

chance to compete for consumers in their markets. After the President's determination and imposition of tariffs, the Fair Trade Opportunities Act gives the President the authority to withdraw the snap-back tariffs if that country either joins the WTO or the President certifies that the country is according the United States adequate trade benefits. In addition, the President can modify, but not eliminate, the snap-back tariffs for any reason.

Provides President with discretionary authority to impose snap-back tariffs on countries which unduly restrict emigration.—The legislation's emigration standard which triggers the presidential snap-back authority is identical to the current freedom of emigration language in the Jackson-Vanik law.

Does nothing to change current U.S. sanctions laws with regard to rogue or pariah states such as Cuba, Iran, Iraq, Libya, and North Korea.—Many countries, such as the pariah or bad-actor states, retain normal tariff status with the United States but are prohibited from some or all trading with the United States because of U.S. sanctions laws.

THE FAIR TRADE OPPORTUNITIES ACT

COMMON QUESTIONS REGARDING THE LEGISLATION'S IMPACT ON THE PEOPLE'S REPUBLIC OF CHINA

What is Congressman Bereuter's motivation for the bill?—During the Summer of 1996 in the height of the China Most-Favored Nation (MFN) debate, Congressman Doug Bereuter (R-NE) promised an attempt to "end [that] futile debate." He also vowed to introduce legislation which comprehensively solved the problems created by the MFN process, which with respect to China, he said, only served to damage Sino-American relations. Not long after his statement, Bereuter met with Administration officials and realized that many countries, as well as China, have little or no incentive to become members of the World Trade Organization because they already enjoy full WTO tariff benefits under U.S. MFN law.

Recognizing that other countries, such as the European Union, do not automatically extend MFN benefits to nonmembers of the WTO, Bereuter's legislation attempts to combine both a carrot (the equivalent of permanent MFN, i.e. normal tariff status) and a stick (minor snap-back tariff increases) approach to induce countries into joining the WTO and eventually gaining normal tariff status permanently under U.S. law. This approach steers a delicate middle ground between those who wish to assert America's commercial and foreign policy interests more aggressively and those who believe American interests are best served by engaging countries, such as China and Russia, multilaterally.

Recognizing that the legislation is not China-specific, how would the Fair Trade Opportunities Act affect China's current trade status and its WTO accession negotiations?—If the Bereuter bill were signed into law, the President of the United States would no longer have to annually certify that China was complying with the Jackson-Vanik law. Likewise, the United States Congress would not have an automatic, expedited procedural mechanism for rejecting any Presidential decision. [Although Congress may, at any time, vote any amount of tariff increases on China because of its Constitutional authority in Article I, Section 8.] In short, the current China MFN process would be abolished.

On a one-time basis and within six-months of the enactment of the legislation, the President would be required to determine if China is "not according adequate trade benefits" (defined in existing law) to the United States. If the President makes such a find-

ing, then the President shall impose snap-back tariffs on China six-months after that determination. In imposing snap-back tariffs, the President has wide discretion to determine both the amount of the tariff and on which categories of products the snap-back tariffs will be imposed. However, under no circumstances can the President exceed the legislation's snap-back tariff ceiling which is the pre-Uruguay round MFN tariff rates, i.e., the Column #1 tariff rates in effect on December 31, 1994.

A study by the Congressional Research Service estimates that if the President were to utilize his full snap-back authority on the top 25 Chinese exports to the United States (based on 1995 figures), an additional \$325 million in tariff revenue would be generated for the U.S. treasury. (This estimate is not adjusted to reflect any downward demand for the product due to the increased tariff.)

The President would be required to terminate the imposed snap-back tariffs on China on the date China becomes a WTO member or on the date the President determines that China is according adequate trade benefits to the United States, whichever is earlier. The President would also be able to modify the snap-back tariffs for any reason as long as the appropriate congressional committees are notified.

A PLAN TO BOOST SAVINGS AND INVESTMENT

HON. BILL MCCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. MCCOLLUM. Mr. Speaker, I am introducing a bill today which will help all Americans save for their retirement years. It is no secret that our current savings rate is among the lowest in the industrialized world. A low savings rate not only adversely impacts a person's retirement, it does not create much capital available for savings and investment. Without this capital, our economy cannot expand at its optimal rate. It is my hope that this legislation, if enacted, would help correct this problem.

My legislation would do several things. First, it would increase the amount of money one may contribute to an Individual Retirement Account [IRA], from \$2,000 to \$4,500, and still receive full deductibility. This amount is also indexed to inflation to protect its value from that silent thief of inflation.

This would also remove a disincentive to establishing an IRA, that being the fear that the money will not be available without paying a substantial penalty when you need it. A person with an IRA would be able to make withdrawals, without penalty, for a first home purchase, education expenses, long-term care, financially devastating health care expenses, and during times of unemployment. Furthermore, no taxes would be paid on these withdrawals if they are repaid to the IRA within 5 years.

Current law offers no incentive for many people to establish IRA's. My bill would allow people who do not have access to a defined contribution plan—e.g., a 401(k) plan—to establish a tax-preferred IRA, regardless of their income. The legislation would also encourage the middle class to establish IRA's by raising the income phase-out levels from \$25,000—\$40,000 for joint filers—to \$75,000—\$120,000

for joint filers. This will provide not only incentives, but needed tax relief for the middle class. Again, these levels are indexed to inflation.

Turning to 401(k) reforms, currently folks are hit with tax liability when taking their 401(k) benefits as a lump sum when leaving a job even if it is rolled into an IRA. This is not fair. Therefore, under this proposal, people would not be exposed to tax liability if the lump sum distribution is rolled into an IRA within 60 days.

Just as contribution limits have been increased for IRA's in this legislation, they are increased for 401(k) plans as well. The tax-deductible contribution limits would be \$20,000—in 1992 dollars—indexed to inflation.

This would also encourage more firms to establish defined contribution plans by injecting some common sense into the law. It would allow firms to meet antidiscrimination requirements as long as they provide equal treatment for all employees and ensure that employees are aware of the company's 401(k) plan. This is truly nondiscriminatory as everyone would be treated the same.

Finally, this proposal would correct some of the serious problems involved with IRA's and 401(k)'s when the beneficiary passes away. As someone who believes the estate tax is inherently unfair, indeed I advocate its abolishment, I feel that IRA and 401(k) assets should be excluded from gross estate calculations. This bill would do that. Furthermore, an IRA that is bequeathed to someone should be treated as the IRA of the person who inherited it. Current law forces the disbursement of the IRA when the deceased would have turned 70½ years old. This would change that pointless provision, allowing the inheritor to hold the money in savings until he or she turns 70½.

Similarly, anyone receiving 401(k) lump sum payments as a result of a death would not have the amount counted as gross income as long as it is rolled into an IRA. That amount would not be counted against the nondeductible IRA limit of \$4,500.

Mr. Speaker, I am excited about this legislation. I expect to introduce this legislation again at the beginning of the next Congress and look forward to hearing debate on it. It is absolutely essential that we continue to encourage personal savings and this is certainly a step in the right direction.

PREVENTING GENETIC DISCRIMINATION IN HEALTH INSURANCE

HON. LOUISE MCINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Ms. SLAUGHTER. Mr. Speaker, I rise today to announce the introduction of comprehensive legislation to prevent genetic discrimination in health insurance, an issue vital to the health of all Americans.

Scientists are making astounding advances almost daily in decoding the secrets of our genes, especially through the contributions of the Human Genome Project. Genes have already been identified for cystic fibrosis, prostate cancer, multiple sclerosis, Huntington's disease, and many other conditions. As chair of the Women's Health Task Force of the

Congressional Caucus on Women's Issues, I closely followed reports last year that increased funding for breast cancer research had resulted in the discovery of the BRCA1 gene linked to breast cancer. This knowledge has tremendous potential for improving the ways we identify, treat, and hopefully cure disorders. At the same time, there is also the very real possibility that this information could be used to discriminate against individuals.

No American should have to worry that their genes—which they did not choose, and over which they have no control—will be used against them. My legislation would prohibit health insurers from using genetic information to deny, refuse to renew, cancel, or change the terms and conditions of coverage. It would prevent insurance companies from requesting or requiring genetic tests, and would require written informed consent before an insurer may disclose genetic information to a third party.

These protections are absolutely critical, because genetic discrimination is already occurring. Numerous individual cases have been reported in the press. In addition, polls and studies demonstrate clearly how much the American people fear genetic discrimination by health insurers. This anxiety is so strong that many people are foregoing genetic testing—even when they have a clear family history of genetic illness and a positive test could lead them to take advantage of effective preventive medicine.

This is a human tragedy Congress can and must prevent. In the 104th congress, I introduced similar legislation which garnered 76 cosponsors and was endorsed by a wide range of health and consumer groups, including: Alzheimer's Association, American Academy of Pediatrics, American Cancer Society, American Heart Association, American Medical Women's Association, American Nursing Association, American Public Health Association, Center for Patient Advocacy, Council for Responsible Genetics, Foundation on Economic Trends, and March of Dimes.

Leadership Conference of National Jewish Women's Organizations, which includes: American Jewish Congress, Amit Women, B'nai B'rith, Emunah Women of America, Hadassah, Jewish Labor Committee, Jewish War Veterans, Jewish Women International, Na'amat USA, National Council of Jewish Women, Inc., National Jewish Community Relations Advisory Council, Union of American Hebrew Congregations, Women's American ORT, United Synagogue of Conservative Judaism; and National Association of Black Women Attorneys, National Breast Cancer Coalition, National Osteoporosis Foundation, National Ovarian Cancer Coalition, National Women's Health Network, National Women's Law Center, Women's Bar Association, and Women's Legal Defense Fund.

I am hopeful that the 105th Congress will build upon the foundation established by the Kassebaum-Kennedy health reform bill. With this new legislation, it is my goal to ensure that no American woman will have to worry that if she takes a genetic test for the BRCA1 or BRCA2 breast cancer gene, she will lose her insurance coverage; or, that if she develops breast cancer, she will be denied coverage for treatment because her genetic predisposition will be considered a "pre-existing condition." Congress has the power to protect all Americans from genetic discrimination in

health insurance. We should do so quickly and decisively by passing the Genetic Information Nondiscrimination in Health Insurance Act.

SALUTING DIXIE WILKS-OWENS

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. MATSUI. Mr. Speaker, I rise today to salute Dixie Wilks-Owens, who is retiring from the California Employment Development Department after 27 years of dedicated service. Throughout her career, Mrs. Wilks-Owens has earned a reputation among her peers as an outstanding communicator and public servant genuinely enthusiastic about her job and the opportunities it provides to affect positive change.

Most recently, Mrs. Wilks-Owens served as chairperson of the 1996 Work Force Preparation Conference, a highly successful public forum on workforce preparation issues which was held in conjunction with the Federation of Conferences.

While at the office of work force policy, Mrs. Wilks-Owens was staff to the State job training coordinating councils' planning committee. She prepared agendas and policy issue papers, analyzed Federal and State legislation and made presentations to the SJTCC, task forces, and other committees on work force preparation issues.

Prior to this position, Mrs. Wilks-Owens was the manager and assistant deputy director of the EDD Marketing Services Office. In this role, she is noted for having developed the first biennial strategic marketing plan and for writing and producing the EDD employee handbook. In addition, she was an integral force in the planning, developing, and management of a full-functioning reemployment center for displaced legislative staffers left unemployed by Proposition 140. Additionally, she oversaw the planning and coordination of a broad retraining and reemployment program serving 5,000 former General Motors workers in Fremont, CA.

Mrs. Wilks-Owens also served as a Federal legislative specialist in the EDD legislative liaison office. There, she tracked and analyzed Federal legislation, spearheaded the successful 1989 job service campaign and made legislative presentations.

As an active member of the International Association of Personnel in Employment Security [IAPES], she has served as California Legislative chair, California vice president, California president, International Legislative chair and District XV representative and California Legislative chair.

In addition to her professional pursuits, Mrs. Wilks-Owens has demonstrated a unique commitment to her community and is noted as a tireless volunteer and master organizer.

Mr. Speaker, it is with great pleasure that I rise today to recognize Dixie Wilks-Owens for her outstanding commitment to her profession. I ask my colleagues to join me in wishing her continued success in all of her future endeavors.

JOB SKILLS DEVELOPMENT ACT OF 1997

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. KNOLLENBERG. Mr. Speaker, I rise today to introduce the Job Skill Development Act of 1997. This is a narrowly tailored bill which amends the Fair Labor Standards Act [FLSA] of 1938 to ease some of the restrictions on volunteering.

The FLSA requires covered employers to compensate individuals defined as an "employee" with minimum wage and overtime. While there are numerous exceptions for volunteers, these exceptions primarily focus on humanitarian and charitable activities. Unfortunately, individuals seeking to gain valuable work experience and exposure in a competitive profession are often prohibited from doing so because of restrictions on volunteering.

The FLSA revolves around a complex scheme of regulations and exceptions. When the Department of Labor and the Federal courts determine who is and is not exempt, they take into account the type of services provided by the individual, who benefits from the rendering of the services, and how long it takes to provide the services. Some of the most common exceptions are for trainees or student learners better known as interns. These exceptions were developed because of their educational benefit as well as the potential to learn valuable skills for future employment.

However, just as the FLSA protects some, it can be an obstacle for others. Capitol Hill provides an excellent example. Each year hundreds of college and high school students travel to Washington, DC, for internships. Many of these positions are unpaid or offer a stipend, well below the minimum wage and overtime requirements. These individuals gain a better understanding of the legislative process, develop office skills, and make contacts that are invaluable in securing employment. Meanwhile, the employer is able to evaluate the intern in a work environment. For both it is a win-win situation.

Two particular individuals on my staff volunteered in my office for several months before they were hired on as full-time paid employees. However, because these two staffers were recent college graduates and produced work that benefited my office, they would have been prohibited from volunteering their services if at the time I would have been forced to comply with the FLSA.

Though Congress has since passed the Congressional Accountability Act and now must adhere to the FLSA, the point is not moot. Congress and hundreds, if not thousands, of individuals over the years have benefited from such programs. In fact, many have become employed for the first time because of the opportunity and experience they gain through interning. I hope we could learn from these instances and not turn our backs on those who wish to gain valuable work experience.

Moreover, as we enter the 21st century and the global marketplace becomes even more competitive, we must strive to help those who wish to enter the work force. Programs like Careers and School to Work offer some the