



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 104<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 141

WASHINGTON, FRIDAY, OCTOBER 27, 1995

No. 168

## House of Representatives

The House was not in session today. Its next meeting will be held on Monday, October 30, 1995, at 12:30 p.m.

## Senate

FRIDAY, OCTOBER 27, 1995

(Legislative day of Thursday, October 26, 1995)

The Senate met at 9:15 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:

Let us pray:

Almighty God, You have told us that nothing can separate us from You. That is both a source of comfort and challenge. We are comforted by Your love, forgiveness, and constant care. We are challenged by our accountability to You. To whom much is given, much will be required. You are the righteous Judge of our words and our decisions. Help us to seek Your will in all that we do. You have said, "Let him who glories glory in this, that he understands and knows me, that I am the Lord exercising loving kindness, judgment and righteousness in the earth. For in these I delight."—Jeremiah 9:24. We want to do what delights You. We repent of the pride of ever thinking we can lead this Nation without Your priorities of righteousness, purity, truth, and Your power to implement them. May intimate communion with You always be the source of integrity in our leadership. We commit ourselves to live this day to Your glory, totally dependent on the presence and power of our Lord. Amen.

### ORDER OF PROCEDURE

Mr. GRAHAM. Mr. President, reserving the right to object, I would like to

ask a question. We have been waiting since late yesterday afternoon to receive a copy of the Finance Committee amendment.

Could the manager indicate when that might be available?

Mr. STEVENS. Mr. President, this Senator has no answer to that. There is no time. The schedule is to start voting immediately.

Mr. GRAHAM. Mr. President, I want to—I continue my reservation of objection. I am going to object strenuously if—I would like the floor manager's attention.

The PRESIDENT pro tempore. The regular order is for the clerk to report the bill.

Mr. GRAHAM. Mr. President, I think I have the floor, and I wish to announce that I am going to object strenuously—

The PRESIDENT pro tempore. The Senator does not have the right to the floor at this time.

Mr. GRAHAM. To any attempt—

The PRESIDENT pro tempore. The Senator does not have a right to the floor at this time.

### BALANCED BUDGET RECONCILIATION ACT OF 1995

The Senate resumed consideration of the bill.

The PRESIDENT pro tempore. The clerk will report the bill.

The legislative clerk read as follows:

The bill (S. 1357) to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996.

Pending:

Gramm amendment No. 2978, to provide States additional flexibility in providing for Medicaid beneficiaries.

Kerry/Kennedy amendment No. 2979, to express the sense of the Senate that the Senate should debate and vote on whether to raise the minimum wage before the end of the first session of the 104th Congress.

Domenici (for Murkowski/Johnston) amendment No. 2980, of a technical nature.

Kennedy/Kassebaum amendment No. 2981, to strike the provision allowing the transfer of excess pension assets.

Wellstone amendment No. 2982, to eliminate the tax deduction for oil drilling, to eliminate the corporate minimum tax provisions, to eliminate the foreign earned income exclusion, and to eliminate the section 936 possession tax credit.

Pryor/Cohen amendment No. 2983, to provide for the continuation of requirements for nursing facilities in the Medicaid Program.

Simon amendment No. 2984, in the nature of a substitute.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I take 3 minutes and answer the Senator?

Senator Graham, I understand that the staff, Senator DOLE's staff, is in the process of delivering the amendment to you right now.

Mr. GRAHAM. The point I was making, if I could, Mr. President, is that I am going to object strenuously if the 10-minute rule is attempted to be applied to the Finance Committee amendment.

We have not had an adequate opportunity to evaluate and to understand

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



Printed on recycled paper.

S15979

its significance. I am alerting the manager to my intention to protect the rights of those who have been waiting now for almost 18 hours to get a copy of this amendment. We have been denied that opportunity, and soon we will be asked to vote upon a stealth amendment which will quite likely be the most significant amendment on this most significant legislative enactment.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2978

Mr. DOMENICI. The next amendment on our side is Senator GRAMM's. He is not here and asked we set his amendment aside and proceed to the next amendment, which is the Kerry amendment.

Several Senators addressed the Chair.

Mr. CHAFEE. Mr. President, I am interested in this amendment. Are you just skipping it once or what?

Mr. DOMENICI. I am asking that it be set aside for one amendment. If the Senator is not ready—

The PRESIDING OFFICER. Is there objection?

Mr. ROCKEFELLER. Reserving the right to object.

Several Senators addressed the Chair.

Mr. EXON. Reserving the right to object, may I interject a few statements?

Mr. DOMENICI. Of course.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I simply say I share the concerns expressed by my colleague from Florida. I think, if we will check the RECORD, we will find very clearly that the Roth amendment—that is the subject of concern, and I think legitimately so, of the Senator from Florida and others—was supposedly the first amendment we were going to take up when we started this process of voting yesterday. It was laid aside. We were advised late last evening, sometime before midnight, that the measure would be presented to us so we could study it overnight. I remind all it was a rather short night. We still have not received it. I have not received it. Maybe it is in the process of being delivered to us at this time.

Here, it seems to me, we have to exercise some discipline. All day yesterday, this Senator, along with my colleague, the chairman of the committee, kept telling Senators you have to be here to offer your amendments. We cannot run the U.S. Senate for the benefit of every other Senator, regardless of their station in life and regardless of what office they are running for.

It seems to me, if we are going to move this process along, we are going to have to institute a policy that, if the Senator on the list that has been published now for about 24 hours is not here to offer the amendment, then I suggest the amendment should be set aside and disposed of and not considered.

We have to exercise some discipline on everyone. I simply say I hope I can

see the Finance Committee amendment. But in the meantime, I am at the mercy of the majority, and I simply ask my colleague if he could not join with me—and I think he will—to try to exercise some discipline on both sides of the aisle, not only with regard to the time constraints that we must maintain, but, also, we cannot move ahead unless Senators put the priority I think is necessary and that we should expect for them to be here to offer their amendments in a timely fashion, if for no other reason than out of consideration for the other Members of the body.

Mr. DOMENICI. Mr. President, Senator GRAMM is here. He does not intend to offer his amendment. He withdraws it.

We are ready to proceed with your amendment.

Mr. ROCKEFELLER addressed the Chair.

Mr. EXON. I appreciate that very much. That is very good news.

Mr. FORD. Should we not make a motion to withdraw the amendment?

The PRESIDING OFFICER. Is there objection to withdrawing?

Mr. DOMENICI. Can the manager of the bill withdraw the amendment?

The PRESIDING OFFICER. Is there objection to withdrawing 2978?

Mr. ROCKEFELLER. Reserving the right to object.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I will not object. I will just say, there are a number of Senators here, including the Senator from Rhode Island and the Senator from West Virginia, who note this withdrawal may have been strategically a very good idea because it was going down to a dreadful defeat because it is such a dreadful amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM].

Mr. GRAMM. Mr. President, I do not withdraw the amendment and I am ready to speak on behalf of it.

The PRESIDING OFFICER. Who yields time on the amendment? The Senator from Texas.

Mr. GRAMM. Mr. President, what we have in this bill is an effort by Senators—

The PRESIDING OFFICER. There is 1 minute equally divided on the amendment.

The Senator from Texas.

Mr. GRAMM. Mr. President, what we have in the bill before us is a double-cross of the States. We reduced the rate of growth in Medicaid spending in agreement with the Governors by \$187 billion. But the condition under which the Governors took the reduced rate of growth was that they were going to get to run the program. This is in Medicaid. So, in the Medicaid Program, we reduced the growth of spending in that program by \$187 billion. The Governors agreed to it on the condition that they run the Medicaid Program. We now are trying to tell them how to run it.

I do not doubt the Senator from West Virginia and the Senator from Rhode Island have very good intentions. But we should not be telling the States how to run this program.

The PRESIDING OFFICER. Is there further debate?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, we have 30 seconds now?

Mr. EXON. Mr. President, I yield 30 seconds to my colleague from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is yielded 30 seconds.

Mr. ROCKEFELLER. Mr. President, this is the most cruel and unusual amendment of this entire 24-hour fiasco. It rejects the idea of making sure America's poorest children, poorest elderly, pregnant women, disabled, SSI—it decimates people who need help. It is an evisceration of Medicaid. It is a cruel amendment. It ought to be rejected by both sides.

The PRESIDING OFFICER. Is there further debate?

The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, there is a lot of talk about who is in the wagon these days. If we have no room in the wagon for 12-year-old poor children, pregnant women, the blind, and disabled, we have become an unworthy society.

The PRESIDING OFFICER. All time has expired.

The majority leader.

Mr. DOLE. Mr. President, I ask unanimous consent the first vote be 15 minutes and thereafter votes be limited to 7½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The first vote will be 15 minutes. Then further votes will be 7½ minutes.

Mr. DOLE. I thank the Chair.

The PRESIDING OFFICER. The question now is on the Gramm amendment No. 2978.

The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 23, nays 76, as follows:

[Rollcall Vote No. 518 Leg.]

YEAS—23

Ashcroft	Grams	Mack
Bennett	Grassley	McCain
Brown	Hatch	Nickles
Coats	Helms	Roth
Cochran	Hutchison	Santorum
Dole	Inhofe	Smith
Faircloth	Kyl	Thompson
Gramm	Lott	

NAYS—76

Abraham	Bradley	Chafee
Akaka	Breaux	Cohen
Baucus	Bryan	Conrad
Biden	Bumpers	Coverdell
Bingaman	Burns	Craig
Bond	Byrd	D'Amato
Boxer	Campbell	Daschle

DeWine	Johnston	Pell
Dodd	Kassebaum	Pressler
Domenici	Kempthorne	Pryor
Dorgan	Kennedy	Reid
Exon	Kerrey	Robb
Feingold	Kerry	Rockefeller
Feinstein	Kohl	Sarbanes
Ford	Lautenberg	Shelby
Frist	Leahy	Simon
Glenn	Levin	Simpson
Gorton	Lieberman	Snowe
Graham	Lugar	Specter
Gregg	McConnell	Stevens
Harkin	Mikulski	Thomas
Hatfield	Moseley-Braun	Thurmond
Heflin	Moynihan	Warner
Hollings	Murkowski	Wellstone
Inouye	Murray	
Jeffords	Nunn	

So, the amendment (No. 2978) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

## AMENDMENT NO. 2979

The PRESIDING OFFICER. Under the previous order, No. 2979 offered by the Senator from Massachusetts [Mr. KERRY] will be considered, 1 minute equally divided.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator will withhold.

Mr. EXON. Once order is restored in the Senate, I would like to yield 30 seconds on our side to the Senator from Kansas for remarks that I understand she has to make on this measure.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. If I could have the attention of the Senator from Kansas. The Senator from Kansas, I yield her 30 seconds off of our time on the Kennedy amendment. I apologize. We are going to the Kerry amendment at this time.

The PRESIDING OFFICER. The Kerry amendment.

Mr. EXON. I yield 30 seconds to Senator KERRY.

Mr. KERRY. Mr. President, this amendment does not ask Senators to vote on any number. It simply asks Senators, as a sense of the Senate, to say that before the end of the session we will vote and debate on the minimum wage issue.

I will just share with Senators an article in the New York Times today.

It says:

The income gap between rich and poor was wider in the United States during the 1980s than in any other large industrialized country, according to the most comprehensive international study ever released on income distribution.

Seventy percent of the poverty wage, \$8,500, is the current income level.

We simply want to vote and debate on it. And I hope colleagues will agree we ought to do that.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I assume I had 30 seconds under the rule.

The PRESIDING OFFICER. The Senator has 30 seconds.

Mr. DOMENICI. I yield back my 30 seconds and make a point of order that

this violates the Budget Act. I raise a point of order under the provisions of the Budget Act.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the applicable section of that act for the consideration of the pending amendment.

I ask for the yeas and nays on the motion to waive.

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 agreeing to the motion to waive the Budget Act.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The yeas and nays resulted—yeas 51, nays 48, as follows:

[Rollcall Vote No. 519 Leg.]

## YEAS—51

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

## NAYS—48

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

The PRESIDING OFFICER (Mr. STEVENS). On this vote, the yeas are 51; the nays are 48. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

## AMENDMENT NO. 2980

The PRESIDING OFFICER. The question is amendment No. 2980, offered by Senator DOMENICI.

The yeas and nays have been ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the yeas and nays be vitiated and that we have a voice vote.

The PRESIDING OFFICER. Does the Senator seek 1 minute, equally divided?

Mr. DOMENICI. I do not think we need any time.

Mr. EXON. Mr. President, I agree with my colleague and yield back our time. I hope we can have a voice vote.

Mr. MOYNIHAN. I object, Mr. President.

Mr. DOLE. That is another amendment.

Mr. MOYNIHAN. I withdraw that objection.

The PRESIDING OFFICER. The question is on agreeing to the Domenici amendment.

The amendment (No. 2980) was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

## AMENDMENT NO. 2981

Mr. EXON. Mr. President, the next pending amendment is a Kennedy amendment, is that correct?

The PRESIDING OFFICER. The pending amendment is the Kennedy-Kassebaum amendment No. 2981.

Mr. EXON. I yield 30 seconds of our time to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I urge my colleagues to support striking this provision from the bill before us, because I believe it is bad pension policy. We are making some assumptions here which we do not really know the consequences of, and I feel that it is absolutely essential that we not begin to make inroads into pension plans in which retirees have counted on without knowing the consequences. I urge all to support the amendment.

Mr. DOMENICI. I think the leader wants some time.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, we are prepared to accept the amendment without a rollcall, if we want to speed up the process.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DOLE. I ask unanimous consent to vitiate the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. We yield back all time.

The PRESIDING OFFICER. The question is on agreeing the amendment No. 2981.

The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 94, nays 5, as follows:

[Rollcall Vote No. 520 Leg.]

## YEAS—94

Abraham	Ashcroft	Bennett
Akaka	Baucus	Biden

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

## NAYS—5

Brown	Helms	Roth
Grams	Nickles	

So the amendment (No. 2981) was agreed to.

## AMENDMENT NO. 2982

The PRESIDING OFFICER. The next amendment is Wellstone 2982. The yeas and nays have been ordered.

Mr. EXON. Mr. President, I yield 30 seconds of our time to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, this amendment is all about plugging tax loopholes, whether we are talking about keeping a strong alternative minimum tax, or getting rid of subsidies for oil companies or pharmaceutical companies.

This all goes for deficit reduction—all the savings go into a lockbox—and the total savings is between \$60 to \$70 billion. I will tell you right now, regular people are tired of having to pay more in taxes because of these egregious loopholes. I urge my colleagues to vote "aye."

Mr. President, last night I talked briefly about each of the four amendments I was going to offer separately, that I continued in my omnibus amendment.

I now ask unanimous consent that a statement elaborating on each tax loophole, and the reasons for its elimination, which this omnibus amendment proposed to do, be printed in the RECORD.

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

REPEAL CORPORATE WELFARE IN THE TAX CODE:  
ELIMINATE OIL AND GAS TAX BREAKS NOW

Mr. President, I rise to offer an amendment which I know will be controversial with some Senators, but which I think deserves debate and a vote. It is part of my larger effort to help reduce the deficit over the next several years through scaling back corporate welfare, instead of making such unnecessarily large cuts in Medicare, Medicaid, student loans, and other areas, many of the proceeds from which will be used to finance a tax cut primarily for the wealthy.

This Republican budget package is radical, and it fails to meet a basic test of fairness

that Americans expect us to apply in order to get to a balanced budget. One of its major failings that has not been much discussed is that it does almost nothing to eliminate the fantastically expensive tax loopholes that have been embedded in the code for years, and that give special treatment to one industry or type of investment over all others. These preferences distort economic decision-making, and because they are so expensive make regular middle-class families, who are struggling to make it these days, pay much higher income taxes than they otherwise would have to pay.

Let me make a simple point here that is often overlooked. We can spend money just as easily through the tax code, through tax loopholes, as we can through the normal appropriations process. Spending is spending, whether it comes in the form of a government check or in the form of a tax break for some special purpose, like a subsidy, a credit, a deduction, or accelerated depreciation for this type of investment or that. These tax loopholes allow some taxpayers to escape paying their fair share, and thus make everyone else pay at higher rates. These arcane tax breaks are simply special exceptions to the normal rules, rules that oblige all of us to share the burdens of citizenship by paying our taxes.

I think it is a simple question of fairness. If we are really going to make the spending cuts and other policy changes that we would have to make to meet the balanced budget amendment targets, then we should make sure that wealthy interests in our society, those who have political clout, those who hire lobbyists to make their case every day here in Washington, are asked to sacrifice at least as much as regular middle class folks that you and I represent who receive Social Security or Medicare or Veterans benefits or student loans.

That is just common sense, and I think we ought to signal today that the standard of fairness we will be applying will require elimination of at least some of these tax breaks. Too often, in discussions about low-priority federal spending which ought to be cut, one set of expenditures is notoriously absent. That is tax breaks for wealthy and well-positioned special interests.

Tax subsidies are heavily skewed to corporations and the relatively few people in very high-income brackets, while government benefits and services go in far larger proportions to the middle class and the poor. If it is harder to eliminate tax breaks or other preferences than cut programs, the burdens of deficit reduction are likely to be borne disproportionately by those in the bottom half of the income scale. The effect of this, of course, is a further transfer of political power up the income scale. This imbalance means the system is likely to favor the wealthy and powerful over those in the bottom and middle of the income scale.

Many of these tax breaks are industry-specific, others were designed to encourage particular kinds of activities or investments, or to subsidize consumers of certain products. The General Accounting Office issued a report last year, in which they noted that most of these tax expenditures currently in the tax code are not subject to any annual reauthorization or other kind of systematic periodic review. They observed that many of these special tax breaks were enacted in response to economic conditions that no longer exist. In fact, they found that of the 124 tax expenditures identified by the Committee in 1993, about half were enacted before 1950. The particular oil and gas tax break that my amendment focuses on was enacted in its original form in the 1920's. Many of these industry-specific breaks get embedded in the tax code, and are not looked at again for years.

Now some will vote against this motion reflexively, arguing wrongly that this is simply an attempt to raise taxes. It is not. These arcane tax breaks are simply special exceptions to the normal rules, rules that oblige all of us to share the burdens of citizenship by paying our taxes. They are pushed by high-priced lobbyists, who have hired even more highly-paid tax lawyers, to make their special pleadings.

The effect of allowing them to continue is to ensure that hard-working Americans will not be provided much real tax relief, since all of the revenues that might help pay for such relief are being siphoned off by wealthy special interests. This amendment simply calls the question on one small part of the very targeted spending we do through the tax code, spending that is not subject to the annual spending process and is rarely debated on the floor of the Senate.

This amendment would repeal the current special tax treatment for what are called "intangible drilling costs" in the oil and gas industry. Since around 1916, the oil and gas industries have benefitted richly from this special benefit. The Congressional Budget Office has estimated that eliminating this loophole will save US taxpayers at least \$2.5 billion over the next five years; and billions more in the years thereafter.

This is how this longstanding special tax benefit works. Companies engaged in oil and gas exploration are allowed to completely deduct from their federal taxes what are termed the "Intangible Drilling Costs", or IDC's, of conducting drilling and related activities as they explore for profitable wells. These include what they pay for labor, fuel, repairs, hauling, supplies, site preparation—many different kinds of expenses they pay when looking for new and more profitable wells. By expensing rather than capitalizing these costs, taxes on much of their income are effectively set to zero.

In most industries, the logic of tax policy requires that a company is allowed to recover its costs of doing business, either through depreciation or a special form of depletion, over the valuable life of the asset. But this special benefit is an exception to these general tax rules. And though decades ago it was argued that these special benefits were necessary to encourage oil exploration, they can no longer be justified—and certainly not in the current budget crunch. Even with the introduction of the alternative minimum tax in the 1980's, when you consider the many other breaks these industries still receive—including the very expensive percentage depletion allowance—this still keeps the effective marginal tax rate on gas and oil companies below that for other industries. That is not fair, and it makes middle income people pay higher income taxes. It should stop, now.

I know that oil and gas companies, and those who represent them here in the Senate, have in the past argued that these special tax breaks should be extended because of the special risks involved in looking for oil and gas wells to drill. While it is true that these are sometimes high-risk ventures, they are also very profitable, or else companies would not be pursuing them. The risks are justified by the large profits to be made. I also wonder whether they are intrinsically any less risky than small business start-ups in new markets, or the launching of new products, or similar entrepreneurial business decisions. I suspect probably not.

Proponents will also argue that capital is hard to come by in the oil and gas industry, and that small producers need to be protected. Of course, everyone who enjoys these kinds of tax breaks are going to try to couch

their plight in terms of being the embattled little guy. But that is not what this is about. This is mostly about special tax benefits being showered on large and small producers alike—even though there are somewhat different rules for each—in a single industry that has been consistently showing signs of profitability in recent years. While sometimes volatile oil markets make oil and gas investments risky, that doesn't necessarily justify this special treatment.

In addition to the huge costs to taxpayers that must be considered when looking at this tax break, we should also be aware of the environmental costs that are attached. As with many other energy subsidies, this subsidy encourages drilling in environmentally sensitive areas, and serves as a disincentive for us to explore more environmentally sustainable means of energy production.

And these are areas which have been protected for years by the ravages of thoughtless oil and gas development. For example, I strongly oppose drilling in the Arctic National Wildlife Refuge. This has been an issue that I have been involved in from the time I first came to the Senate. There was a filibuster over ANWR that I led when I was here just a short period of time and now ANWR is back again. The Energy Committee has voted, over the objections of a large bipartisan group of Senators, to open up ANWR for drilling and to use the revenue to meet reconciliation instructions. These large oil and gas company subsidies only encourage those kind of developments by artificially increasing and subsidizing demand for new wells.

It also seems to me that there are compelling energy policy arguments against this tax break. To the extent that these subsidies stimulate drilling of domestic wells, they reduce our short-run dependence on foreign oil—but force us to deplete our own Nation's reserves at a faster rate. While oil is flowing freely to the U.S. from the Middle East and elsewhere, I see no reason to subsidize domestic drilling to such an extent.

Some will argue there are national security considerations here, and that we should preserve this subsidy because it helps to ensure the future of domestic producers. I think if we are so concerned about the national security implications of our reliance on foreign oil, then maybe we should be rethinking provisions to sell off the strategic petroleum reserve that were included in this bill.

Others will claim that eliminating the expensing of IDC's would hamper domestic oil exploration, and that the industry's profit margins have declined steadily over the last 15 years or so as the alternative minimum tax has kicked in on some producers, and various lucrative other tax breaks have been slightly reformed. However, it is clear that most of the reason for this decline was not the increased tax burden, but the worldwide decline in oil prices. Experts from academia to industry analysts to CRS are agreed on that.

Finally, oil and gas companies will also argue that eliminating their expensing provisions will effectively raise costs for the consumer at the gas pump. The Congressional Budget Office has no formal projections of this cost increase, but I suspect that if there is any increase at all, it would only be a fraction of one cent per gallon at the gas pump. Much of any additional costs would be absorbed by oil and gas companies, as they strive to remain competitive in world markets.

Mr. President, this issue is complex, but in the end, it is not even a close call. As a recent CRS study on tax expenditures states, "There is very little, if any, justification for this non-neutral tax treatment of IDCs.

Many economists believe that expensing is a costly and inefficient way to increase oil and gas output and enhance energy security . . ."

The oil and gas industry has for decades been enjoying a tax benefit that has not been available to other American industries, and so to eliminate it is really just to "level the playing field." For those who support a flat tax, or even a flatter tax rate structure than we have now made possible by closing special loopholes, this amendment is a good place to start. I urge my colleagues to make good on pledges to fairly and responsibly reduce the federal deficit by voting for this amendment. I yield the floor.

#### REPEAL CORPORATE WELFARE IN THE TAX CODE:

##### ELIMINATE THE PUERTO RICO CREDIT

Mr. President, I rise to offer an amendment to repeal outright Section 936 of the Internal Revenue Code, which provides certain corporate income tax credits to firms doing business in Puerto Rico and the other U.S. Possessions. This repeal would become effective on January 1, 1997. It speeds up the repeal already provided for in the bill by, in some cases, 9 years, saving over \$35 billion dollars in the process.

Let me be clear: the Finance Committee, for the first time in decades, has already acknowledged that this loophole should go; it is simply now a question of when, and how. For those who support a flat tax, or even a flatter tax rate structure than we have now made possible by closing special loopholes, this amendment is a good place to start.

This amendment is part of a larger attack on corporate loopholes to highlight something I have seen over and over in that short time: the political gap between the promise to cut spending, and actual follow-through on that promise. Between the promise of spending restraint, and actual spending restraint. Let me make a simple point here that is often overlooked. We can spend money just as easily through the tax code, through tax loopholes, as we can through the normal appropriations process. Spending is spending, whether it comes in the form of a government check or in the form of a tax break for some special purpose, like a subsidy, a credit, a deduction, or accelerated depreciation for this type of investment or that.

In the last few years, for example, many of us voted for billions in actual cuts on this floor—not gimmicks, not smoke and mirrors, not deficit reduction formulas that never identify precise cuts, but actual reductions in federal spending contained in actual amendments to appropriations bills. We have also voted consistently against continued wasteful and unnecessary defense spending contained in appropriations bills each year. And often it was precisely those who support the balanced budget amendment, and employ elaborate Heritage Foundation-concocted across-the-board spending cut formulas that do not contain any specific cuts, who voted against actual spending cuts on the floor. This is where the rubber meets the road, where the rhetoric meets reality. Many balanced budget amendment proponents have failed the test of political courage on this point, and I think that should be made clear.

These tax loopholes allow some taxpayers to escape paying their fair share, and thus make everyone else pay at higher rates. These arcane tax breaks are simply special exceptions to the normal rules, rules that oblige all of us to share the burdens of citizenship by paying our taxes.

I think it is a simple question of fairness. If we are really going to make the over a trillion dollars in spending cuts and other policy changes that we would have to make to meet the balanced budget amendment tar-

gets, then we should make sure that wealthy interests in our society, those who have political clout, those who hire lobbyists to make their case every day here in Washington, are asked to sacrifice at least as much as regular middle class folks that you and I represent who receive Social Security or Medicare or Veterans benefits.

That is just common sense, and I think we ought to signal today that the standard of fairness we will be applying will include elimination of at least some of these tax breaks. Too often, in discussions about low-priority federal spending which ought to be cut, one set of expenditures is notoriously absent. That is tax breaks for wealthy and well-positioned special interests.

Tax subsidies are heavily skewed to corporations and the relatively few people in very high-income brackets, while government benefits and services go in far larger proportions to the middle class and the poor. If it is harder to eliminate tax breaks or other preferences than cut programs, the burdens of deficit reduction are likely to be borne disproportionately by those in the bottom half of the income scale. The effect of this, of course, is a further transfer of political power up the income scale.

Many of these tax breaks are industry-specific, others were designed to encourage particular kinds of activities or investments, or to subsidize consumers of certain products. The General Accounting Office issued a report last year, in which they noted that most of these tax expenditures currently in the tax code are not subject to any annual reauthorization or other kind of systematic periodic review. They observed that many of these special tax breaks were enacted in response to economic conditions that no longer exist. In fact, they found that of the 124 tax expenditures identified by the Committee in 1993, about half were enacted before 1950. This one was enacted in its original form in the 1920's. Many of these industry-specific breaks get embedded in the tax code, and are not looked at again for years.

Now some will vote against this motion reflexively, arguing wrongly that this is simply an attempt to raise taxes. It is not. These arcane tax breaks are simply special exceptions to the normal rules, rules that oblige all of us to share the burdens of citizenship by paying our taxes. The effect of allowing them to continue is to ensure that hard-working Americans will not be provided any tax relief, since all of the revenues that would pay for such relief are being soaked up by wealthy special interests. This amendment simply calls the question on one small part of the very targeted spending we do through the tax code, spending that is not subject to the annual spending process and is rarely debated on the floor of the Senate.

I suspect most Americans, if asked, would scale back the Puerto Rico tax break further rather than cut spending on prisons or police or environmental protections or workplace safety or Medicare or Medicaid. For that matter, for the amount of money generated by eliminating this tax break, we could pay for Head Start, meals-on wheels for the elderly, WIC, and the National Park Service for a year, and still have money left over.

This amendment eliminates outright the Puerto Rico subsidy, starting next year. In 1993, as we were preparing to consider the Reconciliation bill, I concluded that this tax credit should be phased out over a short period, given the other strains on the federal budget, and the need for further deficit reduction. While I was concerned that an immediate repeal might have too large and abrupt an impact on the economy of Puerto Rico, which was at the time reeling under a very high unemployment rate, I would have supported a prompt phase-out. While the 1993

Reconciliation Act did scale back somewhat the benefits provided to eligible companies under this provision, it failed to phase out the provision. And so now I think the time has come to repeal it outright, starting in 1996. That will put a stop to efforts by corporations who invest in Puerto Rico and the other U.S. Possessions to shelter profits and avoid paying their fair share of taxes.

Ostensibly a tax credit to encourage economic development in U.S. possessions, primarily Puerto Rico, the Section 936 tax credit has over the years evolved into a huge corporate loophole, providing a multi-billion offshore tax shelter for some of America's most profitable companies. While it has been narrowed, and some of the most egregious abuses addressed, it remains a fantastically expensive subsidy for a few special interests. That is unfair, Mr. President, especially when we consider all of the competing budget claims on these scarce federal funds. It is time to bring a halt to it.

Over the past several decades, as I have mentioned, several efforts were launched to try and bring the section 936 tax credit under control. Rules regulating the allocation of income derived from intangible assets were tightened, but to little avail. Additional loopholes were created, which allow companies to continue the long-established practice of shifting income derived from intangible assets created on shore to Puerto Rico. The 1993 OBRA bill took a step toward trying to reconfigure the section 936 credit as a wage-based credit by tying the amount of the credit, in many cases, to actual wages paid or investments made. But it also allowed corporations to receive the credit according to a generous alternative formula that continues to cost taxpayers billions per year. While this modest linkage between actual investments made and wages paid was a step in the right direction, it is still a credit that is no longer justifiable in this current budget crunch.

In 1993, Finance Committee Chairman Moynihan observed that the 936 program, as it is known, dates back to the 1920's. He said that the changes in the 1993 Reconciliation bill were done in such a way as to "clearly anticipate the phasing out finally of this measure." But that hasn't happened yet, and this amendment is designed to make sure that there is a final, clean termination of the program as soon as possible.

The bill before us today, while it recognizes that this provision must eventually be eliminated, provides for a very long phase-out, in some cases up to 10 years. I am very concerned that if we do not repeal this program now, which has been in the Tax Code in some form since the 1920's, it will continue to cost taxpayers billions of dollars per year, and that clever tax lawyers, lobbyists, and the companies for whom they work might even find ways to retain it in the Tax Code in the next few years.

Section 936 presents a very complicated set of calculations to derive the tax credit against taxable income, but the simple effect of this provision is to reduce the cost of corporate investment in territories, mainly Puerto Rico. Its purpose, quite obviously, was to attract investment in the struggling possessions; instead it has been used as major loophole for U.S.-based corporations to shelter taxable income.

While I recognize the economic impact that repeal of this provision will have on certain U.S. companies doing business in Puerto Rico—some of which are in my own state, the GAO's extensive 1993 report concluded that reliable estimates of the changes in corporate behavior could not responsibly be made, since that would require anticipating how many, if any, beneficiaries of the credit would move to other regions, would relocate

or scale back their operations there. Of course, many other factors, including labor costs, productivity, transportation and infrastructure costs, and other tax consequences of their decisions would be considered by these firms.

Given this uncertainty, and the fact that this is a special subsidy available to firms nowhere else, I do not believe we can continue to subsidize the activities of a few large corporations at the expense of millions of American taxpayers. Companies that invest in Minnesota directly would love to benefit from a very generous tax credit like this, but they do not. Nor do firms in any other states, to my knowledge. It only applies to the U.S. possessions, with most of the benefits going to pharmaceutical, food, chemical, and instrument-manufacturing firms in Puerto Rico.

The costs of special interest corporate tax loopholes like this are often astronomical. This one is particularly expensive. The Congressional Budget Office has estimated that repealing this provision outright would save almost \$20 billion over just 5 years. \$20 billion. And about the same amount in the second 5 years. That money could be used to mitigate the huge cuts in Medicare and Medicaid, or in the EITC, that are made in this bill. It could be used to reduce the federal deficit.

I hope my colleagues will support this effort to scale back this longstanding tax break for a relatively few wealthy companies, and dedicate these funds for deficit reduction. How on earth can we continue to support giving a few major corporations this enormous tax break at the same time that cuts are being made in Medicare, Medicaid, and other programs that affect the most vulnerable among us?

Another problem with this tax credit program is that it draws investment away from the U.S. While this provision has over the years encouraged considerable investment in the possessions, that investment often came at the expense of corporations investing here. These investment effects are now amplified under NAFTA and GATT; just as 936 bleeds investment out of the States and into possessions where labor costs are traditionally cheaper, it may now act as an incentive for manufacturers to hold onto their operations in Puerto Rico, rather than moving to countries like Mexico or Singapore. I have heard over the years from many workers in my state who are upset about the transfer impact of this provision on Minnesota jobs.

Even if this provision could once have been justified as an economic development tool following the Second World War, that is no longer possible. A recent report of the Senate Budget Committee said "... the measure's cost in terms of foregone tax collections is high compared to the number of jobs the provision creates in Puerto Rico."

My colleagues will recall, I am sure, that our distinguished colleague, Senator Pryor, released a GAO study done several years ago in which it was pointed out that the primary beneficiaries of this provision are the large pharmaceutical companies that have located in Puerto Rico. Let us call this what it is: corporate welfare of the most stark kind.

The huge Section 936 credit claimed by a number of U.S. pharmaceutical firms are a case in point. A GAO study requested by our colleague Senator Pryor revealed a number of shocking details. According to the GAO:

Since section 936 is intended to be an employment and economic development program for Puerto Rico, the GAO measured the tax credit provided companies for each employee. For pharmaceutical companies, the credit amounted to over \$70,000 per employee—267 percent of the wages actually paid the average employee. One pharma-

ceutical company, Pfizer, received a tax credit equivalent to over \$150,000 per employee—amounting to 636 percent of the typical wage paid to its Puerto Rican workers. Now I know that these outrageous disparities were mitigated somewhat by the 1993 changes in the formula, but the fact remains that this is a very inefficient economic development subsidy. And even the more recent GAO report done in 1993 found that the ratio of a firm's tax benefits per employee was still far higher than the total wages paid to these employees.

The time has come to pull the plug on this corporate welfare program. At the same time that historic huge cuts in Medicare and Medicaid are being made, at the same time we are slashing student loans and the earned income tax credit, at the same time that we are slashing economic development funding in our own cities and rural areas, we somehow find the funds to continue a multi-billion dollar tax credit of questionable merit and effectiveness, the prime beneficiaries of which are a small number of large, profitable drug companies.

Mr. President, continuing this credit for years while trying to balance the budget by 2002 is bad public policy. It is bad tax policy. It is bad budget policy. It cannot be allowed to stand, especially in the current budget climate. I urge my colleagues to support this amendment. I yield the floor.

#### ELIMINATE THE FOREIGN EARNED INCOME TAX EXCLUSION

Mr. President, I have already spent some time here on the Senate floor in an effort to close a number of tax loopholes. Underlying these efforts is a recognition that we must reduce the federal budget deficit in a way that is fair, responsible, and that requires shared sacrifice. Closing corporate welfare loopholes will help us do that.

At this point, I would like to address a loophole that will cost \$8.9 billion over the next 5 years in lost receipts, and billions more thereafter. In other words, while American citizens all over this Nation will have to pay taxes over the next 5 years, a certain group of taxpayers will use this loophole during that time to get out of paying \$8.9 billion in taxes. And over 10 years, that is about \$18.4 billion that the rest of American taxpayers will have to make up in higher taxes or reduced services from their government.

The loophole is called the Foreign-Earned Income Tax Exclusion, and it allows Americans living overseas to earn the first \$70,000 of their income entirely free of American taxes. While this Exclusion is related to the Foreign Tax Credit—which allows you to reduce your U.S. taxes by the amount you paid in taxes to a foreign government—the two should not be confused. The Foreign Tax Credit simply protects, on a dollar-for-dollar basis, against paying tax twice on the same income: once to the U.S. and once to a foreign government. The Exclusion entirely ignores the existence of \$70,000 of the income you earned abroad, regardless of how much tax you paid on it. In short, it is an overly broad way to protect against double taxation, and it is unnecessary because of the existence of the Credit.

Some will charge that by closing this tax loophole, by restricting this special interest tax break we are somehow proposing to raise taxes. They are wrong. What they fail to understand is that even with the reforms of the mid-1980's, which closed many of the most egregious tax loopholes, the presence of tax breaks in the current tax system forces middle class and working people to pay far more in taxes than they otherwise would have to pay. While some are paying less than their fair share in taxes because of this special tax subsidy for people working abroad, those

who work in the U.S. are being forced to pay more in taxes to make up the difference. Closing this tax loophole is not raising taxes.

When taxpayers in my State of Minnesota file their returns every year, they are not allowed to disregard \$70,000 of their income. So why do we let Americans living abroad to take advantage of this loophole?

When it first came on the books in 1926, the Exclusion was said to help support U.S. trade because it was a tax break for U.S. citizens living abroad that were promoting trade between the U.S. and foreign countries. However, since then there has been a constant tension between those fighting for tax equity (who want to close the loophole) and those who believe that the loophole actually benefits U.S. trade abroad (who have actually tried, at times, to expand the loophole, i.e., raise the Exclusion above the current \$70,000).

Clearly, in deciding whether or not to eliminate a special tax break, we need to balance the good effects against the bad. In this age of telecommunications and global markets we no longer need to give a special tax break in order to promote foreign trade, nor is it clear that this particular tax break does promote foreign trade. To quote from a Senate Budget Committee print:

"The impact of the provision is uncertain. If employment of U.S. labor abroad is a complement to investment by U.S. firms abroad—for example, if U.S. multinationals depend on expertise that can only be provided by U.S. managers and technicians—then it is possible that the exclusion has the indirect effect of increasing flows of U.S. capital abroad." [Tax Expenditures: Compendium of Background Material on Individual Provisions, Senate Budget Committee Print 103-101, December 1994, p. 22].

Three times between 1962 and 1978, Congress passed laws to limit and finally eliminate the Exclusion. But in 1981, the giveaway returned, bigger than ever and with a built-in yearly increase. The enormous cost of the loophole led Congress to enact a 4-year freeze in its size in 1984 at \$80,000, with \$5,000 annual increases to resume in 1988. That ultimately proved too rich for Congress, and the 1986 Tax Reform Act brought us to where we are today: a hefty \$70,000 Exclusion that will cost the Treasury about \$1.6 billion before this calendar year is out.

A 1994 Senate Budget Committee print describes one negative effect of the provision:

"The exclusion's impact depends partly on whether foreign taxes paid are higher or lower than U.S. taxes. If an expatriate pays high foreign taxes, the exclusion has little importance; the U.S. person can use foreign tax credits to offset any U.S. taxes in any case. For expatriates who pay little or no foreign taxes, however, the exclusion reduces or eliminates U.S. taxes. Available data suggest that U.S. citizens who work abroad have higher real incomes, on average, than persons working in the United States. Thus, where it does reduce taxes the exclusion reduces tax progressivity." [Tax Expenditures: Compendium of Background Material on Individual Provisions, Senate Budget Committee Print 103-101, December 1994, p. 20]

In other words, if a foreign country has taxes as high or higher than the U.S., the foreign tax credit may help to achieve the goal of preventing double taxation. But where taxes are lower, the Exclusion provides a windfall for people who make more than the average person who stays in the U.S. make a living.

When you see a long-lived whopper of a loophole like this, you have to wonder who is fighting to save it. Some light is shed on this question by the IRS's Statistics of Income Bulletin from Fall 1994. It tells us that while only two-tenths of one percent of people fil-

ing individual tax returns in 1991 claimed the Exclusion, 45 percent of those claiming the Exclusion ultimately ended up with no income tax liability. In plain English, that means that almost half of the people who got to use the loophole in 1991 didn't have to pay U.S. income taxes.

Now that we see the substantial benefits this Exclusion can bestow upon a foreign-resident American who takes advantage of it, let us see who those people tend to be. Well, it might interest my colleagues to know that the total foreign-earned salaries and wages in 1991 for Americans living in Saudi Arabia were the third-highest in the world, right behind the United Kingdom and Hong Kong. I am all for Americans making a good living, but there is something particularly interesting about those living in Saudi Arabia: that country charges no income tax on those earnings. Thus we have the exact situation the Budget Committee print warns against: where the foreign taxes are lower than U.S. taxes, the Exclusion reduces U.S. taxes paid; and where higher-than-average earners receive reduced taxes, our income tax system becomes less progressive.

But do not stop there. A smattering of unorganized Americans living in Saudi Arabia is not likely to pack enough political clout to be able to protect a taxpayer give-away like this one. There must be some other force here, somebody with money and political punch. That's where the major multinationals like the oil companies come in. Through private agreements with their employees, these corporations arrange to pocket the windfall that comes to employees when they are detailed to Saudi Arabia and other low-tax countries and become eligible for the Exclusion. These agreements provide that when an employee goes to work overseas, the employee's standard of living will not be changed. While that could mean a generous protection for employees in high-tax countries, in low-tax countries it is the employer who is receiving the benefit, this time at the expense of the American taxpayer.

Now it all makes sense. We have this unjustifiable loophole in our tax system so that huge oil companies and other multinationals can pocket yet another subsidy. Of course, this subsidy is hidden in the tax code because it would be hard (or at least embarrassing) for Congress, in the full light of day, to directly subsidize the oil industry—especially under current budget constraints. By eliminating this tax break, we could make the tax system fairer, flatter and simpler—goals which all of us share.

I urge my colleagues to vote for this amendment. I yield the floor.

#### ELIMINATE CORPORATE WELFARE BY STRIKING RELAXATION OF ALTERNATIVE MINIMUM TAX

Mr. President, I am offering this amendment to strike from the reconciliation bill the provision to eliminate the Alternative Minimum Tax (AMT), and to use the billions in savings generated from this amendment to reduce the federal deficit.

The AMT was put into the law as part of the 1986 Tax Reform Act. As many of my colleagues will recall, the effort during 1986 tax reform was to simplify the tax code as well as infuse some elements of fairness into the tax code. In 1984, two years before tax reform became law, the non-partisan research group Citizens for Tax Justice did a report that found 130 of 250 of the major American corporations had paid nothing in federal taxes during at least one of the five years from 1981 to 1985. Among the companies were Champion International, Dow Chemical, Phillips Petroleum, Texaco, Shell, and Mobil. We must not return to that scandalous record of tax avoidance by relaxing,

and for some firms even repealing, the alternative minimum tax. But that's the way this bill would take us. The Treasury Department estimates that if the AMT is repealed, by the year 2005 we could have more than 76,000 corporations not paying taxes.

Because the other thing that we should remember about 1986 Tax Reform is that together with getting rid of many tax breaks for corporation and wealthy individuals, we lowered tax rates for everyone—it was a trade off.

The Alternative Minimum Tax became law in response to the egregious level of tax avoidance by many large and profitable corporations. Indeed the official summary of the Tax Reform Act of 1986 states: "Congress concluded that the minimum tax should serve one overriding objective: to ensure that no taxpayer with substantial economic income can avoid significant tax liability by using exclusions, deductions, and credits. . . . It is inherently unfair for high-income taxpayers to pay little or no tax due to their ability to utilize tax preferences." The same holds true now. The AMT is still necessary to prevent abuses, it has worked, and we should not be effectively repealing it.

The AMT ensures that corporations and individuals that receive large tax savings by making use of tax deductions and exemptions pay at least a minimum amount of income tax. In very simple terms this is how it works. If corporations and individuals calculate their tax and find that they owe nothing, the AMT kicks in with a set of rules so these companies and individuals pay at least something. Under the AMT certain items are designated as so-called "preference" and those items are taxed at the regular rate. If the AMT is higher than the regular tax, the higher alternative tax is the tax that is owed.

The AMT imposes a lower tax rate rather than the regular tax rate. However, the AMT tax applies to a broader range of items in the tax base. It negates the benefit of many of the preference and exclusions that a company or individual might benefit from under the regular income tax system.

The Finance Committee provisions of reconciliation make changes to the AMT that in some cases would effectively eliminate it. According to the Joint Tax Committee these provisions could cost an estimated \$9.2 billion in corporate tax breaks over then next five years. The House-passed version of this provision will cost taxpayers about \$25 billion, so we know that it's only likely to get worse if we don't knock out this provision here.

Beginning next year the AMT would be reduced for both corporations and individuals. It would allow taxpayers to take most of the tax writeoffs which are not currently allowed under the AMT, such as accelerated depreciation and intangible drilling costs, for purposes of the AMT and thus reduce the portion of income that would be taxed under the AMT. This would effectively eliminate the core of the AMT because the tax would be the same under the AMT and the regular tax system.

The bill would allow corporations to apply past payments of the AMT toward the payment of future years tax by up to 50%, as long as a corporation's tax liability was not below the newly-reduced AMT. Under current law, corporations are allowed to use prior tax payments of the AMT to reduce their current regular tax liability, but only down to the amount of AMT tax. In other words, Mr. President, this proposal would eliminate the floor that the AMT was supposed to provide.

Mr. President, I believe reconciliation should be for reducing the deficit, not for giving more aid to dependent corporations in



the form of new tax breaks for wealthy individuals and big business. Corporations and wealthy individuals should not escape their fair share of the tax burden through tax shelters. In this day of severe budget cuts, when we are all asked to tighten our belts, we should not excuse the most wealthy of our country from that obligation.

To add insult to injury, this legislation would substantially increase the tax burden on working families and the poor by restricting eligibility for the Earned Income Tax Credit while scaling back the AMT on corporations and wealthy individuals. This is the quintessential shift of tax burden from the very wealthy to low and moderate income working families. How can we in good conscience increase taxes on 17 million low-income working families while at the same time decrease taxes on the wealthiest people in this country, those making hundreds of thousands of dollars annually?

During the debate on the balanced budget amendment, Republicans repeated over and over again that we need to balance the budget to provide for a better future for our children and grandchildren. But now that we have before us the actual plan for balancing the budget (which actually will do no such thing) we can see what they're offering everyone: a tax cut for the well off, and a higher bill for the middle class.

This kind of a tax break benefits the very high-income people with wealth and power and clout, and corporations with high-powered lobbyists. They're the big political campaign contributors, the people who spend \$50,000 per person to attend small, intimate dinners to support the pet political causes of certain politicians; they're the wealthy corporate interests who are well-represented in Washington, while average Americans are left out in the cold.

Repealing the AMT would undoubtedly take us back to the days when corporate America was making billions in profits and paying little or no tax. That is not the direction we should be going. It is not good for the economy and it is not good for the citizens of this country.

Some would argue that the AMT has been burdensome on business, especially small business. Some claim that it increases taxes and thus reduces return on capital and makes continued investment difficult. They are wrong. If we are all supposed to be tightening our belts to reduce the budget deficit and ultimately reach a balanced budget, asking profitable firms to pay at least some income tax, as everyone else is required to do, is simple fairness and common sense.

Indeed, our tax code is already filled with too many tax breaks for special classes or categories of taxpayers. We should be repealing those tax breaks instead of considering a bill that adds more giveaways to the rich while increasing the burden on the working families. I think it's a simple question of fairness. If we are really going to cut billions of dollars in government spending and other policy changes to achieve a balanced budget, then we should make sure that wealthy interests in our country, those who have political clout, those who hire lobbyists to make their case every day here in Washington, are asked to sacrifice at least as much as regular middle class folks that you and I represent who receive Social Security or Medicare or Veterans benefits.

I urge my colleagues to vote for this amendment. I yield the floor.

Mr. DOMENICI. Mr. President, we are 51-percent dependent upon imported oil. If you want to become 100-percent dependent, just adopt this amendment.

This amendment violates the Budget Act, is not germane, and I make a point of order under the Budget Act.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable section of that act pursuant to the pending amendment, and I ask for the yeas and nays on the motion to waive the act.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from California [Mrs. FEINSTEIN] is necessarily absent.

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

The yeas and nays resulted—yeas 25, nays 73, as follows:

[Rollcall Vote No. 521 Leg.]

#### YEAS—25

Akaka	Inouye	Murray
Boxer	Kennedy	Pell
Bradley	Kerrey	Reid
Bryan	Kerry	Sarbanes
Conrad	Kohl	Simon
Exon	Leahy	Snowe
Feingold	Levin	Wellstone
Harkin	Mikulski	
Hollings	Moynihan	

#### NAYS—73

Abraham	Dorgan	Lugar
Ashcroft	Faircloth	Mack
Baucus	Ford	McCain
Bennett	Frist	McConnell
Biden	Glenn	Moseley-Braun
Bingaman	Gorton	Murkowski
Bond	Graham	Nickles
Breaux	Gramm	Nunn
Brown	Grams	Pressler
Bumpers	Grassley	Pryor
Burns	Gregg	Robb
Byrd	Hatch	Rockefeller
Campbell	Hatfield	Roth
Chafee	Heflin	Santorum
Coats	Helms	Shelby
Cochran	Hutchison	Simpson
Cohen	Inhofe	Smith
Coverdell	Jeffords	Specter
Craig	Johnston	Stevens
D'Amato	Kassebaum	Thomas
Daschle	Kempthorne	Thompson
DeWine	Kyl	Thurmond
Dodd	Lautenberg	Warner
Dole	Lieberman	
Domenici	Lott	

#### NOT VOTING—1

Feinstein

The PRESIDING OFFICER. On this vote, the yeas are 25, and the nays are 73. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected.

The point of order is sustained, and the amendment falls.

Mr. EXON. Mr. President, I move to reconsider the vote by which the motion was rejected.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, Senator EXON and I want about 3 minutes each to address the Senate with reference to the process for the remainder of the time on this bill.

The PRESIDING OFFICER. There is no time left on the bill. It will take a unanimous-consent request.

Mr. DOMENICI. I ask unanimous consent that I and Senator EXON be permitted to speak for 3 minutes each to explain to Senators where we are and what we expect of them in the next couple of hours.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, let me explain to the Senators where we are, and I will then yield obviously to Senator EXON.

We are next going to vote on the substitute budget resolution by Senators SIMON and CONRAD. And then we have only one amendment left in the so-called second tier, the tier about which we have agreed to have 5 minutes on each side of debate. That is the Roth Finance Committee amendment. Excuse me, Senator PRYOR on nursing homes is next, and SIMON-CONRAD on the substitute follows that, and the Roth Finance Committee amendment. They are circulating parts of it to the various staff. And I talked to Senator GRAHAM of Florida. We are trying to get the staff involved very soon. But those are the three that are left on that part.

Then we come to that ominous group, that nebulous group that is called third tier. We have invented that term. But that means all the other amendments that anybody would like to offer.

I might mention that we have been waiting for a list, and we do not have a list. But the minority leader is working to try to get that list.

The minority leader and the majority leader suggest the following: If you have amendments that you intend to call up in that period of time when there is little or no time to discuss them, we would ask Senators to submit their amendments to the desk so that they will be with the clerk, and then submit them to Senator EXON and Senator DOMENICI at our desks so that we will have some idea by the time we finish tier 2 of what amendments we have to consider.

It is very important for everyone, to all Senators—not we as managers—that we establish some order for that series of amendments. So I urge that all Senators who have amendments to get them to the desk, not have them circulating around here, and get them to the manager and the ranking member's desk here in the Senate.

I yield now to Senator EXON.

Mr. EXON. I agree completely with what the chairman has said. I simply remind all that if you file your amendments now in a timely fashion, as we have indicated, giving a copy to each of us, when we get into the voting procedures on these amendments we will try and give priority consideration as nearly as possible with regard to how they were filed to give some incentive for people to file the amendments.

We are trying to get together, as the chairman has said, the definitive list on this side. We do not have a list of all



of the amendments that are proposed on the other side. This is a way to get that worked out. Numerous Senators have come to me and have said, "What plan should I make with regard to leaving Washington, DC, this weekend?" I said that is very, very much up in the air.

I would simply say that my best guess at the present time is that we have, as of now, a minimum—I emphasize the word "minimum"—on both sides of the aisle of somewhere around 50 individual separate amendments to be considered. Multiply that out. Even at a limited 10-minute timeframe, you can see we are talking about a minimum of 8 hours of steady voting, which should give everyone pause for consideration if they have any visions of leaving sometime this evening for obligations that they have elsewhere.

Therefore, I hope we can continue to whittle down the amendments. We have been tremendously successful thus far on this side. We started out with about 120. Right now I think we are down to somewhere between 41 and 45. That is still an awful lot. But we have come a long, long way, and we intend to go further. Suffice it to say that if we are going to have the cooperation that is necessary while allowing each Senator rights as guaranteed to offer the amendments, then we are going to have to have some restrictions in the better understanding than we have right now on both sides with regard to limiting the amendments.

So I hope that all will agree with the suggestion made by the chairman, which I agree with completely. We have checked this, as I understand it, with both the minority leader and the majority leader. At least that is the best chance we have of moving forward in as expeditious a fashion as possible. I use that word advisedly.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I want to confirm what the ranking member and the chairman have indicated. The majority leader and I have talked about how we are going to proceed now with the third tier. I urge Senators to accommodate our two ranking members. They have been working with us very carefully and closely.

I think the only way we can accommodate the schedule for the balance of the day is to do what the chairman has suggested. We have talked to all of our colleagues on this side of the aisle. We know approximately what the list is. We do not have the text of any of the amendments. They need to be filed within the next hour. And then the list needs to be provided to the ranking member so we can begin to put the list in order.

So I urge everyone's cooperation to allow us to get through this list as expeditiously as we can but also as knowledgeably as we can. No one on the Republican side has seen the text of any of our amendments. We have not

seen the text of their amendments. The only opportunity for us to look at the text is while we are voting on additional amendments.

So it is important that everyone come forth and bring their amendments to the desk, and allow us to list them officially. Then we will begin considering them.

I thank the Chair.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired. There are 40 seconds left to the other side.

Mr. DOMENICI. Would Senator GRAHAM like to ask me a question?

Mr. GRAHAM. If the Senator will yield for a question, does he have any idea when we will have an opportunity to get to review the Finance Committee amendment?

Mr. DOMENICI. Fellow Senators, let me just add to what we said heretofore. I have been asked by Senators what time we can get out of here. So my comments are attempting to accommodate you. I think sometime within the next couple of hours we will have made all the major votes, taken all the major votes, and will have decided all the major issues. So I do not think we should stay around here until 12 o'clock tonight. We are going to do our best to expedite things.

Mr. GRAHAM. The question is, When will we have an opportunity to review the Finance Committee amendment?

Mr. DOMENICI. I just spoke to Senator ROTH. He said that his staff is going to exchange views with your staff and other staff. They are already going to give you parts of the amendment, which are ready. They are going to do that right now. And we will just go from one step to another. But you will have part of it quickly.

The PRESIDING OFFICER. All time has expired.

Mr. EXON. I ask unanimous consent for an additional 30 seconds.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. EXON. Mr. President, the first amendment has been handed to both sides by Senator SIMON, an important step in the right direction. We hope all will follow.

Second, I would suggest that if possible—we cannot insist on this—I would suggest that Senator SIMON and all that will follow with this process to try to add a one- or two-sentence explanation of what their measure is intended to do. That will help expedite things on all sides.

AMENDMENT NO. 2983

The PRESIDING OFFICER. The next vote occurs on the amendment of the Senator from Arkansas. On this question, the yeas and nays have been ordered.

There are 30 seconds to each side.

Mr. EXON. Mr. President, I yield 30 seconds to the Senator from Arkansas.

The PRESIDING OFFICER. Let us listen to the Senator from Arkansas

for 30 seconds. Senators clear the well, please.

The Chair cannot hear the Senator from Arkansas.

The Senator from Arkansas is recognized for 30 seconds.

Mr. PRYOR. I thank the Chair.

Mr. President, this amendment is offered by myself and Senator COHEN and several of our colleagues. This amendment very simply reinstates the nursing home standards that we adopted in 1987 with a bipartisan effort. These standards have worked. They have worked well. They have saved money. The nursing home industry is not trying to repeal these standards. And we are going to hear that another proposal from the other side of the aisle is going to fix this issue. But I will say, Mr. President, we have not seen all of the ramifications. We know that there is a gaping hole—

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

Mr. PRYOR. In the waiver process and that there are no standards going to be submitted on the other side.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, Senator COHEN's proposal with reference to this issue is going to be incorporated in the Republican, in Senator ROTH's, proposal. I urge that Republican Senators vote against this amendment because it is going to be taken care of and in some respects even be better than this amendment. It will be part of the package, and we are sorry we cannot give it to you yet. But it is Senator COHEN's proposal that is incorporated in the Republican package.

Mr. PRYOR. Mr. President, will the Senator from New Mexico yield for a question?

The PRESIDING OFFICER. All time has expired.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the Senator from Arkansas be given an additional 30 seconds.

Mr. PRYOR. I just want to ask a question, Mr. President.

The PRESIDING OFFICER. Is there objection to additional time?

Mr. DOMENICI. I will not object this time, but I really do not think we can do it every time.

Mr. PRYOR. Mr. President, if I can ask my friend from New Mexico, is the so-called nursing home regulation or standard fix, is this a part of the larger omnibus Finance Committee package that none of us have seen?

Mr. DOMENICI. Yes. That is right.

Mr. PRYOR. I thank the Chair.

Mr. DOMENICI. Senators will see it shortly.

The PRESIDING OFFICER. Is all time yielded back?

All time is yielded back. The question is on agreeing to the Pryor amendment No. 2983. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

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

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 522 Leg.]

## YEAS—51

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

## NAYS—48

Abraham	Frist	Mack
Ashcroft	Gorton	McCain
Bennett	Gramm	McConnell
Bond	Grams	Murkowski
Brown	Grassley	Nickles
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Chafee	Helms	Santorum
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Coverdell	Jeffords	Smith
Craig	Kassebaum	Stevens
D'Amato	Kemphorne	Thomas
Dole	Kyl	Thompson
Domenici	Lott	Thurmond
Faircloth	Lugar	Warner

So the amendment (No. 2983) was agreed to.

Mr. EXON. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

## AMENDMENT NO. 2984

The PRESIDING OFFICER. The next amendment is the Simon amendment No. 2984 with 30 seconds for each side.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent for 1 minute for an exchange of views between the managers—

The PRESIDING OFFICER. The Senate will come to order. There is a request for additional time. The Senator from Nebraska wants 1 minute; is that the request?

Mr. EXON. After consultation with the two leaders, and the managers of the bill, it is our feeling—

The PRESIDING OFFICER. Is there an objection to the Senator's request?

Without objection, it is so ordered. The Senator's request is granted.

The Senator from Nebraska.

Mr. EXON. After consultation with the two leaders, Senator DOMENICI and myself, and others, we would simply say that we have two amendments left on what we have referred to as tier two. That is the Simon-Conrad deficit-reduction amendment, and then the final one, the Roth Finance Committee amendment.

We are now on Simon-Conrad. We will move ahead in the usual fashion. It is our suggestion then that there be an agreement that the Roth amendment will be put indefinitely aside for later

consideration to give all a chance to look at some of the details of that, and allow us to move then to the so-called tier three category, and begin votes, and bring up the Roth Finance Committee amendment at the call of the chairman.

Mr. GRAHAM addressed the Chair.

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

The Senator from Florida.

Mr. GRAHAM. Was that in the form of a unanimous-consent request?

Mr. EXON. No. That is simply to state what we hope we could do.

The PRESIDING OFFICER. There is no further time for debate unless you ask for it. The Senator from New Mexico is entitled to 30 seconds at this time.

Mr. DOMENICI. Mr. President, I compliment the sponsors of this amendment and make just two observations. We have heard a lot of debate on the floor of the Senate that all we needed to do to save Medicare was \$89 billion. Actually, it is interesting to note that this Democratic proposal requires \$168 billion in savings for Medicare. It is all too interesting to note that much has been said about us doing too much on the programs of senior citizens.

I just say that this amendment has \$268 billion in program reductions that affect senior citizens. That brings it to at least the same level as the Republican package, if not more. We are not going to vote for it on this side. But we commend the Senators for their realism in acknowledging that these kinds of things have to be done.

Mr. EXON. Mr. President, I had hoped that I would hear from the chairman on the suggestion that I made. I have heard nothing from him on that. He went into the debate. I have not yielded the 30 seconds yet that I have, which I will do.

The PRESIDING OFFICER. The two leaders on the floor cannot hear one another. The Senator from New Mexico does not realize, in the Chair's opinion, that he had 30 seconds to respond to the Senator from Nebraska. Does the Senator wish 30 seconds to respond?

Mr. DOMENICI. To respond to his request about setting aside this amendment or this bill?

The PRESIDING OFFICER. The Senator from Nebraska asked for 1 minute, equally divided, to discuss the question that he asked the Senator from New Mexico. Does the Senator wish to respond?

Mr. DOMENICI. Mr. President, with reference to the Roth amendment, we will acknowledge that the other side deserves ample time to review it. We do not intend to call it up next. We intend to set it aside and provide ample time for its review. It will be taken up in due course, but not next under this list.

The PRESIDING OFFICER. All time has expired except for 30 seconds.

Mr. EXON. I yield 30 seconds to Senator SIMON.

## MODIFICATION TO AMENDMENT NO. 2984

Mr. SIMON. Mr. President, I send a modification to the desk, and I ask unanimous consent that I may modify my amendment.

I ask unanimous consent to modify my amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendment is so modified.

The modification is as follows:

On page 18 of the amendment delete subtitle B.

Mr. SIMON. Mr. President, this amendment is cosponsored by Senators CONRAD, ROBB, and KERREY. It eliminates the tax cut, reduces the CPI 0.5 percent, which is less than the experts have recommended. That means, for the median person on Social Security, \$3.85 a month. For that, you get more than \$100 billion in Medicare, more than \$100 billion in Medicaid, \$36 billion in welfare, and you eliminate the cuts in education. It has bipartisan support in the House, and I hope it can have that here in the Senate.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to amendment No. 2984, as modified.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 19, nays 80, as follows:

[Rollcall Vote No. 523 Leg.]

## YEAS—19

Akaka	Graham	Nunn
Bradley	Johnston	Pell
Breaux	Kerrey	Pryor
Conrad	Leahy	Robb
Dodd	Levin	Simon
Feinstein	Lieberman	
Glenn	Moynihan	

## NAYS—80

Abraham	Faircloth	Lugar
Ashcroft	Feingold	Mack
Baucus	Ford	McCain
Bennett	Frist	McConnell
Biden	Gorton	Mikulski
Bingaman	Gramm	Moseley-Braun
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Brown	Gregg	Nickles
Bryan	Harkin	Pressler
Bumpers	Hatch	Reid
Burns	Hatfield	Rockefeller
Byrd	Heflin	Roth
Campbell	Helms	Santorum
Chafee	Hollings	Sarbanes
Coats	Hutchison	Shelby
Cochran	Inhofe	Simpson
Cohen	Inouye	Smith
Coverdell	Jeffords	Snowe
Craig	Kassebaum	Specter
D'Amato	Kemphorne	Stevens
Daschle	Kennedy	Thomas
DeWine	Kerry	Thompson
Dole	Kohl	Thurmond
Domenici	Kyl	Warner
Dorgan	Lautenberg	Wellstone
Exon	Lott	

So the amendment (No. 2984) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

## CHANGE OF VOTE

Mr. KYL. Mr. President, on rollcall vote 518, I voted "no." My intention was to vote "aye." I ask unanimous consent that I be permitted to change my vote, which in no way would change the outcome of the vote.

(The foregoing tally has been changed to reflect the above order.)

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

Mr. DOLE. If I could inform my colleagues where we are and where we are headed.

The PRESIDING OFFICER. Is the Senator using leader's time?

Mr. DOLE. I will use my leader's time.

We are now ready to proceed to the third tier. So we have some order and know what we are voting on, I will request that the two managers each have 30 seconds to explain their amendment, or maybe they do not need explanation. The votes on the pending amendments will be 7½ minutes in length.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. Reserving the right to object, Mr. President, the last item on tier 2, what is going to be its disposition?

Mr. DOLE. The last item?

The PRESIDING OFFICER. The Chair advises the Senator from Florida there is no amendment before the desk.

Mr. GRAHAM. I was asking a question. We have been proceeding under a unanimous-consent request, taking up amendments under tier 2.

The PRESIDING OFFICER. There is no time for debate.

Mr. DOLE. Under my leader's time, we will postpone action on that, and we have talked to the Democratic leader and the manager of the bill, and that gives everybody a chance to look at it, study it, and bring it up sometime later.

Mr. GRAHAM. Does the majority leader have an indication of when we can see the legislative language?

Mr. DOLE. Probably the time we get to see the list of tier 3 amendments on that side.

Mr. GRAHAM. So we have no indication of when?

Mr. DOLE. As quickly as we can.

The PRESIDING OFFICER. Is there further debate?

Is there any objection to the request of the Senator?

Mr. BRADLEY. Would the Chair restate the Senator's request?

Mr. DOLE. That the two managers have 30 seconds to explain the amendments and then have 7½-minute votes.

Mr. SIMON. Reserving the right to object, why not go to 5 minutes?

Mr. DOLE. It is not possible for the clerk to do it any more quickly than 7½, plus there is always one or two that never get the message and are rolling around out here somewhere.

Mr. WELLSTONE. Reserving the right to object, did the 1 minute apply to the Roth?

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, using my leader time—

Mr. DOLE. All we have is 7½ minutes, so I am asking we have 30 seconds, for the managers to have 30 seconds. I do not include the 7½.

Mr. DASCHLE. Mr. President, using my leader time, let me emphasize we have asked all Senators to turn their lists in, their amendment in—we hope it is not a list, but an amendment—by noon. The amendment ought to be filed by noon, and it ought to be turned in to the managers by noon.

That is the only way I am going to put it on a list. If I do not have that amendment by noon, it is not on the Democratic list. So it is very important everybody cooperate to the extent that we have 40 minutes, now, to file the list and compare our lists so we can get on with our work.

The PRESIDING OFFICER. Is there objection to the majority leader's request for 30 seconds on each side before each amendment?

Mr. GRAHAM. Yes, there is objection.

The PRESIDING OFFICER. Objection is heard. There is no further time for debate.

Mr. DOLE. No debate, no explanation of amendments. Let us vote.

The PRESIDING OFFICER. Is there an amendment to present?

The Senator from Pennsylvania.

## AMENDMENT NO. 2985

(Purpose: To restore funding for Medicare disproportionate share hospital payments)

Mr. SPECTER. Mr. President I call up amendment No. 2985. I ask unanimous consent there be 1 minute equally divided to comment on the amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent for 1 minute on a side to explain his amendment. Is there objection?

Mr. DOLE. Wait a minute. There has already been an objection. I want to be sure the Senator from Florida has a right to object to this request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania for 1 minute on each side, to explain his amendment and to answer that explanation?

Mr. EXON. I reserve the right to object. Is the Senator suggesting a different proposal than what the majority leader did?

The PRESIDING OFFICER. For the amendment he submitted to the desk, he asks for 1 minute on a side on his amendment.

Mr. EXON. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 2985.

On page 539, line 16, strike all that follows through page 541, line 9.

Mr. SPECTER. Mr. President, I ask unanimous consent for 15 seconds to explain this amendment.

Mr. EXON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. Mr. President, I ask for 30 seconds for the managers on each side to discuss the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. I object.

The PRESIDING OFFICER. Objection is heard.

The question is on the amendment. All in favor say aye?

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

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. 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. DOLE. 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. DOLE. Mr. President, let me restate my request in a little different way, which has been cleared by the Democratic leader and the two managers: That there be 30 seconds by each manager to explain the amendment, unless they designate the sponsor of the amendment to make that 30-second explanation.

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

The Chair is in doubt. That applies to all further amendments on this bill, is that correct? Does that apply to all further amendments on this bill?

Several Senators addressed the Chair.

Mr. DOLE. Yes, except the Roth amendment.

The PRESIDING OFFICER. Except the Roth amendment. With the exception of the Roth amendment, that is the order for the balance of this bill. All amendments, 30 seconds to each side. The managers to have the right to designate the sponsor or principal objector?

Mr. DOLE. Right. We would hope they would cooperate with the managers and let the managers give a very short explanation. I think the managers are prepared to do that. We are just trying to move the bill along. This will accommodate those who feel strongly about their amendments.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I do not object. The

point is that, if an objection is made, there will be no time.

The PRESIDING OFFICER. That is correct. If there is an objection, there will be no time.

Is there an objection?

Without objection, it is so ordered.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator has no time. The manager has to designate the sponsor.

Mr. DOMENICI. I yield 30 seconds to Senator SPECTER.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, this bill cuts out—if there may be order, Mr. President—this bill cuts out \$14.5 billion from disproportionate share payments, and indirect medical education which cripples the major hospitals and the major teaching institutions. And this amendment reinstates \$4.5 billion.

I yield back the remainder of my time.

The PRESIDING OFFICER. Time is yielded back.

Mr. EXON. I yield 30 seconds to the Senator from West Virginia.

Mr. DOMENICI. In opposition?

The PRESIDING OFFICER. In opposition to the amendment?

Mr. ROCKEFELLER. I am speaking in favor of the amendment.

The PRESIDING OFFICER. No. There is no time for that.

Mr. EXON. Is there anyone who seeks to speak in opposition?

The PRESIDING OFFICER. That is not the agreement. The Senator from Nebraska has the time to designate the spokesman in opposition to the amendment.

Mr. EXON. I yield 30 seconds to the majority leader.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, this would just throw out all of the effort we spent—weeks and weeks trying to deal with this issue. It would put \$4.5 billion back into the pot. We have had all this redistribution. We have worked on it very hard in a bipartisan way.

I hope this amendment will be soundly defeated. I regret that it is not subject to a point of order. But it is a motion to strike.

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

Is there a request for the yeas and nays?

Mr. SPECTER. I request the yeas and nays, Mr. President.

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 Pennsylvania. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

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

The result was announced—yeas 47, nays 52, as follows:

[Rollcall Vote No. 524 Leg.]

YEAS—47

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

NAYS—52

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

So, the amendment (No. 2985) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair has been requested to ask Senators to stay out of the well during debate.

Is there an amendment?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 2992

(Purpose: To amend title 4 of the United States Code to limit State taxation of certain pension income)

Mr. EXON. Mr. President, the following has been cleared by the majority manager.

Mr. President, on behalf of the Senator from Nevada, Senator REID, I send an amendment to the desk on source taxation and ask unanimous consent that further reading of the amendment be dispensed with; that the amendment be agreed to, and that the motion to reconsider be laid upon the table.

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

So the amendment (No. 2992) was agreed to, as follows:

At the end of subchapter E of chapter 1 of subtitle J of title XII, insert the following new section:

**SEC. . LIMITATION ON STATE INCOME TAXATION OF CERTAIN PENSION INCOME.**

(a) IN GENERAL.—Chapter 4 of title 4, United States Code, is amended by adding at the end the following:

**“§ 114. Limitation on State income taxation of certain pension income**

“(a) No State may impose an income tax on any retirement income of an individual who is not a resident or domiciliary of such State (as determined under the laws of such State).

“(b) For purposes of this section—

“(1) The term ‘retirement income’ means any income from—

“(A) a qualified trust under section 401(a) of the Internal Revenue Code of 1986 that is exempt under section 501(a) from taxation;

“(B) a simplified employee pension as defined in section 408(k) of such Code;

“(C) an annuity plan described in section 403(a) of such Code;

“(D) an annuity contract described in section 403(b) of such Code;

“(E) an individual retirement plan described in section 7701(a)(37) of such Code;

“(F) an eligible deferred compensation plan (as defined in section 457 of such Code);

“(G) a governmental plan (as defined in section 414(d) of such Code);

“(H) a trust described in section 501(c)(18) of such Code; or

“(I) any plan, program, or arrangement described in section 3121(v)(2)(C) of such Code, if such income is part of a series of substantial equal periodic payments (not less frequently than annually) made for—

“(i) the life or life expectancy of the recipient (or the joint lives or joint life expectancies of the recipient and the designated beneficiary of the recipient), or

“(ii) a period of not less than 10 years.

Such term includes any retired or retainer pay of a member or former member of a uniform service computed under chapter 71 of title 10, United States Code.

“(2) The term ‘income tax’ has the meaning given such term by section 110(c).

“(3) The term ‘State’ includes any political subdivision of a State, the District of Columbia, and the possessions of the United States.

“(c) Nothing in this section shall be construed as having any effect on the application of section 514 of the Employee Retirement Income Security Act of 1974.”

(b) CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 4, United States Code, is amended by adding at the end the following:

“114. Limitation on State income taxation of certain pension income”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 1994.

AMENDMENT NO. 2993

(Purpose: To provide for additional technical and conforming amendments related to the merger of the Bank Insurance Fund and the Savings Association Insurance Fund, and for other purposes)

The PRESIDING OFFICER. The bill is open to amendment.

Is there an amendment?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I send a technical amendment to the desk on behalf of the Banking Committee and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. D'AMATO, proposes an amendment numbered 2993.

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

Mr. DOMENICI. Mr. President, this is agreed to on both sides. I ask that the amendment be agreed to and the motion to reconsider be laid upon the table.

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

So the amendment (No. 2993) was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The bill is open to amendment.

#### AMENDMENT NO. 2994

Mr. DOMENICI. Mr. President, I have an amendment for Senators HUTCHISON, MCCAIN, LIEBERMAN, and others. It has been cleared on both sides, as I understand it. I send it to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mrs. HUTCHISON, Mr. MCCAIN, Mr. LIEBERMAN, Mr. STEVENS, and Mr. LEVIN, proposes an amendment numbered 2994.

Mr. DOMENICI. I send that amendment to the desk and ask unanimous consent that further reading be dispensed with, the amendment be agreed to, and the motion to reconsider be laid upon the table.

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

Mr. BRADLEY. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator reserves the right to object.

Mr. BRADLEY. Will the Senator state what the amendment is?

The PRESIDING OFFICER. If the Senate will be in order, the Senator did state that he had an agreement from both sides.

Mr. BRADLEY. Will the Senator state what the amendment is?

The PRESIDING OFFICER. Did the Senator from New Mexico hear the Senator's request?

Mr. DOMENICI. He wants to know what is in the amendment.

This is a sense of the Senate with reference to Yugoslavia that has been cleared on all sides.

Mr. BYRD. Mr. President, unless we have an understanding of what this amendment is, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will read the amendment.

The legislative clerk read as follows:

Sense of the Senate on continued human rights violations in the former Yugoslavia.

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

Mr. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The Senate will be in order.

Mr. DOMENICI. Mr. President, can we withdraw the amendment.

Mr. DOLE. Withdraw the amendment.

The PRESIDING OFFICER. It will take unanimous consent to withdraw the amendment.

Mr. DOMENICI. All right, let us proceed.

The PRESIDING OFFICER. Stop the reading.

Mr. DOMENICI. I ask unanimous consent that we be permitted to withdraw the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is withdrawn.

So the amendment (No. 2994) was withdrawn.

Mr. DOMENICI. I did not do that because I oppose the substance. I just do not want to set a pattern that we are going to waste a lot of time on amendments so that is why I withdraw it.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

#### AMENDMENT NO. 2988

(Purpose: To strike the provision authorizing oil and gas development in the Arctic National Wildlife Refuge while preserving a balanced budget by 2002)

Mr. EXON. Pursuant to the previous agreement, the Senator from Montana has submitted an amendment to the desk. I would hope that it would be the time when we could let him offer that amendment, and I yield 30 seconds for that purpose to the Senator from Montana.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. DOMENICI. Mr. President, do we have that amendment?

I do not believe we can proceed in this manner. I could not possibly take 30 seconds in opposition because I do not have the amendment.

The PRESIDING OFFICER. The amendment is at the desk.

Is the Senator from Montana calling up his amendment?

Mr. BAUCUS. Mr. President, I call up my amendment.

The PRESIDING OFFICER. Which number does the Senator call up?

Mr. BAUCUS. It is the ANWR amendment, Mr. President.

Mr. DOMENICI. OK, let us proceed.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. ROTH, Mr. LIEBERMAN, Mr. WELLSTONE, Mr. BIDEN, and Mr. LAUTENBERG, proposes an amendment numbered 2988.

Mr. BAUCUS. 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 272, strike line 21 and all that follows through page 293, line 22.

On page 161, strike line 3 and all that follows through page 178, line 7.

The PRESIDING OFFICER. Thirty seconds on each side.

Mr. BAUCUS. Mr. President, this amendment strikes the provision opening the Arctic National Wildlife Refuge

to oil and gas drilling. To offset the loss of revenue from ANWR drilling and to keep the budget balanced in 2002, the amendment also strikes the sale of the naval petroleum reserves.

Opening Arctic Wildlife Refuge to oil drilling will seriously disrupt precious natural resources, will do nothing to enhance our energy independence, and it will not generate the amount of revenue that the proponents claim.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, this would increase the deficit by nearly \$3 billion over the next 7 years. I think everybody knows the issue with reference to ANWR.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOLE. I move to table.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOMENICI. Yes, we yield it back.

The PRESIDING OFFICER. All time is yielded back.

Mr. DOLE. Move to table.

Mr. DOMENICI. 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 clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 525 Leg.]

#### YEAS—51

Abraham	Faircloth	Kyl
Akaka	Ford	Lott
Ashcroft	Frist	Lugar
Bennett	Gorton	Mack
Bond	Gramm	McCain
Breaux	Grams	McConnell
Brown	Grassley	Murkowski
Burns	Gregg	Nickles
Campbell	Hatch	Pressler
Coats	Hatfield	Santorum
Cochran	Heflin	Shelby
Coverdell	Helms	Simpson
Craig	Hutchison	Smith
D'Amato	Inhofe	Stevens
DeWine	Inouye	Thomas
Dole	Johnston	Thurmond
Domenici	Kempthorne	Warner

#### NAYS—48

Baucus	Feinstein	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Graham	Murray
Boxer	Harkin	Nunn
Bradley	Hollings	Pell
Bryan	Jeffords	Pryor
Bumpers	Kassebaum	Reid
Byrd	Kennedy	Robb
Chafee	Kerrey	Rockefeller
Cohen	Kerry	Roth
Conrad	Kohl	Sarbanes
Daschle	Lautenberg	Simon
Dodd	Leahy	Snowe
Dorgan	Levin	Specter
Exon	Lieberman	Thompson
Feingold	Mikulski	Wellstone

So the motion to table the amendment (No. 2988) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

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

Mr. DOMENICI. Mr. President, let me say to Senators who contemplate offering amendments that unless we have seen a copy of the amendment before you offer it, we are going to offer a second-degree amendment, because there is no way to state the case if we have never seen it. We have three now that we have seen that are the next three. I am dealt this process; I did not invent it, but we are stuck with it. We are going to make it as orderly as we can. I do not like the disorder that exists in the Senate, but I cannot do anything about it. I am not going to vote on an amendment that I have not seen. There will be a second-degree offered and we will vote on that.

So get the amendments in. It is only in fairness to all of us. I yield back any time I have.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senators will clear the well.

Mr. EXON. Mr. President, I ask for 30 seconds for an inquiry to the chairman.

The PRESIDING OFFICER. Is there objection?

The Senator from Nebraska is recognized for 30 seconds.

Mr. EXON. Mr. President, so that we can proceed in an orderly manner, there is a second Baucus amendment regarding Medicare that I understand has been delivered to that side, is that correct?

Mr. DOMENICI. Yes, it has.

Mr. EXON. Would it be in order to bring that up then?

The PRESIDING OFFICER. Yes.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

#### AMENDMENT NO. 2991

(Purpose: To make various modifications to the tax provisions and transfer the resulting revenues to the Medicare trust fund)

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 2991.

Mr. BAUCUS. 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 1469, strike lines 8 through 11, and insert the following:

“(a) ALLOWANCE OF CREDIT.—

“(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this

chapter for the taxable year an amount equal to the applicable amount multiplied by the number of qualifying children of the taxpayer.

“(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount shall be determined in the following table:

“Taxable year:	Applicable Amount:
1996 .....	\$400
1997 .....	450
1998 and thereafter .....	500.”

On page 1470, line 7, strike “\$110,000” and insert “\$90,000”.

On page 1470, line 9, strike “\$75,000” and insert “\$55,000”.

On page 1470, line 11, strike “\$55,000” and insert “\$45,000”.

On page 1472, strike the table between lines 10 and 11, and insert the following:

“For taxable years beginning in calendar year—	The applicable dollar amount is—
1996 .....	\$6,700
1997 .....	7,050
1998 .....	7,400
1999 .....	7,850
2000 .....	8,100
2001 .....	8,500
2002 .....	9,000
2003 .....	9,400
2004 .....	9,850
2005 and thereafter .....	10,800.”

On page 1530, strike lines 2 through 5, and insert the following:

“(a) GENERAL RULE. If for any taxable year a taxpayer other than a corporation has a net capital gain, 50 percent of the first \$100,000 of such gain shall be a deduction from gross income.

On page 1547, beginning on line 20, strike all through page 1550, line 12.

On page 1551, beginning on line 4, strike all through page 1553, line 10.

On page 1867, after line 20, insert the following:

#### SEC. 12879. DEPOSIT ADDITIONAL REVENUES IN MEDICARE TRUST FUNDS.

There is hereby authorized to be appropriated and is appropriated for each fiscal year an amount equal to the increase in revenues for such year as estimated by the Secretary of the Treasury resulting from the amendments made by amendment no. \_\_\_\_\_, offered on October \_\_\_\_\_, 1995, with respect to the Balanced Budget Reconciliation Act of 1995 to be deposited in the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in amounts which bear the same ratio as the balances in each Trust Fund.

Mr. BAUCUS. Mr. President, this amendment strikes the provision of the reconciliation bill that would open the Arctic National Wildlife Refuge up for oil drilling. As an offset, it strikes the provision of the bill that authorizes the sale of the Naval Petroleum Reserve. So it preserves the balanced budget in 2002.

Let me explain why Members should support the amendment.

We've heard a lot of talk, during the budget debate, about the future. About how we should sacrifice today so that our children and grandchildren can benefit tomorrow.

That's well and good. But opening the Arctic National Wildlife Refuge to oil drilling goes in exactly the opposite direction. It puts profits ahead of prudence. As a result, it risks causing serious harm to one of our national treas-

ures, squandering the natural resources that we leave to future generations.

And there's another thing. Opening the refuge to oil drilling is yet another example of public lands policies that favor special interests over the interests of ordinary American families. It opens the Refuge up to drilling. At whose expense? The people who want to hunt, fish, and otherwise enjoy the natural beauty there.

Proponents of oil drilling argue that it will enhance our energy security.

They argue that it will reduce the Nation's budget deficit. And they argue that it won't really pose significant risks to the refuge or its wildlife resources.

I disagree. Let me take the arguments in turn.

First, energy security. According to a 1995 assessment by the U.S. Geological Survey, oil and gas reserves under the refuge may be only about half as large as previously thought. Furthermore, economic analyses show that a lot of the oil won't even be used here in the United States. Instead, if the bills lifting the ban on oil exports passed by the House and Senate are enacted into law, the oil will be shipped overseas. As a result, oil drilling in the Arctic Wildlife Refuge has little, if anything, to do with energy security.

Second, the budget deficit. The Office of Management and Budget has concluded that oil and gas development in the refuge would produce significantly less revenue than predicted by CBO. OMB looked at updated estimates of the amount of recoverable oil reserves. It looked at projected oil prices. And OMB concluded that drilling likely would generate only \$850 million, 35 percent less revenue than predicted by CBO.

And that assumes that taxpayers get the revenue. But if the State of Alaska successfully asserts a claim that it is entitled to 90 percent of all revenues, Federal revenues will decline to about \$170 million.

Third, the environmental impact. The Arctic National Wildlife Refuge is unique. It's been referred to, for good reason, as “America's Serengeti.” More than 150,000 caribou migrate through the refuge, bearing their young on the coastal plain. The caribou are an important source of food for the native people who live near the refuge and depend on the land to sustain their way of life. In addition, the refuge supports a spectacular array of other wildlife, including polar bears, grizzly bears, wolves, and snow geese.

OMB has stated that “exploration and development activities would bring physical disturbances to the area, unacceptable risks of oil spills and pollution, and long-term effects that would harm wildlife for decades.”

Recent opinion polls demonstrate that the American people—by a margin of more than 2 to 1—oppose opening up the refuge to oil and gas development. I urge members to vote for prudence and for open access to public lands. I urge them to vote for this amendment.



Mr. BURNS. Mr. President, I rise today in support of the reconciliation provision to open a small part of the Arctic National Wildlife Refuge to competitive leasing for oil and gas exploration and development. Like many of the other issues we have addressed on this floor in the past few weeks, this issue has generated a lot of emotion. We hear about destroying the pristinity of the refuge, the threat to the wildlife of the area, the irreversible changes that such development will cause, the mortal wounding of a national treasure. This is one of the most controversial provisions of the reconciliation package, and the President has threatened a veto over it. The irony is that there is no reason for this. In the final measure, all of the arguments and objections that have been raised over the leasing in ANWR come to nothing. These objections just don't hold water, and I'll tell you why.

The environmental concerns have been raised before, and found wanting. All of the research done on oil development on the North Slope proves that such development can occur without having an adverse effect on wildlife. As a matter of fact, the caribou herds have not only survived during the nearly 30 years of oil development in the Prudhoe Bay area, they have shown strong growth. Some people predicted that the caribou would be disturbed by the development, particularly the pipeline. They argued that the caribou would not cross it and therefore the range of the herd would be cut in half, they would not be able to get to their calving areas and the herd would suffer. Because of the concern over this possibility, the oil companies buried portions of the pipeline at great expense and effort. This has proven to have been a waste of time and money. The caribou were not scared by the pipeline, they did not even ignore it. The fact is they use it. Biologists have found that caribou enjoy the heat that the pipeline provides during the cold winter months, and they can even be found taking advantage of the shade that it provides during the summer on this treeless plain. Some predicted that caribou would be trapped by the pipeline, and that predators would change their behavior to take advantage of the pipeline. But this has not happened either. There has been very little effect on the wolves or bears in the area. Some said that waterfowl and other birds such as hawks and falcons would avoid the area because of the development. Again, this has not happened. Each year thousands of waterfowl and other birds nest in the Prudhoe area. In fact, there has never been a incident of what could even approach being called serious environmental damage in the North Slope oil fields.

This environmental record has been established using old technologies. The methods for oil development on the North Slope have improved to the point that the direct impact area, or footprint of development, will only be

a small part of what it has been at Prudhoe Bay. New slant drilling techniques allow wells to reach farther than they could before. Drilling methods now allow 12 wells to be drilled where only one could be drilled before. And the size of the drill pads have been reduced to one eighth of what was needed at Prudhoe. Not only are the drill pads smaller, but there will be fewer of them and they will be spaced farther apart than at Prudhoe. The actual footprint at ANWR will only be about 3,000 acres. That is not much land to commit for all of the benefits that development will provide. We have learned how to improve other aspects of oil development technology through our experiences at Prudhoe and other Arctic oil fields as well. And this technology is getting better every day. The result is that there is even less potential of environmental damage at ANWR than there was at Prudhoe. And there has not been any environmental damage at Prudhoe.

Objections have been raised because of the presumed effect on the native peoples of the region. But the truth is that there is no conflict with the subsistence lifestyle of native Americans. The North Slope residents have grown up with oil development, and they have not suffered a reduction on their reliance on the caribou herds. The people of Barrow have stated in hearings before the Senate that development has improved their lives. It has provided them with the capability of developing community services that other Americans take for granted. North Slope residents will be the most directly affected by oil development, and they support development of ANWR. And this is not because they have been bought off, bullied or coerced by the oil moguls. They are not ignorant on this issue. The fact is that they have seen what oil development will do to their land. They have watched it for almost three decades. And they know what it will not do. It will not destroy the land that they love, like some people keep who have never even seen the area keep trying to tell them. They know that.

The alternative energy argument is bogus as well. Sure, we need to develop alternative sources of energy. Sure, we need to continue to progress and improve our use of resources. Sure, we want to become more energy efficient. But there are no magic solutions. We are not going to replace oil products in our economy overnight. Petroleum will continue to be a primary source of energy and other products for us in the foreseeable future. Millions of people are dependent on petroleum products, and anyone who thinks that this is going to change soon is badly deceiving themselves. To supply this demand we are now importing more oil than we are producing. Production of our older fields like Prudhoe Bay is declining. Without bringing new domestic supplies on line, this will only get worse. Petroleum is crucial to our way of life, and we are becoming more dependent

on the production of foreign nations, some much less stable than ours. If you want to know what this means to us, just think about what happened back in the seventies with the oil cartel, or what might have happened if we had not stopped Saddam Hussein.

This raises the issue of the effect of development of ANWR on the economy. Under our present situation with the trade and budget deficits the economic argument is obvious. We need to open ANWR. There is no other conclusion. Leasing ANWR will benefit the economy in almost every aspect. It will reduce the budget deficit by bringing over \$1 billion to the Treasury over the next 5 years. It will reduce the trade deficit by reducing our dependence on foreign oil. That money will remain at home to strengthen our own economy and provide good jobs to our own citizens, jobs that are now going overseas. These are jobs that we need. It will create over 75,000 directly related, high paying jobs in the oil industry. It will create as many as three quarters of a million new jobs, directly and indirectly, throughout the Nation. As a result of all of this, opening ANWR will stimulate other sectors of the economy as well. Without opening ANWR all of this will be lost. And our trade deficit will just get worse. We will be less able to pay our debts.

The arguments of the outspoken interest groups on this issue anger me, not just because, like with Prudhoe Bay, they are untrue, and these groups know it. What really angers me is the hypocrisy of their arguments. These people rely on oil products, just like everyone else. They heat their homes and drive cars just like the rest of us. They use plastic products just like you and me. They take vacations and recreate using planes and trains and boats just like everyone else. And yet they somehow feel justified, in fact sanctimonious, about opposing our development of oil resources. This in spite of the fact that we have the most environmentally sensitive laws in the world. We have the best record of being able to produce oil with the least environmental risk. The reality is that we will continue to use oil products. Keeping ANWR is not going to reduce the demand for oil in this country, we will just import what we need from other countries. For some irrational reason opponents would rather see us do that, would rather see the environmental degradation that happens in other countries, than see us develop our own resources under our tight environmental controls. They would rather see the benefits of development go to other countries, than allow those benefits to remain here at home. That is the hypocrisy that I find so distasteful. It has damaged us. It has damaged the citizens of my State of Montana. And I look forward to this Congress doing something about it, doing the right thing for the country, and opening ANWR to leasing.



Mr. LEAHY. Mr. President, America knows that drilling the Arctic National Wildlife Refuge to balance the budget is wrong. Common sense and a basic concern for the environment is all you need to come to this conclusion. Now all we have to do is convince the Senate of the right thing to do. I am disappointed at the difficulty of what should be a simple task.

The refuge is one of a kind—in fact, it is the last of its kind. The Alaska National Wildlife Refuge is the only place we have left that resembles the kind of land that gave birth to our Nation centuries ago.

I wonder how many people realize that outside this chamber, 500 years ago, the first Americans could hunt bison and elk in the open forests on the banks of the Potomac. I wonder how many people remember that outside this building passenger pigeons used to roost in American chestnut trees, sometimes in flocks of thousands.

Today the bison and elk are gone, the passenger pigeon is extinct, and the American chestnut has been wiped out in this region by an exotic disease. The first Americans would not recognize this place.

Now we turn to a remote corner of our country, the last expanse of true wilderness left, and Congress is saying "we need that too—to balance the budget."

To me it takes only a simple sense of decency, respect and history to know that drilling ANWR is the wrong thing to do, but there are many other reasons that support the American public's opposition to this provision.

First of all, drilling for oil in Alaska is just a tiny drop in the deficit bucket. The leasing revenues will contribute only one-fifth of 1 percent of the budget gap, provided the residents of Alaska do not sue for a 90 percent share of the royalties. Even the \$1.3 billion revenue estimate is flawed because it assumes we will make about \$30 a barrel when the rest of the world is actually paying only \$20 a barrel. Add to that the fact that the production estimates are outdated, and it is clear that we are selling the orchard for an apple.

Second, we should ask ourselves why the residents of the other 49 States should chip in to support Alaska's welfare state. Alaska is a State that collects no income tax, collects no sales tax, pays each man, woman and child almost \$1,000 a year just for being there, has \$18 billion in the bank, and enjoys the highest Federal spending per capita. And now the State has come to Congress to ask the American people to dedicate another \$1.3 billion to support their welfare state.

Third, we have to look at the huge environmental cost of lacing the arctic plain with truck roads, gravel drill pads, and pipelines. Some argue that Prudhoe Bay proves that drilling can be done in an environmentally sound way. But what is so environmentally benign about 500 oil spills a year, air pollution that exceeds the total emis-

sions of six States, pushing millions of gallons through a rapidly deteriorating pipeline, and littering 9,402 acres of arctic tundra with oil rigs and roads? Prudhoe Bay does not have a track record to emulate.

The Senate should also consider the impact of oil wells on wildlife and people that use the refuge. The coastal plain is the cradle of life for birds that migrate from four different continents, 160,000 caribou that migrate between nations, polar bears, musk ox, grizzly bears, and the Gwich'in Indians. The global significance of the resource is recognized in international agreements including the 1987 Canada-United States Agreement on the Conservation of the Porcupine Caribou Herd and the Agreement on the Conservation of Polar Bears. The Arctic National Wildlife Refuge is, after all, supposed to be refuge for wildlife, not a refuge for desperate Senators looking to fund a tax cut.

Fifth, we should recognize the parody of drilling for 90 days worth of oil to reduce our dependence on oil. It is like curing an alcoholic by serving him vodka instead of his usual whiskey. National security is not served by simply deferring our dependence on foreign oil for a mere 90 days. If this same Congress had funded the President's budget for energy conservation and efficiency and refused to gut efficiency standards with environmental riders we would have saved more oil than could be drilled in ANWR. Energy conservation is not a quick fix, it sticks with us for good.

Sixth, I object to the backdoor process to that is being used to pass a law that could not survive the light of day. Drilling for oil in the Alaska Wildlife Refuge has been a controversial issue for almost 10 years. This is not a reason to sneak it into the budget resolution through a legislative trick.

Finally, the Alaska National Wildlife Refuge is an American treasure that does not belong to us. It is the heritage of our country. Just as Vermonters recognize a responsibility to pass on a clean Lake Champlain, our best trout streams, and the Green Mountain National Forest to future generations, Vermonters recognize a responsibility to pass on North America's Arctic plain to future generations.

Despite overwhelming public opposition, this bill trades an American treasure for \$1.3 billion, a mere trinket in a trillion dollar package. We can not let this Congress drill ANWR to balance the budget. I urge bi-partisan support of this amendment.

Ms. MIKULSKI. Mr. President, I rise today in support of the Baucus amendment to strike the provision in the Energy Committee's reconciliation instructions which opens the Arctic National Wildlife Refuge to oil drilling activity.

The Arctic Wildlife Refuge is one of this Nation's last great wilderness areas. I have often said that we must forge an environmental ethic in our so-

ciety—that we must preserve America's natural treasures for generations to come. We are the stewards of this land. We are the ones responsible for ensuring that some part of our planet remains for our children.

Protecting our wilderness yields benefits in ways that we do not always see. Scientists will tell you that a vast amount of the medicines that we take for granted today were first discovered in nature. The Arctic National Wildlife Refuge is unique among America's diverse climate. The secrets this unspoiled land holds may well provide us with benefits beyond what any of us can imagine now.

Some would have us believe that this is just an economic issue. I would disagree based on the hundreds of letters and phone calls I have received from Marylanders who are concerned about opening this land to drilling. I have heard from the native people, both in the United States and Canada, whose culture and livelihoods depend on the caribou that breed within the confines of the refuge. Opening this precious land to oil drilling will wipe these timeless cultures out.

Mr. President, I, for one, am not willing to do that. I am not willing to destroy the lives of thousands of native villagers just so that the oil industry can turn a larger profit next year than it did this year.

I urge my colleagues to support removing this dangerous provision from this bill and vote for the Baucus amendment.

Mr. ROTH. Mr. President, a financial debt is not the only threat that hangs over the heads of future generations. There is a threat to their environment, as well. A threat we must address. We have a moral duty to give them a world that has clean water and clean air, and open vistas where wildlife can thrive. One of the opportunities of every American citizen is to enjoy the wealth of beautiful public lands.

It is my desire that as we work through this budget reconciliation we take great care not to jeopardize one of the most spectacular places in America: the coastal plain of the Arctic National Wildlife Refuge. There is a provision in the budget that provides for oil and gas lease sales in this sanctuary. Located in the northeastern corner of Alaska, this unique piece of our natural heritage is bordered on the north by the Arctic Ocean and Beaufort Sea, and on the south by the snow-capped Brooks Range.

As a lead sponsor of S. 428, the bill that designates the coastal plain of the Arctic National Wildlife Refuge as wilderness area, I am concerned by a provision in this budget reconciliation bill that uses revenues taken from sales of leases to drill the coastal plain.

My concern arises on two levels: first, that the budget is assuming revenue from a pristine wilderness area; and second, that the revenue raised from drilling in this wilderness area

will not amount to be such a significant amount of money that it could easily be found elsewhere.

Mr. President, as I have said before, the best thing we have learned from nearly 500 years of contact with the American wilderness is restraint, the need to stay our hand and preserve our precious environment and future resources rather than destroy them for momentary gain.

For this reason, I have been active in the effort to designate the refuge coastal plain of Alaska as a wilderness area. And I am not alone. Only 4 years ago, Congress rejected the idea of sacrificing a prime part of our national heritage, the Arctic National Wildlife Refuge, for what most likely will be a minimal supply of oil. The Arctic National Wildlife Refuge is an invaluable region with wildlife diversity that has been compared to Africa's Serengeti.

As I have said in earlier statements, the Alaskan wilderness area is not only a critical part of our earth's ecosystem—the last remaining region where the complete spectrum of arctic and subarctic ecosystems comes together—but it is a vital part of our national consciousness. It is a place we can cherish and visit for our soul's good. It offers us a sense of well-being and promises that not all dreams have been dreamt.

The Alaskan wilderness is a place of outstanding wildlife, wilderness, and recreation, a land dotted by beautiful forests, dramatic peaks and glaciers, gentle foothills and undulating tundra. It is untamed—rich with Caribou, polar bear, grizzly, wolves, musk oxen, Dall sheep, moose, and hundreds of thousands of birds—snow geese, tundra sands, black brant, and more. In all, about 165 species use the coastal plain. It is an area of intense wildlife activity. Animals give birth, nurse and feed their young, and set about the critical business of fueling up for winters of unspeakable severity.

Addressing my second concern—that the revenue raised from drilling in this wilderness area will not result in such a significant amount of money that it could not be found elsewhere—let me say that the estimated revenue is only two tenths of 1 percent of the total savings.

And that is why I am here today, to support the Baucus amendment that will prohibit the leasing of the coastal plain of ANWR to pay for deficit reduction.

This amendment is consistent with the current law—with the dictates of Congress—law that prohibits oil and gas drilling in the coastal plain of ANWR. It is also consistent with agreements that we have made with Canada to preserve and protect this wilderness area, especially the habitat and culture of the native people who live in the area.

This amendment prevents oil and gas leasing in the coastal plain of ANWR without hearings in Congress. It does not preclude future development of this

area, but only prevents Congress from using these savings from oil and gas leasing in the current budget process.

The coastal plain—where the oil and gas leasing would occur—is the biological heart and the center of wildlife activity in the refuge. It is a critical part of our Nation's preeminent wilderness and would be destroyed by oil development.

There are those who may think the northern coast of Alaska is too remote for use to worry about. I urge them to read the CONGRESSIONAL RECORDS from the 1870's. The men who initially urged the Congress to protect a place called Yellowstone were subject to ridicule. Why, critics asked, should we forgo the opportunity to dig up minerals from the area? It is a remote place, and few Americans will ever venture there.

Today, as we wrestle with America's future, let us be as far-sighted as that Congress eventually proved to be. Let us not cash in a unique piece of America for a brief, hoped for a rush of oil. Let us protect the coastal plain of the Arctic National Wildlife Refuge. Forever.

Mr. President, I believe that we should not allow revenues to be used in this budget that are supposed to come from doing something that Congress has not allowed.

This is how it should be done. The Baucus amendment accomplishes this purpose. And I encourage my colleagues to support this important effort.

Mr. DASCHLE. Mr. President, I wish to express my support for this amendment, which will help ensure continued protection for the Arctic National Wildlife Refuge.

The issue of whether or not to allow oil drilling along the Arctic coastal plain has been lobbied heavily for years. I have listened carefully to the various arguments made by my colleagues, by representatives of the oil industry, by a delegation of Gwich'in people who inhabit the area in question, by members of the Arctic Slope Regional Corporation who are veterans of North Slope oil production, by environmentalists, and by the public at large. I appreciate the strong feelings this debate evokes.

The fate of ANWR is far reaching. It involves national and State economics, environmental and social values, and the relationship between the Federal and State government.

Anyone who has visited Alaska knows that the stakes for Alaskans are high. The State and its people depend heavily on oil revenues, and its leaders are sensitive to, and have experience with, the potential environmental tradeoffs of oil development.

This issue has come before Congress in the past. I have consistently opposed opening ANWR during those debates. I remain strongly opposed to disrupting this unique and fragile habitat for the purposes of oil drilling today.

Most opponents of opening up the Arctic National Wildlife Refuge cite

the potential environmental tradeoffs of drilling in this fragile ecosystem. I appreciate and share that concern.

As I have said in the past, I take seriously the national obligation embodied in the Alaska lands bill to ensure that these remote 19 million acres continue to achieve their purpose of providing a refuge for wildlife. There is no other place in America or in the world where caribou, polar bears, and wild geese flourish as they do in the Arctic National Wildlife Refuge. And, as we know from both history and recent scientific study, once one component of an ecosystem is adversely affected, then the entire system can become affected by a chain reaction.

Declining populations of polar bears, birds, and caribou, and the animals and Native American communities that depend on them, is a valid fear. A recent article in the Anchorage Daily News reports that the Central Arctic caribou herd that inhabits Prudhoe Bay has suffered a 23 percent reduction from 23,400 to 18,000 animals in just the last 3 years. Although it is difficult to determine the exact reason for this marked decline, the part of the herd that ranges near the oil drilling activity has experienced almost all of the losses.

Nonetheless, the debate over the future of ANWR should not be framed as it all too often is as a face off between elitist environmentalists and rapacious developers. It is also a debate about national energy policy and national values.

It is particularly hard to justify opening the Arctic National Wildlife Refuge to oil drilling, with all the industrial activity and associated disruption that would involve, when the probability of finding oil is so low. Moreover, even if oil were to be found, the potential oil reserve in the Arctic National Wildlife Refuge would at most sustain our country's basic petroleum needs for a mere 6 months. Clearly, then, the Arctic National Wildlife Refuge is not the answer to achieving independence from foreign oil supplies.

Meanwhile, this perpetuation of our national love affair with hydrocarbon fuel has other downsides. Our profligate energy consumption cripples our international competitiveness, pollutes our air and beaches, and increases the trade deficit. We must take serious steps to make ourselves more energy-efficient and to conserve energy whenever and wherever possible. And we should better develop our domestic renewable energy supplies like ethanol and renewable methanol.

Mr. President, last week, representatives of the petroleum, natural gas, automotive, ethanol, and engineering industries met in Washington at the World Conference on Transportation Fuel Quality to review the progress made in just the past few years with reformulating gasoline as required in the Clean Air Act Amendments of 1990. Today, approximately one-third of all the gasoline sold in the United States

contains noncrude oil-derived additives called oxygenates, primarily ethers and ethanol from grain. EPA has called the reformulated gasoline program the most significant automobile pollution reduction advance since the removal of lead. The pollution reductions achieved this year amount to the equivalent of taking 8 million cars off the road.

What is little recognized, however, is that the reformulated gasoline program is also the most significant crude oil reduction program ever instituted. The Congressional Research Service has concluded that it could reduce U.S. oil requirements by 500,000 barrels or more per day, and that it represents the most significant means of reducing oil imports in the near to mid-term of any other approach.

Even more exciting is the fact that if the proposal to have a "49 State Fuel"—in other words, a nationwide RFG standard—is adopted, U.S. oil requirements could be reduced by over 1.5 million barrels per day, or more than 20 percent of our daily gasoline demand. At an average \$20 per barrel, this would mean that nearly \$11 billion annually would remain in the United States rather than be exported to foreign oil producers.

This alternative far overshadows the benefits to the Nation of opening ANWR. It also carries with it the additional advantage of more diversified job creation, and the ongoing benefits of stimulating renewable fuel technologies that cannot be depleted as is the case with finite oil fields.

I believe the case for continuing to protect the Arctic National Wildlife Refuge from oil drilling is strong. Drilling would risk the ecological health of the coastal plain for a relatively small and speculative supply. And, from a national energy policy standpoint, it makes more sense to look to energy conservation and the development of renewable fuels than to seek new reserves of fossil fuels in the Arctic coastal plain.

For most Americans, opposition to oil drilling in the Arctic National Wildlife Refuge is more profound than the mere sum of these concrete arguments might suggest. Our country has a revered tradition of protecting its natural heritage. Through our system of State parks, national parks, wilderness areas, and wildlife refuges, Americans have been in the forefront of conservation, articulating and enforcing a land ethic that embodies the best impulses of our Nation. We have always had a clear sense in this country of the natural heritage that makes our lives so special and worthwhile, and we have been willing to take tangible steps to protect that heritage.

Robert Kennedy, in a speech delivered only 3 months before his death, spoke at the University of Kansas on the measure of America's worth. He noted that too often we pay attention only to the bottom line and judge policies only on their contribution to the gross national product, and that in

using that simple measure, we fail to account for that which makes life in America so special. He stated that—and I quote:

[The] GNP counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for those who break them. It counts the destruction of our redwoods and the loss of our natural wonder in chaotic sprawl. . . . It measures neither our wit nor our courage; neither our wisdom nor our learning; neither our compassion, nor our devotion to country; it measures everything, in short, except that which makes life worthwhile.

For most Americans, who will never have a chance to see the Arctic coastal plain and witness the thundering herds of caribou in their annual migration, or watch a wolf run down a ptarmigan, the simple knowledge that this special and unique place will remain unspoiled by the heavy footprint of industry will make life richer and more worthwhile. It will also encourage us to invest in domestic alternatives, such as more efficient end-use technologies and new strategies for energy conservation—alternatives that have positive environmental effects and which make us more economically competitive in the international marketplace. The route toward energy independence lies down the road of energy conservation and efficiency, and I believe, greater use of domestic renewable fuels. It does not lie down the road of more consumption of fossil fuels.

This vote is as much a test of our common sense as it is of our common character. We are setting national priorities in this budget, priorities that should reflect our deepest and most closely held values. If we allow this wild and unspoiled refuge to become yet another monument to avarice and addiction to fossil fuels, then we will have lost more than a single wildlife refuge in a remote land; we will have sacrificed part of our character, that intangible part of each of us that values the gentle and respectful treatment of our natural heritage and from which we derive a profound sense of national worth.

If we set this precedent, if we vote to open this remote refuge to oil drilling, then we will have defeated the better part of ourselves. Collectively, we will have failed this important test of national character.

I urge my colleagues to support this amendment and vote to protect the Arctic National Wildlife Refuge.

Mr. WELLSTONE. Mr. President, since I first came to the Senate I have been active in the fight to protect the Arctic National Wildlife Refuge from oil and gas drilling. I intend to continue the fight to save the Arctic Refuge as we debate the reconciliation bill in the Senate.

The Senate reconciliation bill contains a number of provisions that are poor policy, that are unfair to those least able to defend themselves, and that consider only short-term gain and not long-term loss; the proposed plan

to open the Arctic Refuge to gas and oil drilling is one such provision. Since I have been in the Senate I have spoken time and time again about the fact that this is poor energy policy, poor environmental policy, and cynical politicking.

The Arctic Refuge is one of the last pristine wilderness areas left in America, it contains the Nation's most significant polar bear denning habitat on land, supports 300,000 snow geese, migratory birds from six continents—some of those birds even make it to my State of Minnesota, and a concentrated porcupine caribou calving ground.

While proponents of drilling in the Arctic Refuge will tell you that the caribou are not harmed by drilling, an October 21, 1995 article in the Anchorage Daily News reports that new information shows a sharp decline in the Central Arctic caribou herd. While nobody knows exactly what caused the decline, most of it has occurred in the part of the herd that lives near the oil field. Despite our uncertainty about the effects oil drilling would have on the animals, there are those who continue to push for oil drilling without an update environmental impact statement [EIS] as required by current law. An EIS has not been done in the area since 1987. We just do not know what drilling would do to the Arctic Refuge, and barreling ahead with drilling is just poor environmental policy.

The Gwich'in people have relied on those porcupine caribou for thousands of years to provide their food and meet their spiritual needs. I have heard them speak very eloquently and directly about what oil drilling in the Arctic Refuge would do to their way of life. People like the Gwich'in want to save the environment. But they are not the big oil companies. They do not have the money. They do not have the lobbyists, and they do not have the lawyers here every day. In today's Washington environment, that seems to mean that their concerns are less important than the concerns of big industry.

Even if whatever amount of revenue gained were somehow worth destroying this unique land and the lives of the Gwich'in, there are a number of questions regarding whether the Arctic Refuge has oil, how much it has and what the cost would be to retrieve it. Estimates are broad and disagreements are rampant. Even I, a nonscientist, know one thing for certain: There is no way to tell how much revenue can be gained from drilling in the Arctic Refuge. New information, however, suggests previous figures overestimated possible revenue.

Alice Rivlin, Director of the Office of Management and Budget, stated in an October 25 letter that drilling in the Arctic Refuge would produce "significantly less revenue than has been scored by the Congressional Budget Office." New studies suggest there is less oil than previously thought, the price of oil as projected by the Department

of Energy has dropped and serious concerns remain about whether Alaska will stage a court battle to change their share of the revenue from 50 percent to 90 percent as the State claims its statehood act allows. Regardless of who is right, barreling ahead with incomplete information and short-term thinking is just plain poor energy policy.

The administration has indicated that if the bill includes drilling in the Arctic Refuge, the President will veto it. I would wholeheartedly support him if he did.

Throughout the course of my years of work to save the Arctic Refuge, I have heard from many Minnesotans, including many children, about their desire to preserve it. Our natural resources are among the most important things we can leave to these future generations. Our children and our grandchildren deserve more than what this bad energy policy, bad environmental policy, and shortsighted politicking would leave them. I will continue to speak for all Minnesotans, for their sense of fairness and equity and for their love and concern for the environment. I will continue to fight to save the Arctic Refuge from gas and oil drilling. I urge my colleagues to join me.

Mrs. MURRAY. Mr. President, I rise in strong support of this amendment to protect our children's heritage. I rise because this budget reconciliation debate should be about revenues. It should be about how much we have and how much we spend. The Arctic Refuge coastal plain is not about money; it is about values. It is a question of whether we are willing to trade off wilderness and wildlife that are our national heritage and legacy for our children, in order to make a short-term payment on bills we have accumulated.

Future generations will look back on what we might do today with sadness. They will not see this as a matter of shared sacrifice, but as a mark of the selfishness of a generation which, to pay off a minuscule fraction of its debts, sacrificed the inheritance of future generations. Let me explain the several other reasons why I support this amendment.

First, leasing the Refuge does not result in a significant return of money to the Federal Treasury. If the dubious assumptions of the Budget Committee prove correct, the leasing revenues would be a mere two-tenths of 1 percent of our budget gap. If we lease this unique Arctic wilderness that has been called America's Serengeti, it would be permanently destroyed. For most Americans, trading our natural wealth in the Arctic Refuge wilderness for the possibility of oil is not worth it.

Even worse, there is little assurance that the leasing revenues would be at the level assumed by the Budget Committee. Other highly prospective leases nearby in Alaska have been made at considerably less per acre. Lease sales in the Beaufort Sea, immediately off-

shore the Arctic Refuge, received only \$33 to \$153 per acre; the most recent on-shore State lease sale, located west of the refuge, brought in just \$48.41 per acre. This budget provision assumes an astounding \$1,733 per acre if the entire coastal plain is leased.

Furthermore, the State of Alaska, not the Federal Government, is likely to reap a significant amount of the financial benefit of the leases. The Budget Committee assumes that only 50 percent of the leasing proceeds will go to the State of Alaska. However, Alaska currently receives 90 percent of the leasing revenues from Federal lands. It is unlikely that the citizens of Alaska—who receive annual dividend checks of nearly \$1,000—would willingly forfeit proceeds they believe they are due; a lawsuit to recover the difference would be much more likely.

Second, the public could lose access to this remarkable area. A handful of major oil companies stand not only to make enormous profits, but to have the right to exclude the rest of us from their leased refuge lands. Today, public access in the Prudhoe Bay oil fields is strictly prohibited without an oil company escort. So hikers, rafters, fishers, hunters, and solitude seekers will likely be excluded from their Arctic Refuge. One more wild place will be closed.

Third, the Budget Committee suggests that the square acreage impacted by oil and gas leasing would be relatively small. However, this area is the biological heart of the refuge. It is the most coveted by oil companies and the most critical for wildlife. The coastal plain is an integral part of the only conservation area in North America that protects a full spectrum of Arctic and sub-Arctic ecosystems. While only 13,000 acres would be affected, the wilderness in the entire coastal plain would be impacted by oil development. The massive industrial complex would not be in a compact area, but would sprawl over hundreds of square miles in a network of roads, pipelines, airports, and processing plants.

Fourth, budget reconciliation is the wrong place to decide such an important issue. We should have a full and fair airing of all views about the leasing of our Arctic Refuge. Money is not the only value we should consider. Before we drill holes and pave portions of the refuge, we should consider all of its value, not just its infinitesimal contribution to the budget deficit. I believe its sponsors know that they could not win in the light of full debate. A massive spending bill provides them the cover of darkness that they know they must have to win.

In closing, I quote the great writer and naturalist Margaret Murie, "Wilderness itself is the basis of all of our civilization. I wonder if we have enough reverence for life to concede to wilderness the right to live on?"

I will cast my vote to protect the Arctic National Wildlife Refuge—for wilderness and for my children.

Mr. BAUCUS. Mr. President, my amendment would reallocate the tax

credits in the reconciliation bill toward the middle-income taxpayers and apply the savings to reduce the Medicare spending cuts. It specifically strikes capital gains for corporations and gives some relief for individuals who make capital gains over \$100,000 a year. It is geared more toward the million-dollar income taxpayers.

Mr. DOMENICI. Mr. President, this amendment adds new language. It is not germane and is subject to a point of order.

I make a point of order that this amendment violates the Budget Act.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act for the consideration of the pending amendment, and I ask for the yeas and nays on the motion to waive.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

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

The yeas and nays resulted—yeas 43, nays 56, as follows:

[Rollcall Vote No. 526 Leg.]

#### YEAS—43

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

#### NAYS—56

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

The PRESIDING OFFICER. On this vote, the yeas are 43, the nays are 56. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion to waive the Budget Act is rejected. The point of order is well-taken and the amendment is rejected.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

Mr. DOMENICI. 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. 2995

(Purpose: To provide that the repeal of the exclusion for punitive damages shall not apply to punitive damages in a wrongful death action in a State where on September 13, 1995, only punitive damages may be awarded in such an action)

Mr. DOMENICI. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. HEFLIN, for himself and Mr. SHELBY, proposes an amendment numbered 2995.

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

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

The amendment is as follows:

On page 1773, strike line 24, and insert the following:

(c) SPECIAL RULE FOR STATES IN WHICH ONLY PUNITIVE DAMAGES MAY BE AWARDED IN WRONGFUL DEATH ACTIONS.—Section 104 is amended by redesignating subsection (c) as subsection (d) and by inserting after the subsection (b) the following new subsection:

“(c) RESTRICTION ON PUNITIVE DAMAGES NOT TO APPLY IN CERTAIN CASES.—The restriction on the application of subsection (a)(2) to punitive damages shall not apply to punitive damages awarded in a civil action—

“(1) which is a wrongful death action, and  
“(2) with respect to which applicable State law (as in effect on September 13, 1995 and without regard to any modification after such date) provides, or has been construed to provide by a court of competent jurisdiction pursuant to a decision issued on or before September 13, 1995, that only punitive damages may be awarded in such an action.

This subsection shall cease to apply to any civil action filed on or after the first date on which the applicable State law ceases to provide (or is no longer construed to provide) the treatment described in paragraph (2).”

(d) EFFECTIVE DATE.—

Mr. HEFLIN. Mr. President, in my State of Alabama, the courts have consistently held that the damages recoverable under the wrongful death statute are punitive as distinguished from actual or compensatory damages. For the past 140 years, the Alabama Supreme Court has interpreted this statute as imposing punitive damages for any conduct which causes death, regardless of the degree of negligence or capability. The premise for this interpretation is the belief that all people are worth the same, and this interpretation stimulates diligence in protection of natural right to live, without respect to personal condition or disability of the person so protected. *Breed v. Atlanta*, B & CRR, 241 Ala. 640, 4 So.2d 315 (1941). Therefore, the entire focus of a wrongful death civil action in Alabama is on the cause of the death.

The amendment I am offering provides that punitive damage awards made in wrongful death cases should not be included in gross income Alabama where only punitive damages can be recovered for a wrongful death. Taking into account the revenue aspects of the Finance Committee provision, I have narrowly drafted this amendment.

This amendment would only effect my State of Alabama. Of all the 50 States, Alabama has a different and unique recovery in the event a decision is made by a court or jury in regard to the death of an individual, whether it be brought by negligence or any form of action. A person cannot prove, in a wrongful death case in Alabama, compensatory damages. An Alabama plaintiff cannot show his wages, his doctor bills, or anything similar of an economic or noneconomic nature. Therefore the award granted in such a case would be fully taxable by the Internal Revenue Service. For this reason I see the tax effect of the current provision as unfair to those Alabama victims and their families and the amendment as an equitable solution.

I strongly support this amendment. I think it is the correct language to narrowly address what would be an intolerable tax burden on the grieving families of Alabama victims who are killed by negligence or by gross negligence or recklessness or wantonness or any type of proof that is necessary to prove a cause of action. I think the Senate ought to adopt this fair and equitable amendment.

Mr. DOMENICI. I will take the 30 seconds allowed to explain this amendment.

This is agreed to on both sides. It is for the two Senators from Alabama and it relates only to an 1852 statute with reference to damages for wrongful deaths—civil damages for wrongful death. It will correct a very old law.

Mr. EXON. Mr. President, we have checked. We have found no objections on our side. If there are any, I would like to hear them at this time.

Hearing none, I yield back the balance of our time. We support the amendment.

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

The amendment (No. 2995) was agreed to.

Mr. EXON. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Senator, do you have an amendment on your side?

Mr. EXON. I yield to Senator KENNEDY for an amendment.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 30 seconds.

AMENDMENT NO. 2996

(Purpose: To prohibit balance billing by providers participating in Medicare choice plans)

Mr. KENNEDY. Mr. President, this amendment will maintain provisions of

current law that protect Medicare beneficiaries who join a Medicare HMO or other private insurance plans under the new Medicare choice program from excess charges by physicians or other providers. All we are saying is what is the current law today will be the current law tomorrow in terms of the HMO's or other health delivery systems. That protection is not included in the legislation that is before us. This will provide that kind of protection for the seniors of this country. It is absolutely necessary.

The PRESIDING OFFICER. Will the Senator from Massachusetts or the Senator from Nebraska send that amendment to the desk?

The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 2996.

The PRESIDING OFFICER. Is there objection to the dispensing of the reading of the amendment?

Without objection, it is so ordered.

The amendment is as follows:

On page 469, between lines 8 and 9, insert the following:

“(g) PROHIBITION OF BALANCE BILLING.—Notwithstanding any other provision of law, an individual who is enrolled in a medicare choice plan under this part shall not be liable for a provider's charges for items or services furnished under the plan if such charges are in excess of the copayments, coinsurance, and deductibles required by such plan in accordance with subsection (c).

Mr. DOMENICI. Mr. President, I gather Senator KENNEDY has spoken to the amendment. We are not going to give him double time.

Mr. KENNEDY. That is fine.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand the amendment before us does nothing to change the prohibition on balance billing in the traditional Medicare Program. It does not extend price controls to the private Medicare choice plans. In short, the Finance Committee thinks they did a good job on this and there is no need for this amendment.

The PRESIDING OFFICER. All time has been consumed. The question is on agreeing to the amendment.

Mr. DOMENICI. I move to table the 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 Senator from New Mexico.

Mr. DOMENICI. Mr. President, at the suggestion of the majority leader, I ask that after this vote we have a quorum call to last until 1 o'clock, and that be for purposes of Senators getting some

relief from the floor and perhaps getting more of the amendments prepared so we can know what we are doing.

The PRESIDING OFFICER. That will be the order.

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Massachusetts, amendment No. 2996.

The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 527 Leg.]

#### YEAS—52

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

#### NAYS—47

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

So the motion to lay on the table the amendment (No. 2996) was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

#### RECESS

Mr. DOLE. Mr. President, so that we can give staff on each side time to sort of bring the amendments together in some order on each side so we will know precisely where we are—it makes it very difficult if we are not quite certain, and if we have not seen the amendment—I think we can save time by taking a brief recess now to give them that opportunity.

So I ask unanimous consent that we stand in recess until the hour of 1:20 p.m. and that when we come back we resume voting immediately after reconvening with 7½-minute votes, the same as we have now.

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

Thereupon, the Senate, at 12:33 p.m., recessed until the hour of 1:20 p.m.;

whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. GRAMS].

#### BALANCED BUDGET RECONCILIATION ACT OF 1995

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I will just use a minute of my leader's time.

I am now advised that there are at least 40 amendments on the other side that will be offered, after we were at least hopeful yesterday and we agreed to have up-and-down amendments on tier 1. We will probably end up with maybe 25 tier 3 amendments. We have already disposed of a number. So it seems we are going to exceed almost up to 50 amendments in that category.

If you just took the votes themselves, you allowed 10 minutes, that is 400 minutes. That is 7 hours. I am not going to stick around here very long tonight, but I am very happy to come back early tomorrow morning. We will go along and see how many of these—we have 13 over here, so that is another couple hours. So if that is what we want to do, we will have plenty of time this weekend to do it. We are going to do it this weekend, but we are not going to stay up half the night to accommodate somebody who has to be somewhere tomorrow.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Senator KENNEDY has an amendment that we would like to bring up at this time, so I yield him the 30 seconds to explain his amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the reconciliation bill raises the Medicare age of eligibility to 67.

The PRESIDING OFFICER. Will the Senator please send the amendment to the desk.

#### POINT OF ORDER

Mr. KENNEDY. I raise a point of order that section 7171, raising the age of Medicare eligibility, violates section 313(b)(1)(a) of the Congressional Budget Act.

It has been submitted to the Budget Committee, so I make that point of order at this time.

The PRESIDING OFFICER. The point of order is sustained.

The Senator from Massachusetts.

Mr. KENNEDY. If I could have order, Mr. President.

The PRESIDING OFFICER. Will the Senate please come to order so we can hear the amendment offered by the Senator from Massachusetts.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the reconciliation bill raises the Medicare age of eligibility to 67 beginning in the year 2003.

While the reconciliation provision is described as conforming to the Social

Security change enacted in 1983, it has significant differences. Individuals affected by the Social Security change had a minimum of 20 years to adjust their retirement plans, while individuals affected by this change have only 7 years. Social Security change continued to allow individuals to receive benefits at 62.

The PRESIDING OFFICER. The Senator from Massachusetts must send his amendment to the desk.

Mr. KENNEDY. I ask that the Budget Committee, where I submitted it—if I could have their attention, please.

As I understand, the point of order was sustained, so I wonder why I need to send something—

The PRESIDING OFFICER. The Senator has a time limit of 30 seconds on the amendment. And if the amendment is not at the desk, the Senator does not have any time.

Mr. KENNEDY. I made the point of order. It was sustained.

I ask, in place of sending the amendment, that I be entitled to the same amount of time to speak on the point of order.

The PRESIDING OFFICER. The Senator has used his 30 seconds.

Mr. DOMENICI. Mr. President, the Senator has prevailed.

Mr. KENNEDY addressed the Chair.

Mr. DOMENICI. He has prevailed.

Mr. KENNEDY. I just say, if we are going to be taken off our feet when the parliamentary situation is not clear, we will be staying around for a long time.

I am asking for fairness, for the 30 seconds we were entitled to, that I was told I am entitled to by the Budget Committee.

The PRESIDING OFFICER. The Senator has used his 30 seconds.

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senator have an additional 30 seconds.

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

Mr. KENNEDY. I thank the Senator.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 30 seconds.

Mr. KENNEDY. Mr. President, the Social Security change continued to allow individuals to receive benefits at age 62; the age of early retirement, and age 65, the normal retirement age, although at reduced levels.

Under this proposal, no Medicare benefits at all will be provided until the individual is 67. The provision breaks faith with American workers who paid into the Medicare system in the expectation they will be provided health security at the age of 65 and will leave millions of senior citizens without health insurance coverage.

Mr. DOMENICI. Mr. President, I hope—

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I hope for purposes of management that Senators on our side would leave it up to one of us, either the leader or I, in terms of asking