE J. SCHATZ, 000–00–0000
DONALD L. SINGELTON, 000–00–0000
JAMES W. SMART, 000–00–0000
WALTER P. SMITH, 000–00–0000
GLEN T. STAFFORD, 000–00–0000
TIMOTHY A. STARK, 000–00–0000
BRETT A. STURKEN, 000–00–0000
DAVID R. SUTTON, 000–00–0000
DAVID W. TAYLOR, 000–00–0000
MICHAEL L. TAYLOR, 000–00–0000
REGINA A. TAYLOR-HINES, 000–00–0000
CURTIN D. TEETERS, 000–00–0000
WILLIAM J. TERRY, 000–00–0000
GESELLE D. TOMPKINS, 000–00–0000
DOUGLAS M. THOMPSON, 000–00–0000
ERIK THOMPSON, 000–00–0000
ROBERT F. TUCKER, 000–00–0000
SCOTT R. VANDERMAR, 000–00–0000
FREDERICK M. VANLUIT, 000–00–0000
TIMOTHY S. VARVEL, 000–00–0000
PAUL J. VERRASTRO, 000–00–0000
FRANCIS K. VREDENBURGH JR., 000–00–0000
ROLAND G. WADGE, 000–00–0000
THOMAS C. WARDWELL, 000–00–0000
KEVIN D. WASKOW, 000–00–0000
LOTHAR M. WETZEL, 000–00–0000
TIMOTHY H. WILKINS, 000–00–0000
BRIAN A. ZIRBEL, 000–00–0000

CHAPLAIN CORPS OFFICERS

To be lieutenant commander

ROOSEVELT H. BROWN, 000–00–0000
JOSEPH T. DEVINE, 000–00–0000
STEPHEN A. GAMMON, 000–00–0000
MARK J. LOGID, 000–00–0000
KIERAN G. MANDATO, 000–00–0000
DEBORAH L. MARIYA, 000–00–0000
DAVID D. MITCHELL, 000–00–0000
NESTOR NAZARIO, 000–00–0000
DENNIS T. PINKNEY, 000–00–0000
JOHN O. REITZ, 000–00–0000
ROBBIE H. SCOTT, JR., 000–00–0000
MARK G. STEINER, 000–00–0000
PETER B. ST MARTIN, 000–00–0000

CIVIL ENGINEER CORPS OFFICERS

To be lieutenant commander

WILLIAM W. ANDERSON, JR., 000–00–0000
TIMOTHY J. ARMSTRONG, 000–00–0000
ROBERT D. BAKER, 000–00–0000
WILLIAM E. BENNETT III, 000–00–0000
JOHN T. BERGSTROM, 000–00–0000
MICHAEL A. BLUMENBERG, 000–00–0000
LOUIS V. CARIELLO, 000–00–0000
DAVID B. CORTINAS, 000–00–0000
MARK R. DEIBERT, 000–00–0000
JEAN T. DUMLAO, 000–00–0000
ROBERT O. FETTER, 000–00–0000
WILLIAM E. FINN, 000–00–0000
JOHN V. HECKMANN, JR., 000–00–0000
PAIGE K. HOFFMANN, 000–00–0000
ROBERT P. HOLT, 000–00–0000
MARK W. JACKSON, 000–00–0000
BRYAN K. JAGOE, 000–00–0000
JOHN W. KORKA, 000–00–0000
IAN C. LANGE, 000–00–0000
PETER S. LYNCH, 000–00–0000
EDUARDO P. MANGLALLAN, 000–00–0000
ANTHONY E. MASSENBURG, 000–00–0000
PATRICK L. MCCORMACK, 000–00–0000
BRIAN K. MOORE, 000–00–0000
NICK L. PETERSON, 000–00–0000
BEN D. PINA, 000–00–0000
JORGE P. RIOS, 000–00–0000
MAX D. RODGERS, 000–00–0000
PATRICIA T. SAMORA, 000–00–0000
THOMAS A. SATTERLY, 000–00–0000
WILLIAM M. SHEEDY, 000–00–0000
JOHN T. SOMMER, 000–00–0000
FRANK A. STICH, 000–00–0000
ALLAN M. STRATMAN, 000–00–0000
PAUL F. WEBB, 000–00–0000
JAMES M. WINK, 000–00–0000
GREGORY J. ZIELINSKI, 000–00–0000

JUDGE ADVOCATE GENERAL'S CORPS OFFICERS

To be lieutenant commander

GREGORY P. BELANGER, 000–00–0000
STUART W. BELT, 000–00–0000
VICTOR E. BERNSON, JR., 000–00–0000
FRANCIS J. BUSTAMANTE, 000–00–0000
THOMAS L. COPENHAVER, 000–00–0000
BRENT G. FILBERT, 000–00–0000
NOREEN A. HAGERTY, 000–00–0000
KRISTEN M. HENRICHSEN, 000–00–0000
WILLIAM J. HESS III, 000–00–0000
STEVEN J. HIPFEL, 000–00–0000
ABBY B. HOGAN, 000–00–0000
MICHAEL W. KERNS, 000–00–0000
DULA M. J. LAWRENCE, 000–00–0000
DEAN W. LEECH, 000–00–0000
JOHN R. LIVINGSTON JR., 000–00–0000
JOANN W. MELESKY, 000–00–0000
ELIZABETH A. MILLER, 000–00–0000
TAMARA A. MIRO, 000–00–0000
BRIAN T. ODONNELL, 000–00–0000
RICHARD W. RIDGWAY, 000–00–0000
JAMES L. ROTH, 000–00–0000
ROBERT A. SANDERS, 000–00–0000
PETER D. SCHMID, 000–00–0000
NEIL A. SHEEHAN, 000–00–0000
SUSAN C. STEWART, 000–00–0000
KELVIN M. STROBLE, 000–00–0000
ROBERT P. TAISHOFF 000–00–0000
PETER J. VANHARTESVELDT 000–00–0000
BRIAN S. WILSON 000–00–0000
TODD A. WYNKOOP 000–00–0000
HELEN K. YOUNG 000–00–0000

DENTAL CORPS OFFICERS

To be lieutenant commander

JOANNE R. ADAMSKI 000–00–0000
LYNNE A. BALDASSARI-CRUZ 000–00–0000
MONICA E. BERNINGHAUS 000–00–0000
ELLEN V. BLANDO 000–00–0000
WENDY M. BORUSZEWSKI 000–00–0000
ROBERT A. BOUFFARD 000–00–0000
BRENT J. CALLEGARI 000–00–0000
RICHARD P. CAMPBELL 000–00–0000
KEITH M. COE 000–00–0000
KARINE M. CURETON 000–00–0000
JEFFREY D. DAY 000–00–0000
JANET A. DELOREY-LYTLE 000–00–0000
CHARLES L. ELLIS 000–00–0000
CHRISTINE M. EPSTEIN 000–00–0000
JOHN S. EVERED 000–00–0000
MICHAEL J. GRODE 000–00–0000
ARNE F. GRUSPE 000–00–0000
JERRY W. HAMLIN 000–00–0000
MATTHEW L. HERZBERG 000–00–0000
ROBERT L. KAUFMAN 000–00–0000
KEITH C. KEALEY 000–00–0000
ROBERT P. KUENZI 000–00–0000
VINCENT C. LAPOINTE 000–00–0000
FRANCISCO R. LEAL 000–00–0000
JOHN F. LEUNG 000–00–0000
KAREN M. LYNCH 000–00–0000
JOSEPH C. MCMURRAY 000–00–0000
JOY MEADE 000–00–0000
ROBERT H. MITTON 000–00–0000
ROBERT C. MOORE 000–00–0000
MONA M. MOORE-MEAUX 000–00–0000
CHERYL A. MORGAN 000–00–0000
LYNNETTA J. ODELL 000–00–0000
SCOTT A. OLSON 000–00–0000
MARGARET K. OROURKE 000–00–0000
KEVIN J. OTTE 000–00–0000
SCOTT W. PACKHAM, 000–00–0000
LEONARD J. PLAITANO 000–00–0000
ALONSO M. POZO, 000–00–0000
JOHN F. RANZINI, 000–00–0000
MARK F. ROBACK, 000–00–0000
RONALD A. SABINS, 000–00–0000
MICHAEL A. STEINLE, 000–00–0000
DAVID C. SUH, 000–00–0000
SCOTT D. THOMAS, 000–00–0000
ARTHUR L. TOMASZEWSKI, 000–00–0000
CHRISTINE V. TOMASZEWSKI, 000–00–0000
PATRICIA A. TORDIK, 000–00–0000
NGOC N. TRAN, 000–00–0000
JONATHAN G.I. VANDERMARK, 000–00–0000
SUSANA VELEZ, 000–00–0000
BENJAMIN W. YOUNG, JR. 000–00–0000
CLIFFORD ZDANOWICZ, 000–00–0000
PETER J. ZEHREN, 000–00–0000

MEDICAL SERVICE CORPS OFFICERS

To be lieutenant commander

RAOUL ALLEN, 000–00–0000
ELLEN M. ANDERSEN, 000–00–0000
RAYMOND B. ANDERSON, 000–00–0000
SCOTT L. ARCHER, 000–00–0000
DALE P. BARRETTE, 000–00–0000
MELISSA T. BERRY, 000–00–0000
WILLENE G. BROWN, 000–00–0000
ANNE M. BURKE, 000–00–0000
TED F. CARRELL, 000–00–0000
JENNIFER J. CARTELL, 000–00–0000
GAIL D. CHAPMAN, 000–00–0000
DAVID M. CLABORN, 000–00–0000
GILDA M. COLLAZO, 000–00–0000
CHARLENE C. COLON, 000–00–0000
DOUGLAS L. CRISPELL, 000–00–0000
LISA V. DEPASQUALE, 000–00–0000
JOSEPH D. DUPRE, 000–00–0000
ROBERT A. EDGAR, 000–00–0000
BENJAMIN D. ERNST, 000–00–0000
ROXANNE FRANCIS, 000–00–0000
RICHARD P. FRANCO, 000–00–0000
JACK A. FROST, 000–00–0000
SCHLEURIOUS L. GAITER, 000–00–0000
JERRY L. GARDNER, 000–00–0000
STEVEN L. GEARY, 000–00–0000
DAVE E. GIBSON, 000–00–0000
ROBERT A. GRASSO, JR., 000–00–0000
BRUCE E. GREENLAND, 000–00–0000
MAE C. GRIFFIN, 000–00–0000
RICHARD M. GUZMAN, 000–00–0000
RACHEL D. HALTNER, 000–00–0000
DAVID H. HAMBLETT, 000–00–0000
CURTIS G. HANKAMMER, 000–00–0000
SAMUEL P. HARRY, 000–00–0000
BRENT A. HAYNIE, 000–00–0000
MARK L. HENISER, 000–00–0000
GARY L. HOOK, 000–00–0000
RALPH L. HOWE, 000–00–0000
WILLIE R. HUNTER, 000–00–0000
RANDALL L. JACOBS, 000–00–0000
JOHNNIE F. JOHNSON, JR., 000–00–0000
PAUL T. KAISER, 000–00–0000
STEVEN L. KEENER, 000–00–0000
KEVIN R. KENNEDY, 000–00–0000
NANCY A. KIM, 000–00–0000
JAMES J. KING, 000–00–0000
ROGER Y. KIROUAC, 000–00–0000
THOMAS A. KLITZKA, 000–00–0000
JOHN R. KNOTTS, 000–00–0000
DAIZO KOBAYASHI, 000–00–0000
ANITA M. KOBUSZEWSKI, 000–00–0000
PATRICIA A. KRIER, 000–00–0000
ANGELA M. KRUEGER, 000–00–0000
TRACEY L. KUMM, 000–00–0000
JULITO P. LALUAN, 000–00–0000
JOHN D. LARNERD, JR., 000–00–0000
CALVIN A. LATHAN III, 000–00–0000
KENNETH A. LAUBE, 000–00–0000
THOMAS A. LEINBERGER, 000–00–0000
DAVID R. LESSER, 000–00–0000
MICHAEL C. LIBBY, 000–00–0000
SUSAN E. LICHTENSTEIN, 000–00–0000
JULIE A. LONG, 000–00–0000
PAUL J. MARCINKO, 000–00–0000
PIETRO D. MARGHELLA, 000–00–0000
RITA L. MC CARTHY, 000–00–0000
PAULA H. MC CLURE, 000–00–0000
LARRY A. MC FARLAND, 000–00–0000
RONALD N. MC LEAN, 000–00–0000
DAVID L. MC NAMARA, 000–00–0000
TERRY S. MOLNAR, 000–00–0000
THOMAS MOSZKOWICZ, 000–00–0000
JONATHAN P. NELSON, 000–00–0000
MATTHEW E. NEWTON, 000–00–0000
GINA M. NIZIOLEK, 000–00–0000
JAMES J. PELLACK, 000–00–0000
THOMAS J. PETRILAK, 000–00–0000
DORKA M. PICARD, 000–00–0000
LARRY L. PICARD, 000–00–0000
ALANA M. PIERCE, 000–00–0000
WAYNE F. PRESCOTT, 000–00–0000
WARREN R. PRESTON, 000–00–0000
KEITH R. PROCTOR, 000–00–0000
MAUREEN E. QUEENAN-FLORES, 000–00–0000
CELIA A. QUIVERS, 000–00–0000
JOEL D. RASTELLO, 000–00–0000
RICHARD O. REED, 000–00–0000
LEISA R. RICHARDSON, 000–00–0000
JOSEPH M. RICHTER, 000–00–0000
WALTER P. RUGGLES, 000–00–0000
BOBBIE S. SALIRE, 000–00–0000
WILFREDO A. SARTHOU, 000–00–0000
MICHAEL S. SCHAFFER, 000–00–0000
CARL E. SCHAUPPNER, 000–00–0000
JEAN T. SCHERRER, 000–00–0000
VIRGINIA A. SCHOENFELD, 000–00–0000
ANNE R. SHIELDS, 000–00–0000
ALAN V. SIEWERTSEN, 000–00–0000
CAREY M. SILL, 000–00–0000
STEPHANIE M. SIMON, 000–00–0000
LESLIE L. SIMS, 000–00–0000
MICHAEL A. SOKOLOWSKI, 000–00–0000
LEE STEIGER, JR., 000–00–0000
GARY W. THOMAS, 000–00–0000
ROBERT B. TOWLE, 000–00–0000
HARVEY L. VANDENBURG, 000–00–0000
RICKY L. VANWAY, 000–00–0000
MICHAEL L. VINEYARD, 000–00–0000
STANLEY G. WADE, 000–00–0000
ROBERT M. WAGNER, 000–00–0000
DAVID F. WALTON, 000–00–0000
SHERYL L. WASHINGTON, 000–00–0000
PATRICIA J. WATSON, 000–00–0000
DANIEL W. WATTS, 000–00–0000
DOUGLAS E. WELCH, 000–00–0000
RICKY A. WENNING, 000–00–0000
GARY D. WERTZ, 000–00–0000
SILVA P. D. WESTERBECK, 000–00–0000
WILLIAM J. WHOOLERY, 000–00–0000
CYNTHIA E. WILKERSON, 000–00–0000
CAREY C. WILLIAMS, 000–00–0000
JEAN M. WILLIAMS, 000–00–0000
REVLON O. WILLIAMS, 000–00–0000
TOBY L. WILSON, 000–00–0000
DOUGLAS A. ZAREN, 000–00–0000

NURSE CORPS OFFICERS

To be lieutenant commander

MARIA E.S. AGUILA, 000–00–0000
ROBIN R. AKINS, 000–00–0000
ROBERT L. ARBEENE, 000–00–0000
BRAD A. ARMSTRONG, 000–00–0000
HERBERT C. ARMSTRONG, 000–00–0000
ELIZABETH M. ARNOLD, 000–00–0000
CHARLIE M. BAKER, 000–00–0000
JAMES L. BARRETT, 000–00–0000
OTIS J. BATY, 000–00–0000
KATHY W. BAY, 000–00–0000
TOMI L. BEARGARCIA, 000–00–0000
KATHY T. BECKER, 000–00–0000
KARENA M. BELIN, 000–00–0000
JUDITH D. BELLAS, 000–00–0000

HOLLY S. BENNETT, 000–00–0000
ELIZABETH A. BIBEAU, 000–00–0000
PATRICE D. BIBEAU, 000–00–0000
ANDREW R. BIEGNER, 000–00–0000
KAREN K. BIGGS, 000–00–0000
JULIA E. BOND, 000–00–0000
ELIZABETH N. BOULETTE, 000–00–0000
RICHARD A. BRADLEY, 000–00–0000
MICHAEL R. BRANTLEY, 000–00–0000
MARY K. BROWN, 000–00–0000
PAUL E. BUCK, 000–00–0000
JO H. BYRD, 000–00–0000
ALICE A. CAGNINA, 000–00–0000
DENNIS M. CAMPBELL, 000–00–0000
CATHALEEN A. CANLER, 000–00–0000
DEBRA P. CARTER, 000–00–0000
DEAN P. CARY, 000–00–0000
DAWN M. CAVALLARIO, 000–00–0000
DOROTHY C. CHRISTEN, 000–00–0000
THERESA K. CHRISTMANN, 000–00–0000
BRENDA A. CLARK, 000–00–0000
WILLIAM D. CLARK, 000–00–0000
EDA P. CLEMONS, 000–00–0000
JACQUELINE D. COLE, 000–00–0000
DEAN C. CONSTANTINE, 000–00–0000
JOSEPH COSENTINO JR., 000–00–0000
CHRISTOPHER J. COSTIGAN, 000–00–0000
ROSEMARY COTA, 000–00–0000
MARK S. DAHLEN, 000–00–0000
CINDY L. DAVIS, 000–00–0000
WILLIE M. H. DAVIS, 000–00–0000
STEVEN E. DICHIARA, 000–00–0000
CYNTHIA L. DOERING, 000–00–0000
ROBERT E. DOYLE, JR., 000–00–0000
B.J.V. DREW, 000–00–0000
LAWRENCE J. DUANE, 000–00–0000
LAURIE A. ERSKINE, 000–00–0000
COLLEEN M. ESTES, 000–00–0000
CONSTANCE J. EVANS, 000–00–0000
CYNTHIA A. FLEMING, 000–00–0000
SARA B. FORBUS, 000–00–0000
JAMES P. FOWLER, 000–00–0000
CONNIE L. FOX, 000–00–0000
LORI S. FRANK, 000–00–0000
DEBRA A. GAGNON, 000–00–0000
COLLEEN K. GALLAGHER, 000–00–0000
SUSAN J. GALLOWAY, 000–00–0000
LAURIE GENTENE, 000–00–0000
BETH W. GERING, 000–00–0000
EDWARD W. GREER, 000–00–0000
LORIE L. GREER, 000–00–0000
CAROL A. GRUSH, 000–00–0000
KATHERINE M. GULLON, 000–00–0000
CAROL J. HADDOCK, 000–00–0000
SUZANNE M. HAMLIN, 000–00–0000
KATHY A. HANSEN, 000–00–0000
SHARON K. HARPER, 000–00–0000
WANDA P. HEISLER, 000–00–0000
JOHN S. HILTIBIDAL, 000–00–0000
JEANETTE S. HIRTER, 000–00–0000
MARY J. HOBAN, 000–00–0000
LORI J. HOFFMANN, 000–00–0000
JOAN E. HOWLEY, 000–00–0000
GARY M. JACKSON, 000–00–0000
TRACI W. JARNIGAN, 000–00–0000
LYNN N. JOHNSON, 000–00–0000
JOHN J.S. KANE, 000–00–0000
JOSEPH A. KELLY, 000–00–0000
GAYLE S. KENNERLY, 000–00–0000
REGINA M. KIEFER, 000–00–0000
PATRICIA A. KISNER, 000–00–0000
ALISA J. KOHL, 000–00–0000
REMEDIOS J. LABRADOR, 000–00–0000
ALICE M. LANG, 000–00–0000
RAYMOND B. LANPHERE, 000–00–0000
LORI A. LARAWAY, 000–00–0000
KEITH G. LASTRAPES, 000–00–0000
KEVIN D. LAUER, 000–00–0000
ROBERT P. LAZARTE, 000–00–0000
ANNE M. LEAR, 000–00–0000
LOUIS X. LESH, 000–00–0000
BRIAN J. LEWIS, 000–00–0000
MICHELLE L. LOFLAND, 000–00–0000
KATHLEEN M. LOVELAND, 000–00–0000
JOHN F. LYONS, 000–00–0000
SIMONE N. MARSAC, 000–00–0000
LORI A. MARTIN, 000–00–0000
TRISHA C. MARTIN, 000–00–0000
HAROLD D. MAY, 000–00–0000
LINDA S. V. MCCORD, 000–00–0000
MATTHEW L. MCCOUCHA, 000–00–0000
PATRICIA MCDONALD, 000–00–0000
SUSAN P. MCKEEFREY, 000–00–0000
IRENE C. MCKIEL, 000–00–0000
GEORGE F. MCMAHON, 000–00–0000
TERRIE C. MCSWEEN, 000–00–0000
PAMELA M. MILLER, 000–00–0000
CAROLA A. MINER, 000–00–0000
KATHY L. MORRIS, 000–00–0000
KARL J. MUEHLFELD, 000–00–0000
SHARON A. MULLANEY, 000–00–0000
LINDA J. NAILE, 000–00–0000
TINA L. NAWROCKI, 000–00–0000
QUYEN H. NGUYEN, 000–00–0000
DARRELL T. OPPERMANN, 000–00–0000
CASSIE L. ORMSBY, 000–00–0000
JUDITH M. OWENS, 000–00–0000
VIOLETA O. PADORA, 000–00–0000
TERIANNE PAPPAS, 000–00–0000
JOEL L. PARKER, 000–00–0000
NANCY L. PEARSON, 000–00–0000
STEPHEN B. PEARSON, 000–00–0000
DAVID PEDRAZA, 000–00–0000
KERRI S. PEGG, 000–00–0000
DAVID K. PENNEBAKER, 000–00–0000
LAURA E. PISTEY, 000–00–0000
ROBERT F. PROFETA, 000–00–0000
MAUREEN M. PUGLISI, 000–00–0000
MARK L. REITNAUER, 000–00–0000
KURK A. ROGERS, 000–00–0000
KATHERINE T. ROWAN, 000–00–0000
TRUDENCE L. SAGE, 000–00–0000
NANCY D. SAVALOX, 000–00–0000
CATHERINE A. SEGNI, 000–00–0000
SHELLY A. SEIDEL, 000–00–0000
JOANN E. SERSLAND, 000–00–0000
DENISE L. SMITH, 000–00–0000
CASSANDRA A. SPEARS, 000–00–0000
CARLA J. STANG, 000–00–0000
TANYA STEVENSON-GAINES, 000–00–0000
MARY A. SUTHERLAND, 000–00–0000
JILL M. SZYMANSKI, 000–00–0000
DEBRA A. TERRELL, 000–00–0000
SANDRA L. THOMAS-ROGERS, 000–00–0000
SUSAN L. TITUS, 000–00–0000
SHARON E. UNGAR, 000–00–0000
MARY K. VANN, 000–00–0000
JENNIFER L. VEDRAL-BARON, 000–00–0000
MARY E. VERBECK, 000–00–0000
CLARENCE H. WAGONER, 000–00–0000
KIM M. WALLIS, 000–00–0000
WILLIAM E. WELLS, 000–00–0000
LESTER M. WHITLEY, JR., 000–00–0000
SANDRA WHITTAKER, 000–00–0000
STEVEN E. WILDASIN, 000–00–0000
FRED K. WILKERSON, 000–00–0000
DEBORAH G. WILLIAMS, 000–00–0000
ANGELA WOOD, 000–00–0000
MARGARET S. WOOD, 000–00–0000
VICTORIA M. WOODEN, 000–00–0000
CONSTANCE L. WORLINE, 000–00–0000
STEVEN J. WYRSCH, 000–00–0000
SHARRON L. YOKLEY, 000–00–0000
ALICE A. ZENGEL, 000–00–0000
HUMBERTO ZUNIGA, JR., 000–00–0000

LIMITED DUTY OFFICERS (STAFF)

To be lieutenant commander

GENARO T. BELTRAN, JR., 000–00–0000
VINCENTE R. GILL, 000–00–0000
JAMES A. HASTY, 000–00–0000
JOHN H. HORNBROOK III, 000–00–0000
EDGAR W. LEONARD, 000–00–0000
JOHN E. SAWYER, 000–00–0000
MICHAEL J. SPRAGUE, 000–00–0000
WILLIAM M. TURNER, 000–00–0000