of attending college, loans now (1994–95) account for 56 percent of all student aid, up from 49 percent in 1985–96.

Borrowing has skyrocketed in recent years to such an extent that the amount borrowed through the FFEL program from 1990 to 1995 is greater than the total amount borrowed from its inception in 1965 through 1989.

With such statistics it is no wonder that polls show more and more students and families deciding that college is simply out of their reach. In fact, close to 20 percent of students consider leaving school because of debt. Considering the impact on our economy and the future earning potential of individuals with a postsecondary degree, this statistic is most disheartening.

So again, I urge my colleagues to support this amendment and tell the Nation that the issue of education spending is a bipartisan issue.

A TRIBUTE TO BILL MOTT

Mr. PRESSLER. Mr. President, I want to take a moment to pay tribute to Bill Mott, a South Dakotan who has become one of our Nation's truly great horse trainers. Last weekend, at Belmont Park in New York, a thoroughbred bay named Cigar won the finale of the Breeders' Cup Classics. The finale was Cigar's 12th straight track victory. With that victory, Cigar secured Horse of the Year honors, and is on track for even greater glory next year. Cigar could break the all-time record of 16 consecutive track victories, which was done by the legendary Citation, and could surpass Alysheba as horse racing's all-time money winner.

Of course, Cigar would not have achieved excellence on the track if it was not for the training excellence of Bill Mott. It was Bill who put Cigar on the path of greatness by switching the bay from grass racing to dirt. Though bred for grass, Cigar won only 1 race in 11 starts on turf. Bill's move to dirt has moved Cigar to the ranks of the unbeaten.

For Bill Mott, his success as a horse trainer is nothing less than a childhood dream come true. It was while he was in high school at Park Jefferson in South Dakota that Bill Mott began his career as a horse trainer. At the age of 16, Bill won the South Dakota Thoroughbred Futurity. After graduating high school, Bill left South Dakota to pursue his dream. Bill learned from many great trainers, including Bob Irwin, Jack Van Berg and D. Wayne Lukas. Now, young, aspiring trainers no doubt will be seeking Bill out.

Today, Bill Mott is at the peak of his profession. Bill trains more than 100 horses across the country. Bill is the best because he knows how to bring out the best in the horses he trains. His record is proof: Last year, Bill's horses won 137 races; this year, his victory total reached 140.

Bill Mott is an inspiration not just to aspiring horse trainers, but to all who set their sites to be the very best in their profession. I am sure all who know Bill Mott, especially his friends and family back home in South Dakota, are very proud of him. In fact, Bill's brother Rob, a pilot who lives in Mobridge, SD, just returned to our State after being with Bill during his latest achievements at the Breeders' Cup Classics.

One of the best parts of my job is when I can speak of the great accomplishments of South Dakotans like Bill Mott. Through hard work and determination, Bill Mott is living a dream come true. My wife, Harriet, and I wish Bill Mott continued success in the years ahead.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

H.R. 1833. An act to amend title 18, United States Code, to ban partial-birth abortions.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, without amendment:

S. 1395. An original bill to amend the Internal Revenue Code of 1986 to provide for the establishment of an intercity passenger rail trust fund, and for other purposes (Rept. No. 104–168).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THOMPSON (for himself and Mr. FRIST):

S. 1388. A bill to designate the United States courthouse located at 800 Market Street in Knoxville, Tennessee, as the ''Howard H. Baker, Jr. United States Courthouse''; to the Committee on Environment and Public Works.

By Mrs. FEINSTEIN:

S. 1389. A bill to reform the financing of Federal elections, and for other purposes; to the Committee on Rules and Administration.

By Mr. PRESSLER:

S. 1390. A bill to amend the Federal Water Pollution Control Act to permit a private person against whom a civil or administrative penalty is assessed to use the amount of the penalty to fund a community environmental project, and for other purposes; to the Committee on Environment and Public Works.

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

S. 1391. A bill to amend the Federal Water Pollution Control Act to prohibit the impostion of any civil or administrative penalty against a unit of local government for a violation of local government for a violation of the Act when a compliance plan with respect to the violation is in effect, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BAUCUS:

S. 1392. A bill to impose temporarily a 25 percent duty on imports of certain Canadian wood and lumber products, to require the administering authority to initiate an investigation under title VII of the Tariff Act of 1930 with respect to such products, and for other purposes; to the Committee on Finance.

By Ms. MOSELEY-BRAUN (for herself and Mr. SIMON):

S. 1393. A bill to extend the deadline for commencement of construction of a hydroelectric project in the State of Illinois; to the Committee on Energy and Natural Resources.

By Mr. SIMPSON:

S. 1394. A bill to amend the Immigration and Nationality Act to reform the legal immigration of immigrants and nonimmigrants to the United States; to the Committee on the Judiciary.

By Mr. ROTH:

S. 1395. An original bill to amend the Internal Revenue Code of 1986 to provide for the establishment of an intercity passenger rail trust fund, and for other purposes; from the Committee on Finance; placed on the calendar.

By Mr. PRESSLER (for himself and Mr. EXON):

S. 1396. A bill to amend title 49, United States Code, to provide for the regulation of surface transportation; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. DOLE:

S. Res. 192. A resolution making majority appointments to the Joint Committee on the Library and the Joint Committee on Printing; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN:

S. 1389. A bill to reform the financing of Federal elections, and for other purposes; to the Committee on Rules and Administration.

THE SENATE CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1995

Mrs. FEINSTEIN. Mr. President, I rise today to address an issue of great concern and importance to me, and I believe, to the integrity of our democratic system of Government: campaign finance reform.

I supported the legislation introduced and passed by this body in 1993, and I came back to Washington in 1995

with renewed commitment to pursuing meaningful reform of our Nation's campaign finance laws.

Mr. President, I completed in November my 10th political campaign—10 of them. Three of them were very big. One was for Governor of the State of California, and two were for the U.S. Senate.

I would like to tell you what I raised in just those three campaigns: In 1990, for Governor, $19,770,062; in 1992, $8,540,222; and in 1994, $14,407,179. That totals in three campaigns $42,231,463.

Mr. President, I am a walking, talking, case exhibit for campaign spending reform. And I would like to submit that the time has come for the Senate and the House to rally to the challenge, and produce some legislation which can reduce the impact and the need for fundraising and dollars in American political national House and Senate campaigns.

I supported the legislation introduced and passed by this body in 1993. And I came back to Washington after this last campaign really with a renewed commitment. I raised $14 million. My opponent outspent me by better than 22 to 1. That should not be the case for a U.S. Senate seat, even in a State as big as the State of California.

The bill I introduce today addresses what I believe are the areas most in need of reform: curbing the astronomical amounts of money that flood campaigns today, creating a level playing field between wealthy candidates who finance their own campaigns and candidates who cannot, and honesty in campaign advertising.

Among the bill's key provisions are:

Voluntary spending limits based on voting-age population;

Provisions relating to spending from personal funds and creating a level playing-field for their opponent; and

Disclosure requirements for political advertisements.

SPENDING LIMITS

For almost 20 years now this Congress has studied and debated the issue of campaign spending reform. Last year in the Senate, we passed out a bill. It did not move forward in the House. During that time, though, spending in Senate races has increased more than 500 percent while the cost of living has roughly doubled.

The last election cycle exemplifies the absurd levels campaign spending has reached. According to the Federal Election Commission, congressional candidates in 1994 raised and spent over $724 million—the highest amount ever recorded in any election cycle in the Commission's 20-year existence.

The fundraising pressure on candidates to meet ever-growing demand is enormous. I know it firsthand. It increases with every election cycle, and it clearly discourages otherwise qualified candidates from running.

So the legislation which I put forward today is very limited and very simple. Not a lot of it is new. There are a few new twists. But it really is combining three things that were presented before that I think go to reduce spending, create that level playing field, and particularly to reduce the inordinate costs of media.

Voluntary spending limits would be based on each State's voting age population ranging from a high of $8.2 million in a State like California to a low of $1.5 million in a smaller State like Wyoming.

The rules are the same as those that were sent out by the Rules Committee in the Senate bill of last session.

In return for voluntarily controlling spending, a candidate receives a bonus. This is the carrot to go along with the voluntary limit.

In return for voluntarily controlling spending, a candidate would be entitled to receive: 30 minutes of free broadcast time, a proposal which is based on a bill Senator DOLE introduced in the 102d Congress; a 50-percent discount on television time over and above the free time, and a reduced postage rate on two pieces of mail to each voting-age resident in their State.

These latter two benefits were in the bill passed by the Senate in the last Congress.

Previous spending limit proposals have been seen as pro-incumbent measures and a barrier to challengers who have to spend more money to compete against an incumbent with high name recognition.

This bill evens the playing field a little by making critical advertising time available to challengers and incumbents alike—30 minutes of broadcast time free, and the rest at half the price.

With 30 to 40 cents of every dollar raised—sometimes well over half—going to media advertising, free media time and a 50-percent broadcast discount rate will not only reduce campaign costs but will also serve as a powerful incentive for candidates to agree to voluntary spending limits.

PERSONAL FUNDS

This legislation, which mirrors parts of the campaign finance bill introduced by the majority leader, Senator DOLE, in the last Congress, attempts to limit the ability of a wealthy candidate to buy a seat in Congress.

This is where the provisions are a little different than anything anybody has introduced prior. But let me say what they are.

Under this bill, after qualifying as a candidate for the primary, a candidate must declare if he or she intends to spend more than $250,000 of their own funds in the election. If the candidate says, Yes, I am going to spend more than $250,000 of my own money in this election, then the contribution limits on his or her opponent are raised from $1,000 to $5,000. If a candidate declares that he or she will spend more than $1 million on the race from their own pocket, then the contribution limit on his or her opponents are removed entirely.

As with my case, where somebody came forward and said, I will spend $30 million of my own—that still is disbelief to me to even say that huge amount of my own money on this race—there is no way, no matter how proven a fundraiser you are, that you can compete with that amount of money. This would enable an individual to compete because the spending limits are off of them.

I believe this requirement will minimize the advantage of enormous personal wealth in campaigns, while maximizing the opponent's time to pursue a campaign on the issues, rather than being caught in a quicksand of fundraising.

Let me speak for a moment about honesty in campaign advertising, which I really did not believe that we should deal with. I really thought that, well, campaigns are freewheeling. They are rough and tumble. I participated in very hard mayoral races, rough and tumble in San Francisco. But I never saw the degree to which negative ads permeate the campaign spectrum as I did in the last campaign.

So honesty in campaign advertising is of great interest to me. I think it is critically important to the voters who are now saying, well, a pox on both their houses, and I do not believe any of them, as we restore some level of credibility and respect to the political process. Honesty will do it. Honesty in campaign ads will go a long, long way.

One issue of great concern to me and one that, I believe, is critically important to restore some level of credibility and respect to the political process, is honesty in campaign advertising. In recent years, the amount of negative advertising and personal attacks in campaign ads has exploded. And all the experts are predicting in the next set of races that it is going to get even worse. You see it beginning to start with someone who may be a probable or possible Presidential candidate even before he gets into the race.

Campaigns that rely on unchecked character assassination—with no regard for the validity or truth of the charges—have contributed to unprecedented voter cynicism and apathy.

In the 1994 campaign, negative ads, groundless attacks on character, distorted facts dragged political advertising to this new low. In my campaign, at least two televisions stations and one radio station ran a disclaimer before my opponent's ads in an attempt to absolve their station of responsibility and liability for the content of the ads and noting that the reason they ran the ads is because they were required by law to do so.

Campaign advertising has become a virtual arms race, and in some cases is based upon a deliberate strategy of alienating voters to degrees voter turnout. The result again is this public turn-off, the cynicism, the pox on both your houses, and the enormous disaffection people feel with political leaders and the political process itself.

Most of us would like but we are limited in our ability to curtail negative

advertising because of first amendment considerations. We can hold candidates and campaign committees more responsible for what they do or we can individually just decide not to do it ourselves. I resolved not to do it myself, not to respond, and my poll numbers went like this. And when we did the focus groups, what we found was that the negatives blasted through and the positive credentials did not. People just did not believe them. They tend to believe the negatives, but they would not believe the positives. And that is a sad, sad case in American political affairs.

So what has happened—and I believe this is fairly typical across the United States—is campaign consultants are finding that the negative ads blast through and the positive ads do not, so the tendency on an increasing basis is to go to negative campaign advertising.

The provisions of my bill would set minimum standards for disclosure in print, on radio, and on television. The bill would require disclaimers in TV ads to appear for at least 4 seconds with a reasonable degree of color contrast between the background and the printed statement. It requires a clearly identifiable photograph or other image of the candidate if the ad is paid by a candidate or the candidate's committee by the candidate, and the statement at the end of the add by the candidate saying, ''This is DIANNE FEINSTEIN. I have approved the content of this ad.''

The thrust of this is to connect the responsibility between the consultant who does the ad and the candidate whose campaign runs the ad. After all, the candidate is eventually responsible.

The bill also would require sponsors of other advertisements such as independent campaigns to indicate in a statement that they are responsible for the veracity of the content of the ad.

Now, what is not contained in this bill? What is not contained in this bill is public financing of campaigns. It is my belief that the American people are not ready to accept public financing of campaigns. Tax dollars are hard fought for, and that situation is not going to get better; it is going to get worse. Therefore, even a checkoff for public financing of campaigns I think is unworthy of the priorities that we face as legislators.

So there is no direct public financing in this legislation.

Some have opposed spending limits as contrary to the Supreme Court's decision in Buckley versus Valeo which rejected mandatory limits unless they are imposed—for example, in exchange for public benefits. This bill attempts to strike a balance called for in that decision by making the spending limits voluntary and tying them to public benefits.

I supported initial campaign spending reform that would curb the influence of political action committees, and in the $14 million that I raised in the last campaign, about 16 percent was from political action committees. But I believe distinctions need to be made to protect small contributors who pool their resources, share information, and involve themselves in the process by supporting candidates or causes in which they believe.

A blanket ban on all political action committees in a sense throws the baby out with the bath water. I think we need to be encouraging people to be involved in politics, not discouraging them. And virtually every legal scholar I know who has examined this question believes that a complete ban is unconstitutional.

The Congressional Research Service has advised the Senate:

> A complete ban on contributions and expenditures by connected and nonconnected PAC's appears to be unconstitutional in violation of the first amendment.

The Supreme Court has repeatedly held that campaign contributions and expenditures are a form of political speech protected by the first amendment to the United States Constitution. While the activities of some political action committees certainly need to be scrutinized, others give the small person, the ordinary person a voice in politics. They allow many people who cannot afford to make only small contributions to band together so that their voices can be heard. For those PAC's whose practices violate the letter or intent of Federal election law, the full weight of the FEC enforcement should be brought to bear. But I do not believe we should silence the voice of small contributors in our efforts to curb the influence of big special interest PAC's.

One example is the League of Conservation Voters. The average contribution to their PAC is $40. Individually, these donors cannot take out ads supporting environmental legislation or candidates. But by pooling their resources, they can purchase an ad announcing their support. Surely this is not the type of political influence that warrants an outright ban on political action committees. Yet, other legislation being considered by this body would do just that. And that is where I split.

I was encourage when President Clinton and Speaker GINGRICH agreed to set up a bipartisan commission to study and perhaps finally act on campaign finance reform. But apparently that agreement seems to have since become bogged down with political baggage. This issue has been studied and studied and studied not only by this Congress for 20 years but by a bipartisan commission whose recommendations were made to the Congress in 1990.

I think it is time for Congress to act. And what we have tired to do in this legislation is take concepts that have stood the test of time, put them together in a limited package of three major areas where I believe there is a consensus in both political bodies and around which I think there can be forged no real opposition that is credible and worthy to taking these three steps as a first and meaningful step in campaign spending reform.

So I submit the legislation, and I welcome the discussion and the debate.

I thank the forbearance of the Chair, and I yield the floor.

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

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

S. 1389

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Senate Campaign Spending Limit and Election Reform Act of 1995''.

SEC. 2. AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) AMENDMENT OF FECA.—When used in this Act, the term ''FECA'' means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

SEC. 101. SENATE ELECTION SPENDING LIMITS AND BENEFITS.

FECA is amended by adding at the end the following new title:

''TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

''SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

''(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

''(1) meets the primary and general election filing requirements of subsections (c) and (d);

''(2) meets the primary and runoff election expenditure limits of subsection (b);

''(3) meets the threshold contribution requirements of subsection (e); and

''(4) does not exceed the limitation on expenditures from personal funds under section 502(a).

''(b) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—

''(1) IN GENERAL.—The requirements of this subsection are met if—

''(A) the candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

''(i) 67 percent of the general election expenditure limit under section 502(b); or

''(ii) $2,750,000; and

''(B) the candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

''(2) INDEXING.—The $2,750,000 amount under paragraph (1)(A)(ii) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1995.

''(3) INCREASE BASED ON EXPENDITURES OF OPPONENT.—The limitations under paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, that are required to be reported to the Secretary of the Senate with respect to such period under section 304(c).

''(c) PRIMARY FILING REQUIREMENTS.—

''(1) IN GENERAL.—The requirements of this subsection are met if the candidate files with the Secretary of the Senate a certification that—

''(A) the candidate and the candidate's authorized committees—

''(i) will meet the primary and runoff election expenditure limits of subsection (b); and

''(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

''(B) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

''(C) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b).

''(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

''(d) GENERAL ELECTION FILING REQUIREMENTS.—

''(1) IN GENERAL.—The requirements of this subsection are met if the candidate files a certification with the Secretary of the Senate under penalty of perjury that—

''(A) the candidate and the candidate's authorized committees—

''(i) met the primary and runoff election expenditure limits under subsection (b); and

''(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (b), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

''(B) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

''(C) the candidate and the authorized committees of the candidate—

''(i) except as otherwise provided by this title, will not make expenditures that exceed the general election expenditure limit under section 502(b);

''(ii) will not accept any contributions in violation of section 315;

''(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b), reduced by any amounts transferred to this election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii);

''(iv) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission; and

''(v) will cooperate in the case of any audit and examination by the Commission; and

''(D) the candidate intends to make use of the benefits provided under section 503.

''(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

''(A) the date the candidate qualifies for the general election ballot under State law; or

''(B) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

''(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—

''(1) IN GENERAL.—The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

''(A) 10 percent of the general election expenditure limit under section 502(b); or

''(B) $250,000.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'allowable contributions' means contributions that are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor; and

''(B) the term 'applicable period' means—

''(i) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on the date on which the certification under subsection (c)(2) is filed by the candidate; or

''(ii) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election.

''SEC. 502. LIMITATION ON EXPENDITURES.

''(a) LIMITATION ON USE OF PERSONAL FUNDS.—

''(1) IN GENERAL.—The aggregate amount of expenditures that may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

''(A) 10 percent of the general election expenditure limit under subsection (b); or

''(B) $250,000.

''(2) SOURCES.—A source is described in this subsection if it is—

''(A) personal funds of the candidate and members of the candidate's immediate family; or

''(B) personal loans incurred by the candidate and members of the candidate's immediate family.

''(b) GENERAL ELECTION EXPENDITURE LIMIT.—

''(1) IN GENERAL.—Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

''(A) $5,500,000; or

''(B) the greater of—

''(i) $950,000; or

''(ii) $400,000; plus

''(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

''(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

''(2) EXCEPTION.—In the case of an eligible Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

''(A) '80 cents' for '30 cents' in subclause (I); and

''(B) '70 cents' for '25 cents' in subclause (II).

''(3) INDEXING.—The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(b)(2).

''(4) INCREASE BASED ON EXPENDITURES OF OPPONENT.—The limitations under paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, that are required to be reported to the Secretary of the Senate with respect to such period under section 304(c).

''(c) PAYMENT OF TAXES.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local taxes with respect to earnings on contributions raised.

''SEC. 503. BENEFITS ELIGIBLE CANDIDATES ENTITLED TO RECEIVE.

''An eligible Senate candidate shall be entitled to receive—

''(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

''(2) the free broadcast time provided under section 315(c) of such Act; and

''(3) the reduced postage rates provided in section 3626(e) of title 39, United States Code.

''SEC. 504. CERTIFICATION BY COMMISSION.

''(a) IN GENERAL.—Not later than 48 hours after a candidate qualifies for a general election ballot, the Commission shall certify the candidate's eligibility for free broadcast time under section 315(b)(2) of the Communications Act of 1934. The Commission shall revoke such certification if it determines a candidate fails to continue to meet the requirements of this title.

''(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final, except to the extent that they are subject to examination and audit by the Commission under section 505.

''SEC. 505. REPAYMENTS; ADDITIONAL CIVIL PENALTIES.

''(a) EXCESS PAYMENTS; REVOCATION OF STATUS.—If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the value of the benefits received under this title.

''(b) MISUSE OF BENEFITS.—If the Commission determines that any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify the candidate and the candidate shall pay an amount equal to the value of such benefit.''.

SEC. 102. TRANSITION PROVISIONS.

(a) EXPENDITURES MADE PRIOR TO DATE OF ENACTMENT.—(1) Expenditures made by an eligible Senate candidate on or prior to the date of enactment of this title shall not be counted against the limits specified in section 502 of FECA, as amended by section 101.

(2) For purposes of this section, the term ''expenditure'' includes any direct or indirect payment or distribution or obligation to make payment or distribution of money.

(b) RELATIONSHIP TO OTHER TITLES.—The provisions of titles I through IV of the Federal Election Campaign Act of 1971 shall remain in effect with respect to Senate election campaigns affected by this title or the amendments made by this title except to the extent that those provisions are inconsistent with this title or the amendments made by this title.

SEC. 103. FREE BROADCAST TIME.

(a) IN GENERAL.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) in subsection (a)—

(A) by striking ''within the meaning of this subsection'' and inserting ''within the meaning of this subsection and subsection (c)'';

(B) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(C) by inserting immediately after subsection (b) the following new subsection:

''(c)(1) An eligible Senate candidate who has qualified for the general election ballot shall be entitled to receive a total of 30 minutes of free broadcast time from broadcasting stations within the State.

''(2) Unless a candidate elects otherwise, the broadcast time made available under this subsection shall be between 6:00 p.m. and 10:00 p.m. on any day that falls on Monday through Friday.

''(3) If—

''(A) a licensee's audience with respect to any broadcasting station is measured or rated by a recognized media rating service in more than 1 State; and

''(B) during the period beginning on the first day following the date of the last general election and ending on the date of the next general election there is an election to the United States Senate in more than 1 of such States,

the 30 minutes of broadcast time under this subsection shall be allocated equally among the States described in subparagraph (B).

''(4)(A) In the case of an election among more than 2 candidates, the broadcast time provided under paragraph (1) shall be allocated as follows:

''(i) The amount of broadcast time that shall be provided to the candidate of a minor party shall be equal to the number of minutes allocable to the State multiplied by the percentage of the number of popular votes received by the candidate of that party in the preceding general election for the Senate in the State (or if subsection (d)(4)(B) applies, the percentage determined under such subsection).

''(ii) The amount of broadcast time remaining after assignment of broadcast time to minor party candidates under clause (i) shall be allocated equally between the major party candidates.

''(B) In the case of an election where only 1 candidate qualifies to be on the general election ballot, no time shall be required to be provided by a licensee under this subsection.

''(5) The Federal Election Commission shall by regulation exempt from the requirements of this subsection—

''(A) a licensee whose signal is broadcast substantially nationwide; and

''(B) a licensee that establishes that such requirements would impose a significant economic hardship on the licensee.''; and

(2) in subsection (d), as redesignated—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

''(3) the term 'major party' means, with respect to an election for the United States Senate in a State, a political party whose candidate for the United States Senate in the preceding general election for the Senate in that State received, as a candidate of that party, 25 percent or more of the number of popular votes received by all candidates for the Senate;

''(4) the term 'minor party' means, with respect to an election for the United States Senate in a State, a political party—

''(A) whose candidate for the United States Senate in the preceding general election for the Senate in that State received 5 percent or more but less than 25 percent of the number of popular votes received by all candidates for the Senate; or

''(B) whose candidate for the United States Senate in the current general election for the Senate in that State has obtained the signatures of at least 5 percent of the State's registered voters, as determined by the chief voter registration official of the State, in support of a petition for an allocation of free broadcast time under this subsection; and

''(5) the term 'Senate election cycle' means, with respect to an election to a seat in the United States Senate, the 2-year period ending on the date of the general election for that seat.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to general elections occurring after December 31, 1995 (and the election cycles relating thereto).

SEC. 104. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) by striking ''(b) The changes'' and inserting ''(b)(1) The changes'';

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

(3) in paragraph (1)(A), as redesignated—

(A) by striking ''forty-five'' and inserting ''30''; and

(B) by striking ''lowest unit charge of the station for the same class and amount of time for the same period'' and inserting ''lowest charge of the station for the same amount of time for the same period on the same date''; and

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

''(2) In the case of an eligible Senate candidate (as described in section 501(a) of the Federal Election Campaign Act), the charges for the use of a television broadcasting station during the 30-day period and 60-day period referred to in paragraph (1)(A) shall not exceed 50 percent of the lowest charge described in paragraph (1)(A).''.

(b) PREEMPTION; ACCESS.—Section 315 of such Act (47 U.S.C. 315), as amended by section 102(a), is amended—

(1) by redesignating subsections (d) and (e) as redesignated, as subsections (e) and (f), respectively; and

(2) by inserting immediately after subsection (c) the following subsection:

''(d)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcasting station by an eligible Senate candidate who has purchased and paid for such use pursuant to subsection (b)(2).

''(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.''.

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

(1) by striking ''or repeated'';

(2) by inserting ''or cable system'' after ''broadcasting station''; and

(3) by striking ''his candidacy'' and inserting ''the candidacy of such person, under the same terms, conditions, and business practices as apply to its most favored advertiser''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to the general elections occurring after December 31, 1995 (and the election cycles relating thereto).

SEC. 105. REDUCED POSTAGE RATES.

(a) IN GENERAL.—Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking ''and the National'' and inserting ''the National''; and

(ii) by inserting before the semicolon the following: '', and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;'';

(B) in subparagraph (B), by striking ''and'' after the semicolon;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding after subparagraph (C) the following new subparagraphs:

''(D) the term 'principal campaign committee' has the meaning given such term in section 301 of the Federal Election Campaign Act of 1971; and

''(E) the term 'eligible Senate candidate' has the meaning given such term in section 501(a) of the Federal Election Campaign Act of 1971.''; and

(2) by adding after paragraph (2) the following new paragraph:

''(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to that number of pieces of mail equal to 2 times the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the State.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the general elections occurring after December 31, 1995 (and the election cycles relating thereto).

TITLE II—MISCELLANEOUS PROVISIONS

SEC. 201. CANDIDATE EXPENDITURES FROM PERSONAL FUNDS.

Section 315 of FECA (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

''(i)(1)(A) Not later than 15 days after a candidate qualifies for a primary election ballot under State law, the candidate shall file with the Commission, and each other candidate who has qualified for that ballot, a declaration stating whether the candidate intends to expend during the election cycle an amount exceeding $250,000 from—

''(i) the candidate's personal funds;

''(ii) the funds of the candidate's immediate family; and

''(iii) personal loans incurred by the candidate and the candidate's immediate family in connection with the candidate's election campaign.

''(B) The declaration required by subparagraph (A) shall be in such form and contain such information as the Commission may require by regulation.

''(2) Notwithstanding subsection (a), the limitations on contributions under subsection (a) shall be modified as provided under paragraph (3) with respect to other candidates for the same office who are not described in subparagraph (A), (B), or (C), if the candidate—

''(A) declares under paragraph (1) that the candidate intends to expend for the primary and general election funds described in such paragraph in an amount exceeding $250,000;

''(B) expends such funds in the primary and general election in an amount exceeding $250,000; or

''(C) fails to file the declaration required by paragraph (1).

''(3) For purposes of paragraph (2)—

''(A) the limitation under subsection (a)(1)(A) shall be increased to $5,000; and

''(B) if a candidate described in paragraph (2)(B) expends more than $1,000,000 of funds described in paragraph (1) in the primary and general elections the limitation under subsection (a)(1)(A) shall not apply.

''(4) If—

''(A) the modifications under paragraph (3) apply for a convention or a primary election by reason of 1 or more candidates taking (or failing to take) any action described in subparagraph (A), (B), or (C) of paragraph (2); and

''(B) such candidates are not candidates in any subsequent election in the same election campaign, including the general election,

paragraph (3) shall cease to apply to the other candidates in such campaign.

''(5) No increase described in paragraph (3) shall apply under paragraph (2) to noneligible Senate candidates in any election if eligible Senate candidates are participating in the same election campaign.

''(6) A candidate who—

''(A) declares, pursuant to paragraph (1), that the candidate does not intend to expend funds described in paragraph (1) in excess of $250,000; and

''(B) subsequently changes such declaration or expends such funds in excess of that amount,

shall file an amended declaration with the Commission and notify all other candidates for the same office not later than 24 hours after changing such declaration or exceeding such limits, whichever first occurs, by sending a notice by certified mail, return receipt requested.''.

SEC. 202. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES.

(a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—Title III of FECA (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

''RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES

''SEC. 324. (a) An individual who receives contributions as a candidate for Federal office—

''(1) shall use such contributions only for legitimate and verifiable campaign expenses; and

''(2) shall not use such contributions for any inherently personal purpose.

''(b) As used in this subsection—

''(1) the term 'campaign expenses' means expenses attributable solely to bona fide campaign purposes; and

''(2) the term 'inherently personal purpose' means a purpose that, by its nature, confers a personal benefit, including a home mortgage payment, clothing purchase, noncampaign automobile expense, country club membership, vacation, or trip of a noncampaign nature, and any other inherently personal living expense as determined under the regulations promulgated pursuant to section 302(b) of the Senate Campaign Spending Limit and Election Reform Act of 1995.''.

(b) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Federal Election Commission shall promulgate regulations to implement subsection (a). Such regulations shall apply to all contributions possessed by an individual at the time of implementation of this section.

SEC. 203. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(ii) by striking ''an expenditure'' and inserting ''a disbursement''; and

(iii) by striking ''direct''; and

(B) in paragraph (3), by inserting ''and permanent street address'' after ''name''; and

(2) by adding at the end the following new subsections:

''(c) Any printed communication described in subsection (a) shall be—

''(1) of sufficient type size to be clearly readable by the recipient of the communication;

''(2) contained in a printed box set apart from the other contents of the communication; and

''(3) consist of a reasonable degree of color contrast between the background and the printed statement.

''(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which—

''(A) states: 'I, (name of the candidate), am a candidate for (the office the candidate is seeking) and I have approved this message';

''(B) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(C) is accompanied by a clearly identifiable photographic or similar image of the candidate.

''(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement: '_____ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.''.

SEC. 204. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 205. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 206. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act.

SEC. 207. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act not later than 9 months after the effective date of this Act.

By Mr. PRESSLER:

S. 1390. A bill to amend the Federal Water Pollution Control Act to permit a private person against when a civil or administrative penalty is assessed to use the amount of the penalty to fund a community environment project, and for other purposes; to the Committee on Environment and Public Works.

THE LOCAL ENVIRONMENTAL IMPROVEMENT FACILITATION ACT

Mr. PRESSLER. Mr. President, I rise today to introduce legislation to allow companies that violate the Clean Water Act the option to invest fines in improving their local environment. This bill makes good sense. Clean Water Act fines could be invested in the community where the violation occurred, rather than sent to Washington to be spent by bureaucrats.

In May 1995, the Environmental Protection Agency began a new program to encourage local environmental projects through EPA fines. My bill would adopt as law the goals of this program—to give Clean Water Act violators the option to perform community services by targeting their fines to local pollution prevention and remediation activities.

Under my legislation, companies found guilty of violating the Clean Water Act would be given the option of contributing to a community environmental project in lieu of paying fines directly to the Treasury. Violators could negotiate with State and local officials to determine an appropriate project. The money would then be paid by the violator directly to cover project costs.

The benefits to this legislation are clear. Passage of this bill would express Congress' support for local environmental projects. In addition, this legislation represents community empowerment. It gives the local community the opportunity to right a wrong done to its citizens by one of its own. It is common sense. Clean Water Act violations inadvertently can punish the community where the violation occurred. It's only fair that when a violator is punished, the community should receive some compensation. This option certainly is preferable to sending penalty dollars back to Washington to pay for more bureaucracy.

At the State and local level, many of those who violate the law are directed to perform community service. That tradition deserves a place in our Federal system as well. The legislation I am introducing today would do just that.

Senator CHAFEE, chairman of the Environment and Public Works Committee, has stated his intent to hold hearings on efforts to reform the Clean Water Act in the near future. I look forward to working with him to make sure that fines collected under the Clean Water Act can continue to be used for the benefit of the community where violations occurred. I urge my colleagues to support this commonsense legislation.

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

S. 1391. A bill to amend the Federal Water Pollution Control Act to prohibit the imposition of any civil or administrative penalty against a unit of local government for a violation of the act when a compliance plan with respect to the violation is in effect, and for other purposes; to the Committee on Environment and Public Works.

CLEAN WATER ACT PENALTIES LEGISLATION

Mr. PRESSLER. Mr. President, I am introducing legislation today to lift the unfair burden of excessive regulatory penalties from the backs of local governments that are working in good faith to comply with the Clean Water Act.

Mr. President, earlier this year we worked on legislation to bring common sense to the regulatory process. That legislation is still pending. It is my hope that we will return to that bill and pass it. Everyone from small business persons to city mayors want real relief from Federal regulatory overreach. That is the goal of my bill as well.

Under current law, civil penalties begin to accumulate the moment a local government violates the Clean Water Act. Once this happens, the law requires that the local government present a municipal compliance plan for approval by the Administrator of the Environmental Protection Agency [EPA], or the Secretary of the Army in cases of section 404 violations. However, even after a compliance plan has been approved, penalties continue to accumulate. In effect, existing law gives the EPA the authority to continue punishing local governments while they are trying to comply with the law.

When I talk with South Dakotans, few topics raise their blood pressure faster than their frustrating dealings with the Federal bureaucracy. Government is supposed to work for us, not against us. Mr. President, this is clearly a case where the Government is working against those cities and towns trying in good faith to comply with the Clean Water Act.

In South Dakota, the city of Watertown's innovative/alternative technology wastewater treatment facility was built as a joint partnership with the EPA, the city and the State of South Dakota in 1982. The plant was constructed with the understanding that EPA would provide assistance in the event the new technology failed. The facility was modified and rebuilt in 1991 when it was unable to comply with Clean Water Act discharge requirements. Unfortunately, the newly reconstructed plan still was found to violate Federal regulations. The city now faces a possible lawsuit by the Federal Government and is incurring fines of up to $25,000 per day.

The city of Watertown, under the very capable guidance of Mayor Brenda Barger, has entered into a municipal compliance plan with the EPA. Under the agreed plan, Watertown should achieve compliance by December 1996. However, that plan does not address the issue of the civil and administrative penalties that continue to accumulate against the city.

Under the law, Watertown could accumulate an additional $14 million in penalties before its treatment facility is able to comply with the Clean Water Act requirements.

Mr. President, no city in South Dakota can afford such steep penalties.

My legislation would offer relief to cities like Watertown. Under my bill, local governments would stop accumulating civil and administrative penalties once a municipal compliance plan has been negotiated and the locality is acting in good faith to carry out the plan. Further, my bill would be an incentive for governments to move quickly toward achieving compliance with the Clean Water Act.

This legislation is designed simply to address an issue of fairness. Local governments must operate with a limited pool of resources. Localities should not be forced to devote their tax revenues both to penalties and programs designed to comply with the law. It defies common sense for the EPA to penalize a local government at the same time it is working in good faith to comply with the law. My legislation restores common sense and fairness to local governments. By eliminating unfair penalties, local governments could better concentrate their resources to meet the intent of the law in protecting our water resources from pollution.

Mr. President, I hope my colleagues will join me in supporting this commonsense legislation for our towns and cities.

By Mr. BAUCUS:

S. 1392. A bill to impose temporarily a 25-percent duty on imports of certain Canadian wood and lumber products, to require the administering authority to initiate an investigation under title VII of the Tariff Act of 1930 with respect to such products, and for other purposes; to the Committee on Finance.

EMERGENCY TIMBER LEGISLATION

Mr. BAUCUS. Mr. President, I rise to introduce legislation to give our timber industry emergency relief in the face of a surge of subsidized lumber imports from Canada.

I have said before that when it comes to trade Canada does not play for the love of the game. Canada plays rough. Canada plays to win. Canada plays hardball.

You see that in fisheries, wheat, beer, intellectual property, and maybe most of all in timber. And if the game is hardball, we have to put on our helmets, pick up our bats and show that we can play too.

PROVISIONS OF LEGISLATION

That is what my bill will do. It contains three tough but fair measures:

First, temporary duty: We impose a temporary 25-percent tariff on Canadian lumber. This figure is based on the best estimates of the value of Canadian subsidies to Canadian timber exporters.

Second, countervailing duty investigation: We direct the Department of Commerce to investigate Canadian subsidization. At the end of the investigation, the temporary duty would be lifted.

If Commerce finds subsidization and damage to U.S. industry, the International Trade Commission would impose a permanent countervailing duty at a level appropriate to the damage. If the investigation were to find no subsidy, Commerce would refund the money collected under the temporary duty. Likewise, if the damage were under 25 percent, the difference would be refunded to Canada.

Third, renegotiate dispute settlement panels: We declare that no American judicial function or authority can be delegated to an international body under any trade agreement and give the President authority to renegotiate the so-called chapter 19 dispute settlement panels of the United States-Canada Free-Trade Agreement and NAFTA.

The general effect of this would be to eliminate the jurisdiction of international dispute settlement panels over our countervailing duty decisions. In the specific case of timber, it would repeal the 1992, 1993, and 1994 decisions of the United States-Canada dispute panels which have barred us from using our countervailing laws against subsidized Canadian softwood lumber exports.

Now, some will say, ''MAX, gee, that is pretty tough.'' I agree. Sometimes tough measures are necessary. That is because today we face a surge of imported timber which has depressed prices, closed mills, and put Americans out of work.

The first two sections of this legislation respond to this crisis in a reasonable, fair way. We have the right to emergency relief under our domestic laws, and all our trade agreements so provide. This is a case where we definitely need it.

The third section responds to the longer term, but equally grave problem with the decisions dispute panels have made on United States-Canada timber disputes. Again, it does so in a tough but limited way. So, yes, this is tough but it is also fair.

Now, let me explain the situation and my proposed response in more detail. We will begin with the facts and figures

on the immediate crisis, the Canadian subsidies and the import surge they have created.

Our bill deals with two forms of subsidies. The first is the extremely low stumpage fees the Canadian provinces charge for logging on their public land. Do not forget almost all the land in Canada on which timber is harvested is public land, called Crown land—the land owned by the provinces: very low stumpage; timber sale, very low, low prices.

The other subsidy is Canada's ban on all export of raw logs, which lowers the price of logs in Canada's market and gluts Canadian mills.

Some have a broader definition of subsidy. The Raincoast Conservation Society, a Canadian environment group based in Victoria, BC, says.

> * * * low stumpage rates, unsustainable rates of timber cutting, inadequate environmental controls, and the continued destruction of natural habitat constitute a massive network of public subsidies to the British Columbia timber industry.

Canada's timber practices have created an environmental disaster. British Columbia, for example, requires neither sustainable forestry; we do. Nor environmental assessments of forest practices; we do. It has minimal riparian protection; we have a lot. Allows clearcuts up to four times what is legal in the United States and requires no protection of endangered species and habitat.

Compare that with our Endangered Species Act. It gives the public virtually no role in forest management. Think of all the appeals and all the private rights of action we have in our country. If you take a boat up the coast of Washington State, you can literally see the border because Canadians have cut right down to the shore.

Our bill defines subsidies much more narrowly. All by themselves, the artificially low-stumpage rates on the ban on raw log exports have caused a trade disaster as profound as the environmental disaster in British Columbia.

Imports of Canadian lumber have risen 121 percent since 1991, from $2.56 billion to $5.65 billion last year. During this period, Canada's share of the American lumber market rose from 27 percent to 36 percent.

Mr. President, 36 percent of all the softwood timber consumed in the United States is Canadian. Last year we imported more than 16 billion board feet of timber; 3 billion board miles of softwood timber. That is enough to build a wooden bridge to the Moon 12.5 feet wide.

By comparison, we sold Canada about .3 of a billion board feet of lumber. That is a fiftieth of Canada's exports.

Canada's subsidies vastly inflate our imports of timber. We estimate that they cost American timber companies about $829 million last year and cost American workers 25,100 jobs.

This is an emergency. Every mill worker and mill operator in Montana can tell you the pressure from these subsidies is intolerable and the situation is getting worse all the time. That is the reason for part 1 of the bill, the temporary duty, and also for part 2, under which the Commerce Department will investigate Canadian timber practices and arrive at a long-term countervailing duty.

Now, let us turn to part 3. That is renegotiation of the application of the dispute settlement panels established in chapter 19 of the United States-Canada Free-Trade Agreement to our domestic countervailing duty or CVD decisions. To start, we need to review a bit of history.

During the drafting of the United States-Canada Free-Trade Agreement in the 1980's, a Canadian negotiator told the American side:

> You must understand that the Canadian people are committed to helping their industries that cannot compete. Our Constitution requires that funds be transferred to assist companies in noncompetitive locations to compete in international trade.

That is to say, in areas where free trade means a competitive United States industry will do well, Canada will subsidize its own industry to do its best to make sure that we cannot do well.

This sort of practice is, for obvious reasons, the most controversial issue we considered when the Reagan administration negotiated the United States-Canada Free-Trade Agreement in the 1980's. The Canadians, as was their right, refused to change their subsidy policies, but they also asked us to guarantee that we, Americans, would not use our countervailing duties laws against their subsidies.

Obviously, that was unacceptable. A free trade agreement which let Canada subsidize exports, while we gave up our right to combat the subsidies of domestic trade laws, would not be a free trade agreement at all. It would have been an agreement to give Canada a captive market, and we would have opposed it.

So we essentially agreed to disagree. Canada did not give up its subsidies and neither did we give up our trade laws. We agreed that the United States would continue to settle subsidy disputes through our domestic CVD laws. That is, dispute settlement panels setting up in the agreement's so-called chapter 19 would be available to Canada in these cases only to make sure that we had properly used our laws. That was the only point of that provision.

That was fine in theory. Unfortunately, at least in the timber case, it has not worked very well in practice. The past 10 years of this dispute have gone as follows.

On December 30, 1986, Canada and the United States signed, agreed to a joint memorandum of understanding on softwood lumber, under which Canada agreed to charge its timber companies a 15-percent export tax to make up for the value subsidies. Canada agreed.

In September 1991, 5 years later, Canada unilaterally abrogated this memorandum of understanding—just walked away from it, threw it in the trash bin. On October 1991, a month later, the Commerce Department opened up, as we obviously should have done, an investigation of the Canadian lumber subsidies.

In June 1992, this legislation ended with a finding that the subsidies damage the American industry. The ITC imposed countervailing duties, as is our right and is what we really should have done and did do.

Canada then challenged this finding at the dispute panels set up under chapter 19 of the United States-Canada Free-Trade Agreement. Later in 1992, and in appeal decisions in 1993 and 1994, the panels split along national lines and upheld Canada's cases. In each one, Canada had a majority of judges. There were more Canadian judges than American judges. At least two of the judges had serious conflicts of interest and one had even worked for the Canadian timber industry. In each case they all voted as a bloc to deny justice to the U.S. industry.

The last of these cases, our appeal to the Extraordinary Challenge Committee, which decided in the spring of 1994. Judge Malcolm Wilkey was the only American panelist and he describes the decision this way:

> The Panel started, of course, by giving us the litany of the standard of review of administrative agency action as enunciated in United States law, all thoroughly familiar. The Panel then preceded to violate almost every one of those canons of review of agency action * * *. This Binational Panel Majority opinion may violate more principles of appellate review of agency action than any opinion by a reviewing body I have ever read.

That is the opinion of the American panelists—the only American panelists; the rest are Canadian. As Wilkey says, ''The panel reached egregiously wrong results.'' Those are his words. It was allowed to review only whether we applied our CVD laws as the United States Code requires. That is what we were supposed to do.

Instead, the panel declared our laws should not apply at all. That is what the panel said, totally above and beyond its jurisdiction. The panel had no right to make that decision, but it made it. Under the United States-Canada Free-Trade Agreement, the panel has no right to make such decision, yet the Canadian majority went ahead and did it anyway. Worst of all, have been the concrete real results of these decisions.

Since 1993, imports of Canadian timber have skyrocketed. The price of lumber has fallen by more than a third. Mills have closed in Superior, Libby, Bonner, and elsewhere in Montana, putting hundreds of good folks out of work. The same thing has happened all over America.

Our timber workers have been cheated, cheated by the dispute panels. There is no other word for it. We need to make sure nobody else suffers the same injustice.

Since Canada refuses to a fair settlement through negotiation, I see no alternative other than to remove the cause of the trouble.

Now, these are tough measures, but if your partner is playing hard ball, you need more than a golfing cap and a whiffle bat, you need a hard plastic helmet and Louisville slugger. You need tough measures like the ones my bill will provide.

I say let us stand up, restore fairness in the timber market, let us give a hand to some workers who have suffered grave injustice. I ask support for my bill, which I think, once enacted, we can restore the playing field so it is fair and give people in our country the justice they deserve.

By Ms. MOSELEY-BRAUN (for herself and Mr. SIMON):

S. 1393. A bill to extend the deadline for commencement of construction of a hydroelectric project in the State of Illinois; to the Committee on Energy and Natural Resources.

HYDROELECTRIC PROJECT LEGISLATION

• Ms. MOSELEY-BRAUN. Mr. President, the bill I am introducing today, on behalf of myself and Senator SIMON, grants the city of Alton, IL, a 6-year extension of its Federal Energy Regulatory Commission [FERC] license to begin construction of a hydroelectric power project next to lock and dam 26R on the Mississippi River. This extension is necessary because the Alton license expired October 15, 1995.

A license to permit construction for this proposed plant was first issued by FERC to the Missouri Joint Municipal Electric Utility Commission [MJMEUC] on October 15, 1987. MJMEUC transferred the license to the city of Alton with FERC approval on April 5, 1990. At the time of the transfer, the city of Alton entered into an agreement with Sithe Energies, a developer, which was granted a licensing extension pursuant to the Federal Power Act and Public Law No. 102–240, 105 Stat. 1914, section 1075 (b) of the Intermodal Surface Transportation Efficiency Act of 1991.

Between 1990 and 1995, Sithe Energies developed plans for a hydroelectric plant. However, there were several problems with its proposal. Sithe Energies was depending on State subsidies to support the estimated $190 million cost of the plant. The Illinois General Assembly did not provide those subsidies. Further, Sithe Energies was unable to comply with several FERC license requirements. For example, Sithe was unable to meet the FERC requirement for a fish mortality study. The proposed plant could have had a substantial effect on fish and other aquatic life in the Mississippi. Finally, due to the high rate per kilowatt hour that would be required to retire the debt that would be associated with the project and provide an attractive return on investment, Sithe Energies was unable to negotiate a purchase and sale agreement for the plant's electricity.

In May 1995, Sithe Energies terminated its relationship with the city of Alton. Subsequently, the city was contacted by Bedford Energies with a new plan that happens to be more economically feasible. Bedford Energies is proposing a smaller plant, using turbines that move more slowly and which should therefore reduce the plant's impact on fish and aquatic life in the Mississippi. The cost of the project is estimated to be $110 million—much less than the Sithe Energies' project. The projected costs per kilowatt hour is approximately one-half of Sithe's estimates.

The city of Alton and the River Bend area have been hit hard by plant closings and the loss of manufacturing jobs over the past 20 years. During the 1980's, Alton alone lost nearly 4,000 jobs. Alton's per capita income is significantly below the State of Illinois' average per capita income and, since 1970, Alton's population has declined from 39,700 to 33,064 residents. Alton's unemployment rate currently exceeds 9 percent and has consistently exceeded State and national averages. One-hundred to one-hundred fifty jobs are expected to be created during the 2- or 3-year construction phase of this project, and 6 to 12 permanent power plant operator jobs will be created once the plant is operational. The royalties from power sales will provide revenue to the city for capital improvements and other needed city projects which impact employment.

Lock and dam 26R on the Mississippi was designed and constructed for a hydroelectric plant. Because of the difficulties the city experienced with Sithe Energies, there was simply no way that construction could have begun in accordance with the schedule anticipated by the current license. This FERC license extension is a reasonable proposition for the residents of Alton who are counting on this project. Mr. President, this type of license extension has precedent in previous congressional action, and it is my hope that the Congress can move this noncontroversial bill forward as soon as possible.

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

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

S. 1393

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

SECTION 1. EXTENSION OF COMMENCEMENT OF CONSTRUCTION DEADLINE FOR HYDROELECTRIC PROJECT IN THE STATE OF ILLINOIS.

(a) IN GENERAL.—Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to the Federal Energy Regulatory Commission project numbered 3246, the Commission shall, at the request of the licensee for the project, in accordance with the good faith, due diligence, and public interest requirements of that section and the Commission's procedures under that section, extend until October 15, 2001, the time period during which the licensee is required to commence construction of the project.

(b) APPLICABILITY.—Subsection (a) shall take effect on the expiration of the extension, issued by the Commission under section 13 of the Federal Power Act (16 U.S.C. 806), of the period required for commencement of construction of the project described in subsection (a).

(c) REINSTATEMENT OF EXPIRED LICENSE.—If the license for the project described in subsection (a) has expired prior to the date of enactment of this Act, the Commission shall reinstate the license effective as of the date of its expiration and extend until October 15, 2001, the time required for commencement of construction of the project.•

By Mr. SIMPSON:

S. 1394. A bill to amend the Immigration and Nationality Act to reform the legal immigration of immigrants and nonimmigrants to the United States; to the Committee on the Judiciary.

THE IMMIGRATION REFORM ACT OF 1995

Mr. SIMPSON. Mr. President, I have stood before my good colleagues so many times over the last 15 years seeking their support for reform of the immigration laws of our country. Today I do so once again, and this time the proposed change is fundamental.

The bill I am introducing today is the product of many years. It would reform the law relating to legal immigration—to reduce the level and to revise the criteria of selection. Many of the proposals are consistent with recommendations of the U.S. Commission on Immigration Reform and its very able Chairwoman, that remarkable and impressive woman, former Congresswoman Barbara Jordan. She and a bipartisan group of people put together some very important recommendations for us. The members of the Commission were appointed by the Speaker, by the Republicans, by the Democrats, by the majority leader, the minority leader. I ask unanimous consent that their names be printed in the RECORD.

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

MEMBERS OF THE COMMISSION

Barbara Jordan, Chair.
Lawrence H. Fuchs, Vice Chair.
Michael S. Teitelbaum, Vice Chair.
Richard Estrada.
Harold Ezell.
Robert Charles Hill.
Warren R. Leiden.
Nelson Merced.
Bruce A. Morrison.

Mr. SIMPSON. They are wonderful, contributing members of this society.

Mr. President, there are those in this country, including some in this body, who eternally say, ''If it ain't broke, don't fix it.'' I have heard that old, tired canard too many times. They assert that the present immigration-related problems of this country relate entirely to illegal immigrants, to the failure to prevent rampant violation of immigration law—not only by the hundreds of thousands per year who cross this border illegally, but also by a perhaps equal number of persons who

enter legally on temporary visas, and then remain here even after their approved period of stay has expired.

Mr. President, illegal immigration is, indeed, a major problem, and I introduced legislation earlier this year which would greatly improve our ability to combat that. In June, that bill, S. 269, was favorably reported out of the Immigration Subcommittee, which I have the honor to chair.

Perhaps the most important element of that bill is its proposed enhancement of the employer sanction system that is so necessary if we are ever to control both forms of illegal immigration, visa overstays, as well as illegal border crossing. The employer sanction system has been left incomplete and ineffective in the years since enactment of the 1986 immigration reform bill, because expected improvements in the system that is used to verify work authorization have never been made. S. 269 would require a series of pilot programs and within 8 years a final verification system. This system would be used not only for employment but for welfare or any other form of public assistance.

The proposals for an improved verification system have been controversial. Ironically, I point out to my colleagues that anyone getting on an airplane in the United States in the last 3 weeks has been asked to present a picture ID of themselves. I have not seen much media squawk about that, or any concerned and high-emotion editorials about the ''slippery slope,'' or threats to our privacy or civil liberties. Perhaps it was partly because no Federal card was involved. Yet, even when the President held up before the joint session of Congress 2 years ago a card and said, ''This is a health care card and everyone will have one,'' not much was said about ''the card'' then—a great deal about health care but not much about ''the card.''

Maybe it was also because such actions have to do with their personal interest and their health and safety.

In any case, the system I favor would involve no ''national ID card,'' no new card of any kind—just improvements in various ID and other systems that are already in use. I refer to telephone verification of a Social Security number—a service already available to employers—plus improvements in the State driver's license or ID card, and in the birth certificate. That would be it. I honestly do not believe the American people have any reason for concern, and I honestly do not believe that they will be concerned, else we would have heard a little bit about that in these past weeks with what is happening to them at each and every airport in this country.

But, Mr. President, curbing or even stopping illegal immigration is not enough. Why do I say this? A major reason is that the American people are increasingly troubled about the impact legal immigration is having on their country. Poll after poll shows us this.

The people have made it so very clear they believe the level of immigration is too high. The people have been saying more or less the same thing for a very long time.

According to a recent article in the American Enterprise, which reviewed 11 major polls taken since 1955, well over 60 percent of the American people favor a reduction in immigration, according to most polls since 1980—and that has always included legal immigration whenever it was specifically asked about.

Yet, what do people see going on, year after year after year? They see steady increases. In 1953, 170,000 new legal immigrants. In 1963, 306,000; 1973, 400,000; 1983, 560,000; in 1993, 904,000. Thus, in these 40 years since 1953, the annual level of new immigrants has gone up fivefold, rising from 170,000 to 904,000.

The American people have become increasingly restless and dissatisfied at seeing their will ignored. Proposition 187 may be only the first of many indicators of their real displeasure.

Mr. President, there are individuals and groups who are actively and obsessively working against the efforts of those of us here and in the other body—and on the Commission on Immigration Reform—who are all doing our level best to develop and enact into law an immigration policy that will better promote the long-term best interests of this entire Nation. These individuals and groups form an unholy alliance composed of, one, those wanting to preserve the historically high current level of immigration and all aspects of current law which enable a person to bring to this country extended family members, not even part of the nuclear family—a nuclear family being spouses and minor children—joined with, two, certain employers who want to avoid paying wages high enough to attract U.S. workers, or to preserve their ''right'' to bring in the employee they really want, notwithstanding the impact on any U.S. workers.

I submit that we must break through all of this clatter. We must not allow these defenders of the status quo to deter us from the national interest-based policy the American people so deeply want—and deserve.

Now, I have recently read that one in the other body claimed that to reduce legal immigration is to ''punish legal immigrants'' for the actions of the illegals. That is surely quite an extraordinary claim. To use the word ''punish'' in this way is another fine example of rhetorical exuberance—not uncommon around this village, of course. But, still, let us try to keep at least one foot on the ground.

No one has the ''right'' to immigrate to the United States. Hear that. There are apparently hundreds of millions who would like to do so, but none of them has any ''right'' to do so. For the citizens of this country and their legislators to decide to reduce the level of legal immigration is not to ''punish'' anybody. ''Punishment'' is something imposed because of a judgment that the punished person has done ''something wrong.'' It is most usually meted out with an intent to encourage more acceptable behavior.

The issue involved in legal immigration reform is not whether individual aliens abroad, who would like to be legal immigrants—or even aliens who have already succeeded in becoming legal immigrants—have done anything ''blameworthy.'' It is simply that the annual addition of 800,000 new residents, including hundreds of thousands of new workers, has some major consequences—and some of these consequences are ones the American people simply and clearly do not want. No mystery here; no evil reasoning.

Taking it as a given that a majority of the American people believe that immigration, under current law, has consequences which are harmful to their interests, it is appropriate that they demand change. And that is exactly what they are doing: demanding change—not punishment—but change.

Mr. President, the American people are so very fed up with being told—when they want immigration laws enacted which they believe will serve their national interest and when they also want the law to be enforced—that they are being cruel and mean-spirited and racist. They are fed up with the efforts to make them feel that Americans do not have that most fundamental right of any people: to decide who will join them here and help form the future country in which they and their posterity will live.

We must not allow ourselves to be distracted by these wretched rhetorical excesses and the confused non sequiturs and the babble used by so many of the opponents of the direly needed reform. Let us focus our attention always on the main issue: What will promote the best interest of the entire Nation.

We are so fortunate in having the substantial assistance in our efforts of the U.S. Commission on Immigration Reform, who have worked so diligently and so well to produce their recommendations on changes to be made to the system of legal immigration. Their ideas have been of immense help to me. As I describe my bill, I will refer frequently to their well-founded and thoughtful recommendations.

We are also most fortunate in having such talented and dedicated legislators working in a consistent, bipartisan fashion in the other body, the House of Representatives—especially my friends, LAMAR SMITH and JOHN BRYANT. The steady, patient, and fair way they have proceeded in the processing of a bill under the chairmanship of Senator HENRY HYDE—a lovely friend of many years—is something we would do well to keep in mind as we go forward with our work here. I and my immigration sidekick here in the Senate, Senator TED KENNEDY, will heed their lessons.

Mr. President, the people are demanding change—and soon—and they are so right.

Most immigration to our United States is of a legal nature and, thus, many of the impacts the people find most troubling are due to legal immigration.

For too many U.S. workers, the impact of immigration includes adverse affects on their own wages and individual job opportunities.

At this time—when major U.S. employers like IBM, AT&T, and GM are laying off workers by the tens of thousands, when the defense industry has undergone a major downsizing, when we read of the difficulty so many young American college graduates are facing in finding a job in their own field—we must then reconsider some of the increases that we authorized in 1990, before so many of these events had occurred and when certain experts were predicting to us shortages of scientists and engineers, shortages that would not have occurred even if the 1990 increases in immigration had not come about.

The current major reform of the Nation's welfare system, which we will complete this session, is another reason why we must revise the present system. It is expected that these reforms will add large numbers of unskilled workers to the labor market. That is how the law will read: ''After 2 years on welfare, if you are able bodied, you will work.'' As a result, it is increasingly inappropriate for U.S. employers to be able to continue to petition for unskilled or low-skilled workers. That adversely affects the job opportunities and wages of the least-advantaged U.S. workers.

Mr. President, the bill I am introducing today contains new and lower limits on immigration; and assigns a ''higher priority'' to immigrants with skills and other characteristics that are consistent with the needs of the entire Nation—rather than primarily the needs or wishes of those abroad who would wish to come to this country, or the fraction of our own population who wish to bring in their relatives or who want to employ foreign workers.

Mr. President, in 1990 the level of legal immigration was increased substantially, by 37 percent. This was done partly because Congress and the President believed that the 1986 immigration reform law had instituted workable measures—including sanctions against employers who knowingly employ illegal aliens—that would greatly reduce illegal immigration. Unfortunately, the belief was overly optimistic. As a result, total immigration—legal plus illegal—had been in excess of 1 million per year.

For this reason—and because the American people so clearly want it—the annual level of legal immigration to the United States must—at least for the time being—be significantly reduced.

The bill I am introducing today would reduce the annual level of regular nonrefugee legal immigration from 675,000 to about 540,000. This would include 90,000 employment-related immigrants, plus 450,000 family immigrants—composed of 300,000 of the ''nuclear family,'' that is, spouse and minor children citizens and permanent residents, and 150,000 per year to reduce the backlog of spouses and unmarried minor children of permanent residents who are already eligible to come here.

Mr. President, I believe my colleagues should be aware that most other bills in this area introduced in this Congress and in the last Congress have proposed nonrefugee totals much lower than mine. Most have proposed 300,000, or even less.

Now, I do know that some do find the constant talk about numbers to be quite distasteful, but I sense that many who feel this way are not in very close touch with the American people—who observe firsthand just how much these ''numbers'' mean to conditions in the heavily impacted areas of this country. Yes, the issue of ''numbers'' is an essential element of the problem and the people will not let us forget that.

Yes, I know full well that the numbers represent human beings—human faces—and that to reduce immigration because it is in the interest of the entire Nation, nevertheless has its cost. And this cost may, indeed, involve many fine individuals in many places outside of this country giving up their dreams of a lifetime. This is not easy for us, and that is why we must keep focused always on the ultimate issue of what will promote the long-term best interests of the American people—those of us here.

It is time to slow down, to reassess, to make certain that we are assimilating well the extraordinary level of immigration the country has been experiencing in recent years. Yes, I say ''assimilating.'' Barbara Jordan uses that term, too. That should not be a ''politically incorrect'' term. Terms like ''assimilation'' and ''Americanization'' should not be ''politically incorrect.''

Mr. President, my bill also proposes major reform of the criteria for selecting immigrants, including both family-sponsored and employment-based immigrants.

The bill would reserve family-sponsored immigration for those most likely actually to be living with the relatives in the United States with whom they are in theory being ''reunited.''

Mr. President, in 1965 the United States adopted an immigration law that was primarily oriented toward family reunification. With some modifications, this emphasis has continued ever since.

The policy has not been limited to reunification of the closest family members, those most likely to actually llive together in the United States; that is, spouses and unmarried minor children: what is called the ''nuclear family''—the family unit the American people believe is most conducive to the raising of healthy, productive, and happy children.

No, the current policy has also given preference to adult or married children, parents, and brothers and sisters, who are much less likely to live with the U.S. relative who has petitioned for them. Last year, family immigrants outside of the nuclear family totaled more than 150,000.

This policy of admitting immigrants who are relatives of citizens and immigrants but outside of their nuclear families is serving primarily the interests of the immigrants themselves and those of their relatives in the United States

Because the American people want immigration reduced, and because eliminating the preferences for nonnuclear family would not greatly offend the family values of the American people, this is an area where significant change should be made.

Accordingly, the bill would narrow the presently numerically unlimited category of ''immediate relatives'' of U.S. citizens to include only: spouses and unmarried minor children, plus parents 65 or older, if the greatest number of their sons and daughters reside in the United States. It would also reserve numerically limited family immigration for spouses and unmarried minor children of lawful permanent resident aliens—''green card'' holders—at an annual ceiling of 85,000, still above the current level of new petitions coming in on behalf of such immigrants.

The Commission on Immigration Reform also recommends this elimination of most family classifications not related to the nuclear family.

In addition, ''special immigrant'' status would be provided for severely disabled adult sons and daughters of citizens or permanent residents, which is again consistent with the recommendations of the Commission on Immigration Reform. This provision would require a showing of being able to provide adequate medical and long-term care insurance for any such dependent immigrants.

The bill would also provide for a very generous program to reduce the current backlog of spouses and unmarried minor children of permanent residents—now 1.1 million. The bill would authorize 150,000 additional visa numbers per year until all who are now ''on the waiting list'' have been reached. This too was recommended by the Commission.

Mr. President, I want to remind my colleagues of a final point on family immigration. Neither the Government of these United States, nor the American people are responsible in any way for ''breaking up'' extended families abroad. Please hear that. No, immigrants who have come here consciously chose to do so and, by doing so, they personally chose to leave most of their family behind—to ''break up'' their family. No one else is responsible.

The American people will continue to generously favor allowing individual citizens and permanent residents to

''sponsor'' members of their immediate family—their spouse or unmarried minor children, even those disabled sons and daughters and elderly parents who they want to have live with them. But it is not in the best interests of the American people to continue to allow the immigration of the entire ''rest of the family'' they made a conscious choice to leave behind, and then witness the spawning of the chain migration of the in-laws, and in-laws of in-laws, to which this clearly leads.

Mr. President, the bill's proposed changes in the employment-related classifications are intended to protect the wages and job opportunities of our U.S. workers, especially those who are first entering upon their careers, and to preserve long-term incentives for Americans to acquire needed skills and education, and for employers to continually encourage them to do so.

We have a wonderful group of fine young people who have acquired an excellent and often very expensive education—and much of it, interestingly enough, paid for directly or indirectly by the U.S. taxpayers. It is in the national interest that their learned and natural abilities be fully utilized before employers are permitted to employ foreign workers.

At this time then I will review briefly the bill's employment-related provisions.

REFORM OF PREFERENCE REQUIREMENTS

Section 103 would reform the ''employment-based'' preference classifications, generally again along the lines recommended by the Commission. Two of the three components of the existing first preference—priority workers—would be essentially retained in the first two new preferences: First, aliens with extraordinary ability—the ''superstars''—and second, executives and managers of multinational firms. The first would be modified, as recommended by the Commission, by the addition of aliens with the clear potential for extraordinary achievement. The second provision, relating to multinational executives and managers, would be modified by the addition of a definition of the current multinational firm and a requirement for meeting a longer period of prior work experience.

Both of these classifications would be exempt from the new labor certification requirements I will also explain.

Also exempt from the labor certification requirement would be two other classifications in current law: third, investors and fourth, ''special immigrants,'' which includes clergy and other religious workers, as well as several other classifications, such as former employees of the U.S. Government.

The ''outstanding professors and researchers'' category would be dropped, but please be assured that more than enough ''numbers'' would be provided under our ''extraordinary ability classification'' to accommodate all of these genuinely outstanding individuals.

In addition to the four classifications that would not be subject to the new labor certification requirements, the bill proposes three classifications that would then be subject to labor certification: fifth, professionals with an advanced degree and at least 3 years experience in the profession practiced outside of the United States after the receipt of their degree, sixth, professionals with a baccalaureate degree and at least 5 years experience in their profession practiced outside of the United States after the receipt of their degree, and (7) skilled workers with at least 5 years experience gained outside of the U.S., plus having at least a high school education, and 2 years of college or of specialized vocational training.

The foreign work experience requirement is basically intended to provide protection for U.S. workers who are just beginning their careers.

These three classifications would also require a minimum score on a test of the English language. Again, this is employment-based only. We are not talking about family. No test there.

NEW LABOR CERTIFICATION REQUIREMENTS

Section 104 proposes that the present labor certification process be replaced with a new system involving two alternative approaches. Under the first alternative, a petitioning employer would be required to pay a fee equal to 25 percent of annual compensation and to demonstrate they have made appropriate efforts to recruit U.S. workers, including the offering of at least 100percent of the actual wage paid by the employer for such employment or 105percent of ''prevailing wage,'' whichever is higher. The fees would be paid into private, industry-specific funds that would use the money solely to finance training or education programs or in other ways to reduce the industry's dependency on foreign workers.

This section also proposes that the permanent resident status to be obtained under the preferences subject to the labor certification would be ''conditional''—as is the status obtained as the result of marriage. The conditional status would become full permanent resident status after 2 years if the alien were still employed by the petitioning employer and had also received the required wage.

This first approach to labor certification generally follows the recommendations of the Commission, although they did not recommend a particular amount for the fee. Twenty-five percent was chosen because it is a balance between the standard fee charged by recruiters in the computer programming industry and ''recruitment'' for other positions. The goal is to make an employer's ''cost'' of obtaining and employing a foreign worker at least as expensive as the cost of paying a professional recruiter to find a U.S. worker and then paying all of the worker's wages and benefits.

Under the second approach, the Secretary of Labor would be authorized to determine that a nationwide labor shortage or labor surplus does exist in the United States with respect to one or more occupational classifications. If there was a determination of labor shortage made, a labor certification would be deemed to have been issued. The fee would still be required, in order to provide funding for the private, industry-specific funds mentioned earlier, and to maintain the basic incentive of employers to seek—and to take action to increase the supply of—U.S. workers. If there were a determination of a labor surplus, no labor certification could be issued.

NUMERICAL LIMIT FOR EMPLOYMENT-BASED IMMIGRANTS

Section 112 would reduce the total for employment-related immigrants to 90,000. Although the total immigrants allowable under current law, as the result of the 1990 act, is 140,000, the actual entries in fiscal year 1994 were about 93,000—excluding unskilled workers and immigrants under the Chinese Student Adjustment Act. Thus, this provision of the bill would reduce the employment-based numerical limit to about the current level of new immigrants under the skilled-worker categories. We believe it to be fair.

NONIMMIGRANTS

The bill also contains provisions relating to nonimmigrants, including temporary foreign workers.

PROHIBITION OF ''DUAL INTENT''; REDUCTION OF MAXIMUM STAY TO 3 YEARS

Section 201 would, first, prohibit what is commonly known as ''dual intent'' for the visa classifications of H–1B—temporary foreign worker in a ''specialty occupation''—or L—intracompany transferee.

Before 1990, an overseas consular officer could refuse a visa applicant if the officer thought the applicant ''intended'' to remain in the United States permanently—in other words, if he or she had the intent to become, ultimately, an immigrant, as well as the similar intent to be, initially, a temporary worker. The 1990 act authorized this ''dual intent'' for H–1B and L visas.

After the change proposed by my bill, those visas would once again not be issued unless the applicant had a ''residence'' in a foreign country which he had no intention of ever abandoning—which is the rule for all other temporary visas.

The second change proposed by this section is that the ''maximum stay'' under these visas would be reduced to 3 years—from 6 years—for H–1B and H–2B—or from either 5 or 7 years—for L. A 3-year maximum is more consistent with the ''supposedly'' temporary nature of the job—and of the stay of the worker. It would also reduce the total number of such foreign workers who could be in the United States at any one time.

ANNUAL FEE; RECRUITMENT AND OTHER ATTESTATIONS; FOREIGN EXPERIENCE REQUIREMENT

Section 202 would require the petitioning employer to pay an annual fee

in order to employ an H–1B worker. The fee would be used for the same purposes as the fee for immigrants that I mentioned earlier, although the H–1B fee would be lower—5 percent in the first year, 7.5 percent in the second, and 10 percent in the third.

The section would also require petitioning employers to make several ''attestations'' in addition to those that are required under current law before entry of an H–1B worker could be approved: the employer would have to agree: First, to pay the H–1B worker at least 100 percent of the actual compensation as paid by the employer for such workers or 105 percent of the ''prevailing wage,'' whichever is higher; second, not to replace U.S. workers with H–1B workers unless each replacement worker were paid at least 105 percent of the mean of the compensation paid to the replaced workers; third, to take ''timely, significant, and effective steps'' to end dependence on foreign workers; and fourth, if it is a job contractor, to require its clients to make the same attestations as would the direct employers. The employer would also have to attest that it had attempted to recruit a U.S. worker, offering at least 100 percent of the actual compensation paid by the employer for such workers or 105 percent of the ''prevailing wage,'' whichever is higher.

Finally, the section would require that all H–1B workers have 2 years experience in their specialty while working outside of the United States after obtaining their most recently received degree. Similar to the foreign work experience required for immigrants, this is intended basically to protect job opportunities for U.S. workers who are just entering their careers.

DEFINITION OF MULTINATIONAL FIRM FOR L VISAS

Section 203 would apply to L visas—intracompany transferees—the same definition of ''multinational firm'' as is contained in the bill for purposes of describing the employment-based immigrant classification as used for certain multinational executives and managers.

CONCLUSION

Mr. President, the citizens of this Nation very much want, and they do surely deserve, an immigration policy that is designed primarily to promote their own long-term interests—their Nation's—and the interests of their descendants. This has thus been the fundamental criterion in the drafting of my own bill—together with my own intuition and feelings about the realities of today's political world. We must remain reasonable and responsive in pursuing this legislation and avoid the efforts of extremists, revisionists, and restrictionist. And be assured, this fundamental national-interest criterion will be my constant and steady guide as I move the bill through the ofttimes treacherous waters of the legislative process.

Mr. President, I ask unanimous consent that a section-by-section summary of the bill be printed in the RECORD at the conclusion of my remarks.

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

SUMMARY OF THE IMMIGRATION REFORM ACT OF 1995

This bill would amend provisions of the Immigration and Nationality Act, primarily those relating to the numerical limits and selection criteria for immigrants and nonimmigrants.

CHANGES IN FAMILY CLASSIFICATIONS

Sec. 101. Immediate relative classification.

This would narrow the immigrant classification ''immediate relatives'' of U.S. citizens (a numerically unlimited classification). At present, the classification includes spouses and unmarried minor (under 21) children of citizens, plus parents of adult citizens. After the change, only a portion of the parents would be included: those 65 or older, whose sons and daughters reside for the most part in the United States (the latter is often called the ''Australian rule''). The goal is to provide immigrant visas to ''reunify'' the parents most likely to live with their U.S. citizen sons or daughters, but only if there is not another country with a greater number of sons and daughters with whom the parent could live.

The section also proposes an amendment to the ''public charge'' exclusion that would condition admission of these parents on adequate medical and long-term care insurance.

Parents not qualified to immigrate to the U.S. under the new ''immediate relative'' classification would be able to immigrate through one of the employment-related classifications or to visit their U.S. relatives with a tourist visa.

Sec. 102. Family-sponsored preference classifications.

This would limit family preferences to the nuclear family (spouse and unmarried minor children) of lawful permanent residents. (However, severely disabled sons and daughters of citizens or permanent residents would have ''special immigrant'' status; see below.)

Thus, the section would eliminate or greatly narrow several non-nuclear family preferences, as recently recommended by the U.S. Commission on Immigration Reform:

4th (brothers and sisters of adult citizens)

3rd (married sons and daughters of citizens)

1st (unmarried adult sons and daughters of citizens)

2B (unmarried adult sons and daughters of permanent residents)

These classifications would be eliminated, except that bill section 105 would create a new ''special immigrant'' classification for ''disabled'' adult sons and daughters of citizens or lawful permanent residents, consistent with the Commission's recommendations.

CHANGES IN EMPLOYMENT PREFERENCES AND SPECIAL IMMIGRANTS

Sec. 103. Employment-based preference classifications.

This would reform the employment-based preferences. Two of the three components of the existing 1st preference (priority workers) would be essentially retained in the first two new preferences: (1) aliens with extraordinary ability (the ''superstars''), and (2) executives and managers of multinational firms. The first would be modified, as recommended by the Commission, by the addition of aliens with the potential for extraordinary achievement. The second provision, relating to multinational executives and managers, would be modified by the addition of a definition of multinational firm and a requirement for a longer period of prior work experience. These classifications would be exempt from the new labor certification requirements (see below).

Also exempt from the labor cert. requirement would be two other classifications in current law: (3) investors and (4) ''special immigrants.'' The investor classification would be modified to eliminate the ''set-aside for targeted employment areas'' and by a requirement that the new jobs which must be created be for citizens or lawful permanent residents (not ''other immigrants lawfully authorized to be employed in the United States;'' thus, for example, jobs for H–1B temporary workers would not be counted).

''Special immigrants'' include, among other classifications (e.g., former employees of the U.S. government), clergy and other religious workers. One proposed change: the required two years of experience in religious work would have to have been abroad. (The major change for the ''special immigrant'' classifications, however, would be the addition, in section 105 of the bill, of a new classification: severely disabled adult sons and daughters of citizens and lawful permanent residents.)

The outstanding professors category would be eliminated, but more than enough numbers would be provided for the extraordinary ability classification to accommodate professors who are genuinely outstanding.

In addition to the four classifications not subject to the new labor certification requirements, the bill proposes three classifications that would be subject to labor certification: (5) professionals with an advanced degree and at least 3 years experience in the profession outside the U.S. after receipt of the degree, (6) professionals with a baccalaureate degree and at least 5 years experience in the profession outside the U.S. after receipt of the degree, and (7) skilled workers with at least 5 years experience outside the U.S. and at least a high school education plus two years of college or specialized vocational training. The foreign work experience requirement is intended to provide additional protection for U.S. workers just beginning their careers.

The latter three classifications would also require a minimum score on a test of English.

The first of the seven employment-based classifications would have complete priority over the second (only the visa numbers available after demand under the first classification had been completely satisfied would be available for the second). Similarly, the 2nd classification would have complete priority over the 3rd, the 3rd over the 4th, and so on—with two exceptions: (a) there would be a numerical limit on most ''special immigrants'' under the 4th classification, and (b) the 5th classification (professionals with an advanced degree) and 6th classification (professionals with a baccalaureate degree) would each be allocated half of the numbers available after demand in higher classifications had been satisfied. The allocation between the 5th and 6th classifications reflects their current relative levels, as well as the fact that a professional with a baccalaureate degree in a particular field may contribute more to the economy than a professional with an advanced degree in a different field, one in less demand.

Sec. 104. Labor certification.

This proposes that the present labor certification process be replaced with a new system providing two alternative approaches. Under the first alternative, a petitioning employer would be required to pay a fee equal to 25% of annual compensation and to demonstrate appropriate efforts to recruit U.S. workers, including the offering of at least

100% of the actual compensation paid by the employer for such employment, or 105% of ''prevailing compensation,'' whichever is higher.

The lawful permanent resident status obtained under the preferences subject to labor certification would be conditional (like the status obtained as the result of marriage). The conditional status would become full lawful permanent resident status after 2 years if the alien were still employed by the petitioning employer and had received the required wage (105% of prevailing wage). This section of the bill contains many provisions describing the procedure to be followed to upgrade the conditional status. Such provisions are modeled on INA section 216 (intended to combat marriage fraud).

Such approach generally follows recommendations of the Commission. The Commission did not recommend a particular amount for the fee. 25% was chosen because it is in the middle of the range of fees charged by professional recruiters in various industries. The goal is to make an employer's cost of obtaining and employing a foreign worker at least as expensive as the cost of paying a professional recruiter to find a U.S. worker and then paying the worker's wages and benefits. The fees would be paid into private, industry-specific funds, which would use the money to finance training or education programs or in other ways to reduce the industry's dependence on foreign workers.

Under the second approach, the Secretary of Labor would be authorized to determine that a nationwide labor shortage or labor surplus existed in the United States with respect to one or more occupational classifications. If there were a determination of labor shortage, a labor certification would be deemed to have been issued. The 25% fee would still be required, in order (a) to provide additional funding for the industry-specific private funds, and (b) to maintain the incentive of employers to seek—and to take action to increase the supply of—U.S. workers. If there were a determination of a labor surplus, no labor certification could be issued.

Any person could request that the Secretary make such a determination, by submitting evidence relevant to whether or not the claimed labor shortage (or surplus) existed. The burden of proof would be on the person making the request. The request could not be considered unless the requester had provided notice to other persons with an interest (as determined by the Secretary). Such other persons, or anyone else, could submit documentary evidence relevant to the Secretary's determination.

Sec. 105. Special immigrant classifications.

This section would create a new ''special immigrant'' classification for severely disabled sons or daughters of citizens or lawful permanent residents. It contains a definition of ''disabled son or daughter'' which would require a ''severe mental or physical impairment'' that is likely to continue indefinitely and that causes ''substantially total inability to perform functions necessary for independent living.'' Providing such a classification is consistent with recommendations of the Commission.

The definition is based on several Federal statutes relating to disability, modified to refer to the degree of disability consistent with the policy of this ''special immigrant'' classification. Such policy is that it should cover only the sons and daughters who cannot take care of themselves and whose parents in the U.S. want to care for them at home.

The section also proposes an amendment to the ''public charge'' exclusion that would condition admission of these disabled sons and daughters on a showing of adequate medical and long-term care insurance. Failure to provide such insurance would subject the sponsor to civil penalties.

NEW PROVISION ON THE EFFECT OF AN APPROVED IMMIGRANT VISA PETITION

Sec. 106. Effect of approved immigrant visa petition.

This would reduce a problem in current visa practice which arises from the division of visa responsibility between INS and the State Department. At present, when an applicant is found ineligible for an immigrant visa by a consular officer—e.g., because the alien does not have the claimed occupation or family relationship—the officer may only ''suspend action'' and return the petition to INS. At that point, INS caseload is frequently such that the petition is once again approved, without additional investigation, and sent back to the consular officer. If the officer does not have additional factual evidence indicating that the alien is not entitled to immigrant status, the visa is issued. Section 106 would authorize the officer to deny the visa and return the petition to INS for appropriate action. This section is based on the view that the consular officer, who has the petition beneficiary before him, is in a better position to make the final determination of eligibility than an INS officer considering only the paperwork, usually hundreds of miles from the petitioner and thousands of miles from the beneficiary.

NEW PROVISION ON JUDICIAL REVIEW OF AGENCY ACTIONS ON VISA PETITIONS

Sec. 107. Judicial review.

This would establish limitations and conditions on judicial review of agency actions relating to petitions for a visa or adjustment of status.

CHANGES IN NUMERICAL LIMITS FOR FAMILY PREFERENCES

Sec. 111. World-wide numerical limitation on family-sponsored immigration.

This would reduce the numerical limit for family preference immigrants to 85,000, approximately the current level of new petitions for spouses and unmarried minor children of permanent residents (the only remaining family preference classification in the new system). Unused visa numbers would not carry over from one year to the next.

The result would be a decrease of about 140,000 from the current annual total of about 226,000 (for the full current group of 4 family preferences). Together with the likely reduction of at least 35,000 in ''immediate relatives'' of citizens that would result from limiting the admission of parents to those 65 or older, this provision would result in a level of family immigrants of about 300,000, a reduction of about 175,000 per year. Most of this saving (up to 150,000 per year) would be devoted to reducing the 1.1 million backlog in spouses and unmarried minor children of lawful permanent residents, resulting in overall family immigration of about 450,000 until the backlog is eliminated.

CHANGES IN NUMERICAL LIMITS FOR EMPLOYMENT PREFERENCES

Sec. 112. World-wide numerical limitation on employment-based immigration.

This would reduce the limit to 90,000. The total allowable under current law is 140,000. However, the actual entries in FY94 were about 93,000 (excluding unskilled workers and immigrants under the Chinese Student Adjustment Act). Thus, this provision of the bill would reduce the annual numerical limit for employment-based immigrants to approximately the current level of new immigrants under the skilled-worker categories.

CHANGES IN THE PER-COUNTRY LIMIT

Sec. 113. Numerical limitation on immigration from a single foreign state.

This would reestablish the per-country limit of 20,000 for preference immigrants in effect before 1990 (a 40,000 limit is proposed for ''contiguous countries'' and 5,000 for ''dependent areas''). The limit would not, however, affect spouses and unmarried minor children of lawful permanent residents as long as the backlog-clearance numbers were being provided (see sec. 114 below).

As under current law, this limit would not restrict the level of ''immediate relatives'' of citizens. However, the bill proposes to reduce the limit for a particular foreign state in a fiscal year by the number of immediate relatives of citizens above the 20,000 (40,000 for ''contiguous countries'' and 5,000 for ''dependent areas'') such foreign state sent in the prior year. For example, if in fiscal year 1995 the number of nationals from a non-contiguous country who entered as immediate relatives was 30,000, then the per-country limit for such country for fiscal year 1996 would be 10,000 fewer than the normal 20,000.

BACKLOG REDUCTION

Sec. 114. Transition for certain backlogged spouses and children of lawful permanent residents.

This would authorize 150,000 additional visa numbers in the first fiscal year beginning on or after the bill's effective date for reduction of the current backlog of spouses and unmarried minor children of permanent residents (now 1.1 million). After such first year, the quantity of backlog reduction numbers would be equal to the lesser of 150,000 and the amount by which the level of family immigration in the prior fiscal year was below the current level of about 475,000. The full 150,000 would be available, for example, if the level of nuclear family of permanent resident aliens were 85,000 (the limit provided in the bill) and the level of immediate relatives of citizens were no more than about 240,000 (if the bill's provisions were now in effect, the current level would be no more than 215,000, probably much less). The goal is for the total level of family immigrants (including those using backlog reduction numbers) to be no higher than currently.

The backlog numbers would go first to the spouses and children of permanent resident aliens who had not obtained immigrant status through the amnesty program of the Immigration Reform and Control Act of 1986 (''IRCA''). Backlog numbers would be provided for as long as anyone now on the waiting list had not been reached.

REVIEW OF NUMERICAL LIMITS BY CONGRESS

Sec. 115. Congressional review of numerical limitations.

This would require that after the present backlog of spouses and children of permanent resident aliens had declined to 10,000, or 5 years after enactment, whichever came later, the Judiciary Committees of the House and Senate each hold a hearing on the subject of whether the annual numerical limitations on family-sponsored or employment-based immigrant classifications should be changed. If, within 30 days of such a hearing, a bill pertaining solely to such a change was reported, that bill would be considered by the House and Senate under expedited procedures described in this section.

NONIMMIGRANTS

Sec. 201. Changes in H and L classifications.

This would, first, prohibit ''dual intent'' (present intent to work temporarily, but with the ultimate intent to immigrate permanently). After the change, an H-1B (temporary foreign worker in a ''specialty occupation'') or L (intra-company transferee) visa could not be issued unless the applicant had a residence in a foreign country which he had no intention of abandoning, which is the rule for all other nonimmigrant visas.

Second, the maximum stay under these visas would be reduced to three years—from six years (for H-1B and H-2B) or from either five or seven years (for L).

Sec. 202. Changes in H-1B classification.

This would require a petitioning employer to pay an annual fee in order to employ an H-1B temporary foreign worker. The fee would be used for the same purposes as the fee under bill section 104.

The section would also require petitioning employers to make several additional attestations before entry of an H-1B worker could be approved: the employer must agree (1) to pay the H-1B worker at least 100% of the actual compensation paid by the employer for such workers or 105% of the prevailing compensation (whichever was higher); (2) not to replace U.S. workers with H-1B workers unless each replacement worker were paid at least 105 percent of the mean of the compensation paid to the replaced workers; (3) to take ''timely, significant, and effective steps'' to end dependence on foreign workers; and (4) if it is a job contractor, to require its clients to make the same attestations as direct employers. The employer would also have to attest that it had attempted to recruit a U.S. worker, offering at least its current actual compensation for the job, or 105 percent of the prevailing compensation in the area, whichever was higher.

The section would also provide that ''prevailing compensation'' for an occupational classification, such as researcher, could not be considered to vary depending on the characteristics of the employer, except to the extent there is a difference in either (a) working conditions (for example the presence or absence of conditions that could make the job so attractive or unattractive relative to similar jobs for other employers that wages would be affected), or (b) the functional requirements of the job.

Finally, the section would require that all H-1B workers have two years experience in their specialty outside the U.S. after obtaining their most recently received degree.

Sec. 203. Changes in L classification.

This would provide the same definition of ''multinational firm'' contained in bill section 103 for purposes of the new employment-based immigrant classification for certain multinational executives and managers.

Sec. 204. Pilot program on information and tracking system relating to nonimmigrant foreign students.

This would establish a pilot program to collect from colleges and universities certain information relating to nonimmigrant students and make it available in electronic form to selected U.S. consulates and INS officers. Such information would include whether an alien is enrolled, or has been accepted for enrollment, in a U.S. college or university; current U.S. address; and whether the alien is a full-time or part-time student and is making normal progress toward the degree.

NOTE ON TOTAL NUMBERS

Under the bill, the numerical limits are: 85,000 for family preferences and 90,000 for employment preferences. The current level of spouses and children of citizens, plus parents 65 or older, is appropoximately 215,000. These numbers together total 390,000. Adding the backlog reduction of 150,000 brings the total to 540,000 (not including refugees).

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I would very much like to commend the Senator from Wyoming for his work on immigration.

I am privileged to serve on his subcommittee on immigration on the Judiciary Committee, and it has been very wonderful for me to be able to watch him work out various problems in what has been a most difficult arena in which to legislate.

So I would just like to say to him, I am delighted he has presented his bill. I look forward to reading it. I hope I will be able to cosponsor it. I look forward to work with him in the committee as this bill is moved.

I think, Mr. President, that the Senator from Wyoming understands the need to move a bill in this session of the Congress. So I would like him to know that I am very respectful and grateful for his work in this area.

By Mr. PRESSLER (for himself and Mr. EXON):

S. 1396. A bill to amend title 49, United States Code, to provide for the regulation of surface transportation; to the Committee on Commerce, Science, and Transportation.

THE INTERSTATE COMMERCE COMMISSION SUNSET ACT OF 1995

Mr. PRESSLER. Mr. President, today I am introducing the Interstate Commerce Commission Sunset Act of 1995. I am very pleased to be joined in this effort by Senator EXON. It is a bipartisan bill and I urge my colleagues' bipartisan support as we work toward what must be very swift passage. Let me also make it clear at the outset that this bill is a work in progress. I introduce it today as the next step in a process of discussions and revisions that have been ongoing for months. This process will continue.

I would like to begin by outlining some of the underlying philosophy that went into its drafting. In addition, I will address the procedural posture in which we find ourselves in relation to this bill.

In preparation of the legislation we are introducing today, Senator EXON and I have worked together very closely. In fact, much of this legislation initially was written by my good friend and distinguished coauthor. Compromise and cooperation have produced what I feel is a balanced bill, addressing the immediate and compelling needs driving this legislation.

Our staff members and those of other committee members have collaborated throughout this process. They have spent many long hours in joint meetings with various interest groups and constituents who have raised concerns or urged additions. We have worked very hard to address legitimate concerns, and have made numerous changes to the previously circulated staff draft in an effort to address those concerns. However, as hard as we have worked to please all parties, our policy decisions ultimately were driver, in part, by the need to produce a bill which could be passed and signed into law this year. In short, the clock is running.

For reasons I shall address in a moment, however, we have made a conscious effort to avoid addressing broader transportation policy issues than those directly related to sunsetting the ICC and transferring its essential functions to its successor. To that extent, the Senate bill is more limited in scope than its House counterpart. Indeed, it remains largely unchanged from the staff draft which was circulated some time ago.

Mr. President, I introduce this legislation with mixed feelings. On the one hand, I am a firm believer in a less-is-better approach when it comes to government. Too often in Congress, we gage accomplishment by quantity rather than quality. We need to reduce Federal Government. In that sense, this is historic legislation. The ICC is our oldest independent agency, yet its functions can and should be reduced. Indeed, this could be said about every agency, every executive department, and both Houses of Congress. Less would be better. Our bill moves us in that direction.

However, the positive and necessary adjudicatory role of the ICC should not come to a screeching halt. Indeed, the ICC has performed and continues to perform important functions. For example, without its abandonment public interest review authority, my home State of South Dakota would today have hundreds of miles less rail service than we presently enjoy.

Quite honestly, budget constraints and appropriations legislation which terminate the agency's functions at the end of this year renders moot any debate over whether or not we should keep the ICC. Given the realities of the budget situation, the issue is not whether the ICC should be terminated, but how it will be dismantled.

Therefore, we must determine what ICC functions can continue to be effectively performed by a successor with a greatly reduced budget. Which functions can be subsumed into the Department of Transportation? Is there an ongoing need for a review process independent of political pressures? These are questions this legislation is designed to address.

This bill provides a reasoned approach designated to ensure continued protections against industry abuse while at the same time assure the economic efficiencies of our Nation's surface transportation system can continue. We propose to sunset the ICC and transfer its necessary residual functions to an independent Intermodal Surface Transportation Board within the U.S. Department of Transportation. The Board would administer the residual regulations over rail carriers and pipelines and provide limited adjudicatory oversight over the motor carrier industry. The Secretary of Transportation would inherit the residual nonadjudicatory functions governing the motor carrier industry.

Fundamentally, the approach taken in this legislation was to limit its

scope to the most efficient and simplest sunset and transfer bill, as opposed to a wholesale rewrite of transportation policy. But the very nature of the task—which is to close down an entire Federal agency—there is of necessity a need to sunset certain of its functions, however, some changes to these functions also had to be made in light of the budget realities which will confront the remaining agency.

None of this is to say concerns raised during the process through which this legislation was developed are not legitimate. Indeed, I believe they are. I am particularly concerned about the concerns of small rail shippers and operators in light of recent and continuing industry trends toward overwhelming industry concentration. More and more of this Nation's rail infrastructure is owned by fewer and fewer railroads.

Competitive concerns continue to increase, and the leverage of the smaller shippers and small feeder railroads relative to the class I railroads decreases. I recall chairing a hearing in 1985 which addressed some of those concerns. Since that time, my concern has only heightened.

Some have urged us to re-regulate the rail industry in this legislation. They argue that since the Staggers Act greatly deregulated the rail industry, shippers have been faced with difficult if not impossible relief mechanisms. They point out that the potential for shipper abuse increases with industry concentration. Their arguments are not entirely unpersuasive. However, a return to a pre-Staggers approach is not the answer at this time.

The shipper complaint procedure at the current ICC is hopelessly complicated to the point where shippers with a legitimate grievance generally do not have an effective remedy available. The real question in my mind is the extent to which legitimate grievances can be identified, aired, and resolved. Most of the suggestions raised involved some form of re-regulation.

Even though I voted against the Staggers Act over a decade ago, I must say it has proved to be extraordinarily successful in reviving a failing industry and on balance has been positive for shippers and industry alike. Therefore, at this juncture, it is premature to attempt to re-regulate, without a clearer identification and articulation of the problem, and an established record which provides some reasonably compelling evidence that the solution proposed actually fixes the problem.

On both counts, it seems more effort could be made by all parties to attempt to develop industry solutions before seeking Government solutions. The fundamental problem I see developing in the industry today is that the shippers and others are, as I said, increasingly losing leverage in their relations with the class I railroads. In many ways, shippers and small railroads are in the same boat.

Due to these concerns, I am proposing to establish a rail-shipper transportation advisory council in an attempt to give them a stronger voice, and a mechanism to resolve many of the concerns within the industry, rather than having the Government address them. It is clearly and intentionally weighted in favor of small shippers and small railroads in an effort to address the many issues in which they have mutual and legitimate public interest concerns. After a reasonable opportunity has been made available to review the varied issues confronting small shippers and railroads, I would anticipate a series of oversight hearings to review the advisory council's findings or recommendations, and, if necessary, appropriate legislative action will be taken.

Whether the council is an effective tool or not will depend largely on the reasonableness of the small shippers and railroads position. It would be as much of a mistake for them to overplay their hand as it would for the large railroads not to treat their concerns seriously. If the smaller railroads and shippers overplay their hand by making unreasonable demands, the council will quickly lose credibility, both within the industry and with policy makers. At the same time, if class I's are indifferent or unresponsive to legitimate concerns raised, legislative solutions far more expansive than any proposed to date will be seriously considered. Re-regulation, antitrust protection, and everything else will be on the table.

Mr. President, let me say it again. This chairman knows the concerns of the shippers and small railroads are very real. They need to be addressed. The message to both the rail industry and to shippers is simple. Be reasonable. Define and solve your problems to the best of your ability. Excessive Government involvement is a last resort. It will not happen without compelling need and a demonstration of good faith effort by those seeking Government intervention, that all reasonable avenues to develop a reasonable industry compromise have been blocked by relative unreasonableness.

With respect to labor, there have been attempts to reach a negotiated solution to that issue as well. We have included language which is far less satisfactory in my view than the House bill, but I agree to it with the expectation that the parties can agree to compromise on this issue. It remains an issue that is unresolved, but which shall—as with other provisions of the bill—be addressed further.

ADDITIONAL COSPONSORS

S. 847

At the request of Mr. GREGG, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 847, a bill to terminate the agricultural price support and production adjustment programs for sugar, and for other purposes.

S. 939

At the request of Mr. SMITH, the names of the Senator from Kansas [Mr. DOLE], the Senator from Oklahoma [Mr. INHOFE], the Senator from Indiana [Mr. COATS], and the Senator from Ohio [Mr. DEWINE] were added as cosponsors of S. 939, a bill to amend title 18, United States Code, to ban partial-birth abortions.

S. 1219

At the request of Mr. MCCAIN, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Connecticut [Mr. DODD], the Senator from Nebraska [Mr. KERREY], and the Senator from Illinois [Ms. MOSELEY-BRAUN] were added as cosponsors of S. 1219, a bill to reform the financing of Federal elections, and for other purposes.

S. 1289

At the request of Mr. KYL, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1289, a bill to amend title XVIII of the Social Security Act to clarify the use of private contracts, and for other purposes.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the names of the Senator from Wisconsin [Mr. KOHL], the Senator from Kansas [Mr. DOLE], the Senator from Oklahoma [Mr. INHOFE], and the Senator from Colorado [Mr. BROWN] were added as cosponsors of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as ''National Family Week,'' and for other purposes.

SENATE RESOLUTION 192—MAKING MAJORITY PARTY COMMITTEE APPOINTMENTS

Mr. DOLE submitted the following resolution; which was considered and agreed to:

S. RES. 192

Resolved,

The following are named majority party members on the part of the Senate to the Joint Committee on the Library:

Mr. Hatfield (Chairman), Mr. Stevens, and Mr. Warner.

The following are named majority party members on the part of the Senate to the Joint Committee on Printing:

Mr. Warner (Vice Chairman), Mr. Hatfield, and Mr. Cochran.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will hold a business meeting to mark up S. 1341, the Saddleback Mountain-Arizona Settlement Act of 1995, a bill to transfer certain lands to the Salt River Pima-Maricopa Indian community and the city of Scottsdale, AZ, followed immediately by a hearing on S. 1159, a bill to