United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, FRIDAY, JULY 16, 1999 No. 101

House of Representatives

The House met at 9 a.m.

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

At the beginning of this day we pause in the quiet of this place to offer our thanks and praise to You, O God, for the wonderful gifts of love that You have made available to us and to all people. We know that we were not created to be alone, but to share in the blessings that You have given, to care for one another in our sorrows and to celebrate together in our joys. Whatever our situation we are grateful, O God, that You are with us and will never depart from us. For these and all Your blessings, we offer these words of prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Massachusetts (Mr. MOAKLEY) come forward and lead the House in the Pledge of Allegiance.

Mr. MOAKLEY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2035. An act to correct errors in the authorizations of certain programs administered by the National Highway Traffic Safety Administration.

The message also announced that the Senate has passed a bill of the following title in which concurrence of the House is requested:

S. 468. An act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 1-minutes at the end of legislative business today.

PROVIDING FOR CONSIDERATION OF H.R. 434, AFRICAN GROWTH AND OPPORTUNITY ACT

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 250 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 250

Resolved, That, at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 434) to authorize a new trade and investment policy for sub-Sahara Africa. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed ninety minutes, with forty-five minutes equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations and forty-five minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments recommended by the Committees on International Relations and Ways and Means now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of H.R. 2489. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), the distinguished ranking member of

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Printed on recycled paper.

the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purpose of debate only.

House Resolution 250 is a structured rule, providing for the consideration of H.R. 434, the African Growth and Opportunity Act. The purpose of this legislation is to authorize a new trade and investment policy for sub-Sahara Africa.

The rule provides for 45 minutes of general debate, equally divided and controlled by the chairman and the ranking member of the Committee on International Relations.

Additionally, the rule provides 45 minutes of general debate, equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means.

The rule also provides that it shall be in order to consider as an original bill for the purpose of amendment an amendment in the nature of a substitute consisting of text of H.R. 2489, which represents the combined work product of the two committees with jurisdiction.

The rule provides for consideration of only the amendments printed in the Committee on Rules report accompanying the resolution.

The rule further provides that the amendments will be considered only in the order specified in the report; may be offered only by a Member designated in the report; shall be considered as read; shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent; shall not be subject to amendment; and shall not be subject to a demand for division of the question.

The rule waives all points of order against the bill, against the amendment in the nature of a substitute, and against amendments printed in the report.

The rule allows the chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce voting time to 5 minutes on a postponed question if the vote follows a 15-minute vote.

Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, House resolution 250 is a structured rule for consideration of H.R. 434, as is customary in the House for all trade legislation that comes out of the Committee on Ways and Means. Additionally, this fair rule makes in order four amendments, all of which are sponsored by Democratic Members of this body.

Mr. Speaker, the end of the Cold War has opened up sub-Saharan Africa to the world as never before. And only now are so many African nations able to start making the necessary reforms to become part of the global economy. We are witnessing the rebirth of Africa as these nations move towards democracy and seek a higher standard of living for their people.

Mr. Speaker, the new economic realities of sub-Sahara Africa must be met and encouraged by the United States. Indeed, improving the lives of the people in sub-Sahara Africa can best be accomplished by advancing the development of free market economies and representative democracies. H.R. 434 is the vehicle for that economic and social progression.

The African Growth and Opportunity Act will provide sub-Saharan countries with the tools needed to raise the standard of living in African nations, while simultaneously benefiting the United States by opening new trade and investment opportunities for U.S. firms and workers.

Mr. Speaker, under H.R. 434, the President would identify potential African nations that may qualify for free-trade status. The African nation would consult with the United States Government and, whenever applicable, the private sector, with the goal of promoting trade, investment and debt relief for the African country.

The bill outlines specific criteria the sub-Saharan country must meet and adhere to in order to be eligible for trade status. The potential nations must demonstrate progress towards establishing positive pro-trade reforms in those countries.

In addition, the sub-Saharan country must be dedicated to the eradication of poverty and the important role of women to economic growth and development.

There is no question that the creation of an investment-friendly environment in Africa will benefit both the United States and Africa by attracting the capital necessary to promote much-needed job creation and economic growth.

Mr. Speaker, this bill also builds upon accomplishments of the 106th Congress. Earlier this year, the House passed H.R. 1143, the Microcredit for Self-Reliance Act of 1999, a bill establishing microcredit programs that reach the poorest of the poor in developing nations with small loans that help people work their way out of poverty.

The record of these programs has shown that women benefit significantly by starting small businesses and climbing out of poverty. The African Growth and Opportunity Act contains a core provision that will continue to improve economic opportunities for women by further advancing micro-enterprises.

Mr. Speaker, the fundamental goal of the African Growth and Opportunity Act is to provide incentives for sub-Saharan African nations to move forward in their reform efforts; improve their economies and foster economic development.

I would like to commend the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations; and the ranking member, the gentleman from Connecticut (Mr. GEJDENSON); along with the chairman of the Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER); the chairman of the Subcommittee on Trade, the gentleman from Illinois (Mr. CRANE); and the ranking member of the full committee, the gentleman from New York (Mr. RANGEL).

I urge my colleagues to support both this rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank my colleague and my dear friend, the gentleman from New York (Mr. REYNOLDS), for yielding me the customary half-hour, and I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to this closed rule. Although no one would challenge the idea that our policy towards Africa needs to be improved, this rule presents the House with a very limited choice on how to change that policy. It will not even consider 25 of the 29 amendments, many of which would have made great improvements on the bill that is before us.

Mr. Speaker, this rule does nothing to stop the illegal transfer of goods from China to the United States by way of Africa. This rule does nothing to protect the American workers from being mistreated. This rule does nothing to protect the American garment workers who are at risk of losing their jobs to underpaid workers in countries like China. This rule does nothing to protect the environment in Africa, which has already suffered irreversible degradations. Also, Mr. Speaker, this rule does nothing to implement serious debt relief for African countries, debt relief that so many other countries enjoy.

And, finally, Mr. Speaker, this rule will not even let the House debate the bill of the gentleman from Illinois (Mr. JACKSON), which is supported by dozens of relief organizations and workers' groups. Under this rule, multinational countries can set up shop in Africa and exploit the very people that this bill is supposed to help.

My Democratic colleagues and I tried to convince the Committee on Rules to make amendments in order that would have addressed these issues, amendments like that of the gentlewoman from California (Ms. WATERS) to help abolish slavery once and for all; like that of the gentleman from Illinois (Mr. JACKSON) to provide some debt relief to sub-Saharan Africa; and like that of the gentleman from Georgia (Mr. BISHOP) and the amendment of the gentlewoman from North Carolina (Mrs. MYRICK) to prevent illegally shipped textiles from entering the country.

Mr. Speaker, there are 54 countries in Africa. The people in some of these countries are the poorest in the world. The very least we can do is implement a decent policy towards them, a policy that protects the environment as well as African and American workers. And, unfortunately, this rule will prevent us

from doing so. For that reason, I urge my colleagues to oppose the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

I want to point out, because of the comments made by my distinguished colleague, the gentleman from Massachusetts (Mr. MOAKLEY), that if we look at the Jackson amendments, there were seven individual amendments, not a substitute amendment, that was offered before the Committee on Rules.

Also, as I stated in my opening remarks and I will restate now, trade legislation, including as recently as last year, is dealt with by the Committee on Rules and, more importantly by this House, in a structured rule, and this rule is very, very similar to the rule that was introduced and passed by this House last year.

□ 0915

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I rise in support of the African Growth and Opportunity Act and this fair rule.

Yesterday, in the Committee on Rules, my colleague, the gentleman from Ohio (Mr. HALL), and others who testified somberly described the many problems plaguing Africa. I think we are all too familiar with the images of hungry African women and children living in poverty and war-ravaged nations. For too long, the people of sub-Saharan Africa have suffered from the rampant spread of disease, environmental degradation, and political corruption. Our hearts go out to these victims of human suffering.

But there is hope. Since the beginning of this decade, 48 countries in sub-Saharan Africa have moved toward democracy and market-based economies.

And, in just the past week, a ceasefire in the Congo and a peace agreement ending the war in Sierra Leone were signed.

Today the opportunity is ripe in the United States to give momentum to these positive trends by engaging Africa through trade, investment, and cooperation.

The African Growth and Opportunity Act does just that. This legislation not only begins to break down barriers to trade but also provides needed debt relief and facilitates $650 million in investment in sub-Saharan Africa.

Does this bill solve every problem facing the African people? No. But through this legislation, we are strengthening the foundation on which a stronger, more stable, more prosperous Africa will stand, an Africa that will be in a better position to address its problems with a strong ally found in the United States.

American companies and workers stand to benefit along with the African people. This legislation opens the door to a market of nearly 700 million people who will have the opportunity to buy American-made goods. Exports are the economic key to growth, competitiveness, and job creation here at home, and the U.S. must continue to look for new markets to penetrate.

Mr. Speaker, there is another bonus found in this legislation, which is the broad support it has garnered. I am proud to join with the Speaker, the Republican leadership, the President, and many of my colleagues on the other side of the aisle, including one of the bill's lead sponsors, the gentleman from New York (Mr. RANGEL), in my support of this legislation.

Passage of the African Growth and Opportunity Act will provide one more example of Republicans and Democrats, Congress and the White House, working together to do something positive for American workers and businesses, while reaching out to improve the lives of millions of Africans who are much less fortunate.

I urge support of the rule and the bill.

Mr. MOAKLEY. Mr. Speaker, it gives me great pleasure to yield 5 minutes to the gentleman from New York (Mr. RANGEL) the author of the bill, the ranking member of the Committee on Ways and Means.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, let me thank the majority of the members of the Committee on Rules for what is a fair rule.

I think the members of the Committee on Rules know that many of the amendments that were received were received too late. I spoke with many of the Members that had these amendments, since I intended to have supported them, and they acknowledged that they were too late.

I do not think it is unusual for the Committee on Rules to have a closed rule on those issues which the Committee on International Relations and the Committee on Ways and Means believes is necessary to craft a well-balanced piece of legislation and that it is not to be drafted on the floor.

I think trade is one of those issues. But I am reminded, as I ask my colleagues to support this rule, of the struggle that many of us had in the area of civil rights and to remember those who said that our legislation just did not go far enough, or we had so many friends that wanted to improve our lot but the Voting Rights Act did not take care of housing, the Voting Rights Act did not take care of jobs, the Voting Rights Act did not take care of equality. And certainly, if we included all of those things, most of the people who objected would not have voted for the Voting Rights Act anyway.

It is interesting to see how people would want this bill, the African Growth and Opportunity Bill, to improve all of the things that we have historically ignored. But really what is truly amazing is how, when we got to Africa, that they raised the bar.

How could we get to a continent that, when we look on TV, all we see is some little black baby with a swollen stomach, with flies around his or her mouth, stories of famine, stories of droughts, stories of poverty, stories of people begging for us to send a dollar, adopt a kid, and now we are asking for the first time that this great republic open up its trade doors and allow Africa to compete?

Does the bill ask for any special treatment in Africa? Does it ask for anything that we have asked for from our friends in the Middle East and Israel? Are the labor standards here lower than our trade in Ireland or any European country? Are we asking the Africans to do more than we ask our friends in North and South America?

When did we think that we had to demand so much more in a trade agreement to wipe out a country's debts even though it is not owed to us? We love the Africans so much that no matter who they owe, where they owe it, we should wipe it out.

We want environmental and work conditions over there that we do not demand in my Congressional district, and they certainly do not demand it from other countries. But now comes the time for us to show our love for all the people that are in Africa, and we love them so much that we want to put so much in this bill that will never get off the ground.

Well, I tell my colleagues this: I know that Americans know best for all the people in the world. And if they do not like our policy, we will bomb them until they understand it. I mean, that is what democracy is all about. But there comes a time that we ought to listen to the people who love their country, who are elected in their country, and who represent their country here.

Now, if we are concerned about the sub-Saharan countries and want some type of equality in trade, every ambassador, every President, every head of State ask us to do one thing: leave the bill alone. Vote for the bill, and vote for the rule.

Of course, if my colleagues know better what the African people want, if they know better what they deserve, then join with me and so many others after this bill becomes law and let us try to improve upon what we have done. But do not think that the whole world is not watching that, if we close the door this time, we will not have an opportunity next year to improve the bill.

Mr. REYNOLDS. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. ROYCE), the chairman of the Subcommittee on Africa.

Mr. ROYCE. Mr. Speaker, I thank the gentleman for yielding me the time.

The Africa Growth and Opportunity Act, Mr. Speaker, and the rule under which this bill will be considered is so

important because it would fundamentally alter U.S. relations with many nations of Africa.

Africa should and deserves to be treated as a trade partner, not a perpetual-aid partner. This bill treats Africa as a trade partner. That is why this bill had such strong bipartisan support in the Subcommittee on Africa and our full Committee on International Relations, strong bipartisan support, as a matter of fact unanimous support, in the Committee on Ways and Means of this House.

What this bill does is to identify those African nations that are committed to reform and it identifies these as the countries the United States will develop a special economic relationship with. These countries, countries that are giving themselves the best chance to develop through a partnership with American businesses, will take part in annual trade forums with the United States, just as we hold with nations of Asia.

They will also have greater opportunities to sell their goods to American consumers, who will also benefit. These are real benefits that should be incentives to African countries to continue their reform path allowing their citizens to reach their potential.

In debating this legislation, we should appreciate that this is a critical juncture for Africa. There has been real political and economic progress on the continent over the last several years.

Nigeria, the most populous nation in Africa, long suffering from military dictatorships, recently held Democratic elections, which I and other Members of this body had the privilege to observe. And, hopefully, Nigeria is turning itself around with its new reforms, with its new democracy.

Other African nations are making similar progress. Mozambique, recently war torn, is moving toward democracy; and with it they have had a set of economic reforms, the very reforms encouraged by this legislation. As a result, what has happened in Mozambique? They have seen their economy grow at better than 12 percent a year over the last few years.

Yet we need to be realistic. In many ways Africa is in the balance. Without efforts today to bring Africa into the world economy, without efforts like the African Growth and Opportunity Act, Africa could become permanently marginalized. Africans would suffer. And the American people would not escape the consequences.

This legislation is not a fix-all. Its rejection, though, would be a complete disregard of our interest in economically engaging with Africa at this critical time. To reject this legislation is to say we do not have any room on the economic map for Africa in this new century. I do not think we will go that way.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I rise in opposition to the rule.

This bill provides no debt relief for sub-Saharan African countries. It sets no requirements to use African labor. And it ignores the AIDS crisis in Africa.

It grants extensive rights and benefits to multinational corporations operating in Africa but requires nothing of them with respect to workers and protection of the environment.

Why should we support a rule that disallows dozens of amendments? Why should we support a rule that blocks amendments to strengthen labor protections? Why should we support a rule that stops amendments to protect against a flood of Chinese transhipped textiles? Why should we support a rule that blocks amendments to keep Americans working? Why should we support a rule that stops amendments to ensure that trade benefits accrue to African workers and African-owned businesses, not transplanted foreign workers and foreign-owned businesses?

We need a better bill for Africa, and we can get a better bill for Africa. But the only way we get a better bill for Africa is to vote against this rule.

NAFTA cost this country hundreds of thousands of jobs. It is too late right now to fix what happened when we passed NAFTA. It is too late to fix what happened when we passed GATT. We can fix this by sending this rule down.

□ 0930

Mr. REYNOLDS. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. BALLENGER).

Mr. BALLENGER. I thank the gentleman for yielding me this time.

Mr. Speaker, I testified before the Committee on Rules yesterday asking the committee to make in order an amendment that would be offered by the gentleman from Georgia (Mr. BISHOP) and the gentlewoman from North Carolina (Mrs. MYRICK). This amendment would have required that the apparel receiving duty-free and quota-free treatment must be manufactured from U.S.-manufactured yarn and fabric, fabric which is cut in the United States. This standard now applies in the Caribbean area. However, the Committee on Rules did not see fit to make this amendment in order. Therefore, I cannot vote for this rule.

Trade agreements should give American workers a fair shake, not hurt them. In its present form, H.R. 434, unlike NAFTA, does not do this. It poses a serious risk to our domestic textile industry and its employees. The bill does not prevent the illegal transshipment of apparel from other countries where countries now regularly exceed their quotas. This bill could throw thousands of U.S. workers out of jobs by allowing a huge flood of cheap Asian goods to move through Africa to the United States. It only requires that a mere 35 percent of the total value of textile and apparel products be added in the African countries in order to qualify for duty-free and quota-free treatment. Asian countries, particularly China, would be ready, willing and able to make up that remaining 65 percent.

By requiring U.S. yarn and fabric as the Bishop-Myrick amendment proposed, this bill would have ensured that U.S. textile workers, not Asian textile manufacturers, get to produce the fabric that African workers turn into clothes. In addition, Africa would still get a huge boost since all the sewing, labeling and packaging would be done in an African country in order to qualify. In other words, the Bishop-Myrick language is a win-win for American workers and the workers in sub-Saharan Africa.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. JACKSON).

(Mr. JACKSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Illinois. Mr. Speaker, I rise in strong opposition to both the rule and the bill. Three hundred eighty years ago, our Nation's first trade policy landed 19 Africans in Jamestown, Virginia. Since then our Nation has struggled with that painful and profound legacy. Undoubtedly the effects of trade are far reaching and long lasting. In many ways my presence here today and that of 33 million other Americans is the result of our Nation's first African trade policy.

As I told a delegation from Gabon that came to visit my office yesterday, the blood that unites us runs deeper than the water that divides us. So as Congress considers a new trade policy with Africa for a new millennium, for many of us this issue is charged with strong emotions and deep convictions. There are people of good will and intentions on both sides. It is very rare, almost never, that I stand in opposition to a bill sponsored by the gentleman from New York (Mr. RANGEL), a man whom I have known and looked up to virtually all of my life and for whom I have the utmost respect and admiration. We both want what is right and best for Africa.

However, with respect to this rule, a dozen of my Democratic colleagues offered 20 amendments, all of which were rejected except for four, only one of which is not a nonbinding sense of Congress resolution. These amendments, which this restrictive rule would keep us from considering, did two things that are vital:

Number one, cutting out of the African Growth and Opportunity Act terms that would cause damage, make things worse for, the majority of people in Africa, 750 million people whose per capita income is only $500 a year. But it is AGOA's ability to undermine the already harsh status quo of food security, access to health and education, control of natural resources and economic sovereignty in Africa that has moved me to this action.

These are the provisions, mainly contained in AGOA's section 4, that led a

broad array of Africa labor, religious, anti-hunger and other civic groups to reach out to me to develop an alternative to the African Growth and Opportunity Act. Many amendments, from transshipment amendments, amendments with respect to eliminating debt, not senses of Congress but taking pressure, downward pressure off the sub-Saharan African wages so that they might be able to purchase what we produce here in America is a factor in an ongoing trading policy.

A labor policy. Certainly after 380 years, the center of any trading relationship with sub-Saharan Africa would take African labor and workers very seriously. These amendments were rejected by the Committee on Rules. Other amendments were offered by other Members of Congress to deal with the issue of AIDS. Substantive amendments to prohibit the United States Government from bringing World Trade Organization action against sub-Saharan African countries that are seeking to provide low-cost drugs where more than 85 percent of all AIDS-related deaths since the early 1980s have occurred.

These amendments to the African Growth and Opportunity Act were rejected. Instead, the Committee on Rules substituted nonbinding sense of Congress resolutions. There are no basic labor, no human rights, no African employment, no environmental rules for U.S. corporations planning to take advantage of the African Growth and Opportunity Act.

Those of you who might be watching this on C-SPAN, go to your web site, www.USAfrica.org. There you will find United Meridian Corporation and Kmart and Amoco and Chevron and Tyco Submarine Systems, Mobil Corporation, the Gap, the Limited, National Retail Federation, a long list of corporations who plan to take advantage of the African Growth and Opportunity Act. This act is most appropriately titled U.S. Corporate and Foreign Investment in Africa Act of 1999, not growth for 750 million sub-Saharan Africans, many of whom my distinguished colleague the gentleman from New York identified. This is the poorest region of the world, with the richest land and the richest resources.

Mr. Speaker, let me just conclude on this point. The Chicago Tribune wrote an article just yesterday where they said the top three officers of Microsoft Corporation, Bill Gates, a Mr. Ballmer, a Paul Allen, their top personal assets from Microsoft come close to $140 billion. Their personal assets are more than the combined gross national product of the 43 least developed countries and their 600 million people. So what does it mean for a gentleman with the kind of wealth of a Bill Gates to just buy an entire industry on an entire continent with that kind of wealth? If we do not have restrictions in our law so that American investment in sub-Saharan Africa is done right, if that is the only point that I make today, American investment in sub-Saharan Africa in light of our history and in light of the condition of those people must be done right. This rule falls short of our ability as Members of Congress to make this a better bill so that more Americans can benefit.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). The Chair will remind Members that comments are to be made to the Chair and not to the viewing and listening audience.

Mr. REYNOLDS. Mr. Speaker, I would like to point out the bill provides protections against human rights abuse. Any country engaging in gross violations of internationally recognized human rights is not eligible to receive benefits provided under the bill.

I am particularly pleased as a Member from New York where we had the dean of our delegation the gentleman from New York (Mr. RANGEL) speak, we have the dean of the Republicans of New York.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am pleased to rise in strong support of this structured rule regarding H.R. 434.

After careful consideration and consultation with our Committee on International Relations, the Committee on Ways and Means and the House leadership and all Members with an interest in this bill, the Committee on Rules has provided a thoughtful rule which will allow timely passage of this measure. I appreciate the leadership of the chairman of the Committee on Rules, the gentleman from California (Mr. DREIER), on this matter as well as the leadership of the manager of the rule this morning, the gentleman from New York (Mr. REYNOLDS). Our committee appreciates the many courtesies extended toward our members and staff during consideration of this measure and other bills by the members and staff of the Committee on Rules.

The Africa Growth and Opportunity Act enjoys broad and bipartisan support. In the 105th Congress, we passed this bill by a wide margin. The administration has been extensively consulted and strongly supports this measure. African nations of sub-Saharan Africa are unanimous in their support, and African civic groups such as the National Council of Churches, the American Jewish Committee, the NAACP and Empower America have all expressed their strong support for this measure.

Mr. Speaker, I urge speedy passage of this rule followed by favorable consideration of the bill during the next few hours.

The African Growth and Opportunity Act is so important because it would fundamentally alter U.S. relations with many nations of Africa. Africa should, and deserves to be treated as a trade partner, not a perpetual aid partner. That is what this legislation does.

H.S. 434 identifies those African countries that are committed to reform as the countries the United States will develop a special economic relationship with. These countries, countries that are giving themselves the best chance to develop through a partnership with American businesses, will take part in annual trade forums with the United States, just as we hold with the nations of Asia. They will also have greater opportunities to sell their goods to American consumers, who will also benefit. These are real benefits that should be incentives to African countries to continue their reform path, allowing their citizens to reach their potential.

In debating this legislation, we should appreciate that this is a critical juncture for Africa. There has been real political and economic progress on the continent over the last several years. Nigeria, the most populous nation in Africa, long suffering from military dictatorships, recently held democratic elections which I had the privilege to observe. Hopefully Nigeria is turning itself around. Other African nations are making similar progress. Mozambique, recently war-torn, is moving toward democracy and, with a set of economic reforms, the very reforms encouraged by this legislation, has seen its economy grow by over some 12 percent recently.

Yet we need to be realistic. In many ways, Africa is in the balance. Without efforts today to bring Africa into the world economy, without efforts like the African Growth and Opportunity Act, Africa could become permanently marginalized. Africans would suffer. And the American people would not escape the consequences. This legislation is not a fix all; its rejection though would be a complete disregard of our interest in economically engaging with Africa at this critical time. I don't think we'll go that way.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. BISHOP).

(Mr. BISHOP asked and was given permission to revise and extend his remarks.)

Mr. BISHOP. Mr. Speaker, I rise today to strongly oppose this rule.

I want an Africa trade bill, but I want a good Africa trade bill. I want to promote economic growth and the well-being of the people of sub-Saharan Africa. I know this goal is supported by the authors of this bill, and I applaud the Committee on Ways and Means and others who are pursuing this goal relentlessly.

I am not opposed to trade liberalization that is balanced, reciprocal, enforceable and beneficial to all parties. This rule will prevent that. I am disappointed that many Members of the House are not allowed to address the very real concerns that we have about the loss of over 400,000 jobs in the U.S. textile and apparel industries that has taken place across this country since 1995 and would be exacerbated by this bill.

Despite my attempts last year and this year in the Committee on Rules

and on the floor to make sure that the Africa Growth and Opportunity Act does not do more harm than good, the bill as reported is not beneficial to all parties concerned. The bill is flawed deeply without the amendment that the gentlewoman from North Carolina (Mrs. MYRICK) and I proposed to the Committee on Rules.

The bill opens the door to illegal transshipments of goods from China, and it misses an opportunity to benefit American workers by requiring that imported goods from sub-Saharan Africa contain U.S. cut and formed fabric.

If the amendment that we proposed had been allowed, this body could have created a win-win for America and a win-win for the countries of Africa. The amendment we propose would have allowed the countries of Africa to access our strong and vast consumer economy in a fair way, but it would have also preserved our domestic textile and apparel jobs.

I regret that the Senate will be forced to fix this bill before it passes. This rule does not allow us to do our job here in the House. I ask that the House join me in opposing this unfair rule so that we can craft a truly good bill that will in fact be an Africa Growth and Opportunity Act.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. BURR).

(Mr. BURR of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. BURR of North Carolina. Mr. Speaker, I thank the gentleman for yielding me this time. Seldom, if ever, have I ever gotten up on the House floor and suggested a no vote against the rule. Seldom on the House floor have I ever seen so blatant an effort to eliminate U.S. jobs.

In fact, let me read to my colleagues a press release from the Chinese Trade Ministry, March 23, and I quote:

> Setting up assembly plants in Africa with Chinese equipment, technology and personnel could not only greatly increase sales in African countries but also circumvent the quotas imposed on commodities of Chinese origin by European and American countries.

This is not an African growth and opportunity bill. It is not a U.S. growth and opportunity bill. This is an Asian growth and opportunity bill.

I am a member of the Committee on International Relations with my colleague, but we look at this differently. Mr. Speaker, it is our responsibility, all 435 of us as representatives of the American people, to put their interests first. The explanation we ought to have today is to the textile workers who we have disregarded their jobs. Clearly, there will be job loss. We are like ostriches with our head in the sand.

This body has never allowed bad legislation to move with the intention that it would get fixed somewhere in the process until this bill. I urge my colleagues to vote against the rule. If that passes, to vote against the bill, to move this back to committee and to do the work that we need to make a good bill and save U.S. jobs.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

I rise in opposition to the rule. H.R. 2489 is another trade bill that exploits the developing world for the benefit of multinational corporations and investors. Regardless of what this bill's supporters say, there is absolutely nothing in this bill to enforce worker protections and labor standards. We have been down this road before. When Congress passed NAFTA without putting labor and environmental protection standards at the core of the bill, we were told to put our faith in side agreements that would supposedly guarantee labor rights and environmental standards.

□ 0945

Five years after its passage, Mexican workers are earning less than they did before NAFTA. American companies, and get this, American companies pay Mexican workers lower wages than Mexican companies pay Mexican workers, and yet here we are set to impose this same failed trade model on people of sub-Saharan Africa.

Yesterday, the Committee on Rules rejected every single proposed amendment that would have actually given hope to the people of sub-Saharan Africa. Instead, we are set to give the world's largest corporations the freedom to exploit the world's poorest people without having to worry about labor laws, tough environmental standards or worrisome worker unions.

Vote no on the bill.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise in opposition to this rule. It is not fair.

I reluctantly supported this bill last year. I attempted to amend this bill, and I was made to believe that my concerns would be addressed on the Senate side last time. They were not. Now this bill, the African Growth and Opportunity Act, is before us. It is no better now than it was last year. It still imposes unfair conditions on Africa.

Those of us with long histories working on behalf of Africa know the history of the rape of Africa. Many of the same corporations who fought us to the bitter end when we were trying to free South Africa are now lined up spending millions of dollars to pass this legislation led by the big oil companies, some of whom we are still trying to make good corporate citizens in places like Nigeria.

Let me just tell my colleagues what I tried to do. I tried to amend the bill. One amendment would have struck the most onerous conditions of the bill, these conditions that require African countries to cut corporate taxes, reduce government spending, and remove restrictions on foreign investments. We do not allow foreign countries to dictate our economic policies, nor should we attempt to dictate the economic policies of African countries.

My second amendment would have clarified that these conditions apply only to new programs and benefits established by the bill and not to existing foreign aid programs and trade benefits. This amendment is essential to ensure that countries that cannot meet these strict conditions can continue to trade with the United States as well as continue to receive foreign aid.

A third amendment would have allowed African countries to qualify for the programs and benefits in the bill even if they are unable to meet all of the bill's difficult conditions.

None of my amendments were made in order, and my amendments were timely, as were other amendments when we attempted before the Committee on Rules.

Let me just say we are not here simply because we want to oppose this bill. Again, we know the history of Africa, and we are not going to support the rape of Africa a second time in a more sophisticated way.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SPRATT), ranking member on the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, last year, when this same bill came to the floor, we attempted to offer an amendment which is the same amendment we attempt to offer now. It is not a poison pill; it is not an unfair provision. It would give African countries the same sort of trade treatment that we extend to Caribbean countries, Central American countries, and indeed to Mexico and to NAFTA. Basically it says if they buy our yarn and our cloth in their apparel when it is made from American-made source products, can come back into this country duty free and trade and tariff free.

It is fair; it is also a good way to police the imports coming into this country to make sure that they were indeed made in Africa, for our greatest fear about this bill is not some overwhelming surge of imports coming from Africa itself, but the fact that these sub-Saharan countries will become a massive platform for transshipment. As Asian countries hit their quotas, as they try to evade tariffs, there would be an enormous temptation to ship through Africa where the goods, apparel and textile goods, can come into this country duty free and tariff free.

Last year we were shut out also. This year we have been shut out again.

This should be, this well of the House, should be a free market of ideas. We should be able to come here and put forth our ideas if they are not relevant, if they are not off the wall, if they are good, sound, solid ideas and vie for votes on the House floor. But let

the competition be set, that the best bill can win right here in the House. Well, this bill today will not give us that kind of opportunity of that kind of vote.

Last year, this amendment was offered by the gentleman from Georgia (Mr. BISHOP) on a motion to recommit. As everybody knows, that is a procedural motion, and for the most part Republicans do not vote for a Democratic motion to recommit. Even so, we got 193 votes for this amendment. I think 193 votes in last year's debate should buy us a ticket to this year's debate, should allow us to offer this amendment on the House floor and explain it, give us more than 5 minutes to explain it. If we win, fine; if we do not, fine as well. But give us the opportunity at least. Let this well be a free market of ideas.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. NEAL), a member of the Committee on Ways and Means.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I strongly support this rule and this legislation that we are about to take up today. This is a good bill, and it is a very important bill for Africa.

I want to thank the gentleman from New York (Mr. RANGEL) for the leadership that he has demonstrated on this legislation as well.

I have no great personal interest in this legislation. I have no constituent or I have no company that is pressing me to support this bill. I am not ideologically driven by these trade issues, and I am sensitive to the concerns of the textile industry, having watched what happened in Massachusetts over a 50-year period. But I am supporting this bill because I do not believe, as alleged, that this bill will make African nations take any action that they would not otherwise take.

I do not believe that imposing harsher than normal conditions on trade with the poorest countries of the world is fair or right, even if it is designed to create a precedent for other trade bills, and I do not believe that U.S. workers will be harmed by the minimal benefits of this legislation. What I do believe is that African countries want to expand their economies, put more of their citizens to work and be given the opportunity to sell their goods throughout the world, including the United States. This bill gives them an opportunity to help themselves.

This is the right bill at the right time, and I urge all of my colleagues to support this rule so that we can move forward on final passage.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, I rise in support of the legislation, and I rise to commend the gentleman from New York (Mr. RANGEL) for his leadership and his strong support for this legislation. I rise today to support the African Growth and Opportunity Act. A strong and open and fair trade investment relationship between the United States and the countries of sub-Saharan Africa could help reduce poverty and expand economic opportunity.

The fact is, Mr. Speaker, according to the Department of Commerce, exports to Africa already support 133,000 U.S. jobs. 133,000 U.S. jobs are supported now with this relationship. In fact, the United States exports to the sub-Saharan region exceed by 20 percent, already by 20 percent, those to all the States of the former Soviet Union combined. We are already starting to forge important relationships.

Now will this by itself serve as the panacea to help our relationship by itself with Africa? No. And I would encourage those people that rise today to try to help pass this rule and this legislation to come together to do some things to improve the number of loans under the micro-development loans for the poor program for Africa, to try to work with relief organizations and aid and assistance programs to further bolster our relationship between the United States and Africa, and also to try to direct assistance and aid through our foreign aid programs which sometimes are in greater ratios, directed at other countries and not so much at Africa.

We need to work on this relationship more. This is a first start, and I encourage my colleagues to support this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in the strongest possible opposition to this rule, but not to the intent of the bill before us. For the second year in a row, the Committee on Ways and Means has told us there is nothing to worry about with regard to transshipment of Asian textiles through Africa. Those of us in agriculture know better. In the past 15 years we have dealt with this multibillion dollar problem in commodities, including garlic, peanuts, walnuts, pistachio nuts and coffee, tobacco; it goes on and on, and, of course, textiles.

Despite the tireless efforts of our Customs Service, our chief textile negotiator at USTR said recently that he felt the problem was getting worse. Indeed, the cleverness of exporters seeking illegal access to lucrative U.S. markets has forced Customs to result to complex testing for trace elements. Customs simply does not have the manpower to test every product entering the U.S., and the incentives to cheat the system have always managed to keep ahead of our ability to detect new methods of transshipment.

The Bishop-Myrick amendment rejected by the Committee on Rules was an honest attempt to address the problem. The refusal of the Committee on Ways and Means to effectively address transshipment and of the Committee on Rules to deny us a chance to even debate this issue sends the wrong message to the agriculture community at a time when farm prices are at a record low.

The adjusted world price for cotton is half of what it was a few short years ago, and mill use in the United States is down 8 percent from last year. Where are the new market opportunities for farmers that were promised by the leadership of this House when we passed the Freedom to Farm bill? They are in the Bishop amendment which was rejected by the Committee on Rules for the second year in a row.

I thank the gentleman for having yielded this time. I hope our colleague will send this rule back to the Committee on Rules, where we can get a fair rule, one that will address a win for Africa and a win for the textile and cotton industry in the United States.

Mr. REYNOLDS. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JEFFERSON. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, it is important to put this whole matter in perspective.

First, how did this matter come before the Committee on Ways and Means and ultimately now to this Congress? It did not come because some corporate lobby brought it to our committee. It did not come because of somebody in some slick suit said, Look, let's go and take advantage of Africa.

It came up because those of us who were conscientious about the issue looked at what was happening in our 1994 GATT bill consideration and noticed that we were dealing with every country in the world, every continent in the world, trade relations, trade policies, but nothing for Africa on this subject at all. And so our committee decided that that was not right, that our country owed it to Africa and to the people of Africa and to the people of America to engage Africa as a trading and investment destination, as we had engaged the rest of the world.

□ 1000

That is how this whole policy started out. And I should tell the Members this, those who worry about conditionalities in the bill ought to really line up with what is happening in Africa today. This bill would not be possible, there would be no reason to talk about it, there would be no way we could even pass it today, if it were not for what is happening in Africa itself. This bill builds upon the initiative of African-Americans.

In Africa right now many countries have, through great pain, adopted reform that includes promoting the movement of goods and services

through their countries, maintaining a fair judicial system and promoting the rule of law, protecting property rights, providing national treatment for foreign investors, implementing measures to facilitate investment, developing regional markets and promoting regional integration, and striving to reduce poverty and increase access to education and health care, particularly for women. This is what Africa is itself doing for its own people. This bill simply builds on that foundation.

For those who worry about transshipments in Africa, I want to ask this question: Why do we consider something peculiar in the African experience, in the African culture, that raises these concerns beyond what we are concerned about them in other countries? Why is this such a big issue in Africa? It defies logic.

First, there is no history of transshipment issues with Africa. Africa is one of the continents in the world where there are less problems than any other place on transshipments.

Second, it is almost insulting to the Africans to suggest that they want to transship. When we were in Uganda with our President in 1998 with six African heads of State, each one of them stood up and took great umbrage at the suggestion that they would simply be transshipment arenas for China or for some other place.

They said, look, we want the jobs in our own countries. We want to empower our own people. We want to employ our own people. Why would we have all these years, having a chance to ship our goods to America and not put our own people to work? It is an absurdity. African-Americans need the jobs. They are going to employ their own people, and there is nothing inherent in the African experience that suggests there would be concern about transshipment.

I think this whole business about the issue of conditionalities, I think we have to look to the Africans on this question as well. There are many ways to talk about how to improve this bill, and I could think of a lot of ways to improve it, and everybody else out here could. But we have to now deal with what is possible to be done in the context in which we are working.

The African nations understand that this is an important first step, this is not the end all and be all, but it is an important first step in this whole process. Let us not, in this measure, attempt to be more wise than the Africans about what they need. Let us stand with Africa for a change, and change the policy that relates to our relationship with it.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. MEEKS).

Mr. MEEKs of New York. Mr. Speaker, the question that presents itself today is whether or not we should support this rule and this bill.

The question some have asked, is this a perfect rule or a perfect bill, I dare say in the year and a half that I have been a Member of this great House, I have yet to see a bill or a rule that I feel is perfect. So clearly this is not a perfect bill and not a perfect rule. But there is a goal at the end.

Unfortunately, what I hear, because of some of the past relationships or lack of relationships we have had with the African continent, some feel that everything must be in this bill. That is impossible. I think that this will not and cannot be the only bill which deals with Africa, but it is a first step, an historic step to making sure that we put Africa on the screen here in America.

So I say to the Chair of the Committee on Ways and Means and to the ranking member, the gentleman from New York (Mr. RANGEL), I thank them for bringing this bill to the forefront. I urge Members to vote for the rule and vote for the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I properly rise to support this rule and congratulate the collaboration of the Committee on International Relations and the Committee on Ways and Means, and the leadership of the gentleman from Illinois (Mr. CRANE), the gentleman from New York (Mr. RANGEL), the gentleman from New York (Mr. GILMAN), the gentleman from Connecticut (Mr. GEJDENSON), and the gentleman from Washington (Mr. MCDERMOTT).

But what I want to point out is that this is the face of African trade in America. All of these States in the United States are already doing business with Africa. Africa is standing as an equal trading partner.

I know, as we have said and my colleagues have acknowledged, this is not the only step. I associate my remarks with those of the gentleman from New York (Mr. RANGEL). We wanted an open rule. We believe in debt relief. But this is the beginning. Are we going to tell Americans that we cannot go to the next step and do a greater trade or have a greater trade relationship with Africa?

I am amazed that my colleagues would suggest that we have written a bill or supported a bill that has no concerns for the needs of the African people. In the bill, it says that one of the criteria elements will be reducing poverty, increasing the availability of health care, educational opportunities, maximizing credit to small farmers and women. It has in it a provision for a strong opposition to transshipment or dumping.

We are looking out for all of us. This is a good bill. This is a good bill because it provides language that indicates that there must be a good visa system, there must be domestic laws and enforcement procedures that void transshipment or dumping.

I believe that this bill will be the first start for beginning relationships with small businesses, relating to small businesses in Africa. Likewise, I think it is important to note that this bill specifically emphasizes women entrepreneurs.

I believe this will be an enormous, enormous boost to the economy of Africa, and yes, to the United States of America.

Mr. Speaker, I rise in strong support of this rule, which will govern our debate on the H.R. 434, the Africa Growth and Opportunity Act, and I rise in strong support of the over-arching bill, which I believe will usher in a new era of trade and prosperity for the people of Africa and the United States.

When we came back after the Christmas break, I considered it one of the highest priorities of this Congress to pass this particular piece of legislation. I have been to many meetings and met with countless individuals of whom all share a tremendous amount of excitement for this bill. Just a few short months ago in my home town of Houston, I spoke before the Corporate Council on Africa, who had gathered together delegates from virtually every area of Africa and the United States, and each of them expressed to me their tremendous anticipation of this bill, and of improved trade relations with Sub-Saharan Africa.

I have met with many African Ambassadors on this issue to discuss the impact of the Africa Growth and Opportunity Act on their countries, and each of them was singularly positive. For many of the countries in Africa, this will be their first true opportunity to leverage their most precious resource—their people—in order to achieve robust capital investment. With that capital, it will be much easier for those countries to help themselves—to improve their telecommunications, electrical, and health infrastructures.

Having said that, there are several issues that I believe should be addressed by this bill, but which were left out of the version reported to Rules by the International Relations and Ways and Means Committees. One of these issues is the problem of AIDS in Africa.

As a Member of a Presidential Mission to Africa on HIV/AIDS just recently, I was a witness to the true devastation that has been caused to the African economy, and the African community. I toured special communities especially created to deal with families whose lives have been changed by HIV/AIDS. I have met the grandparents, who would be of retirement age here in the United States, but who must work to support their grandchildren—orphaned by AIDS.

As a result, I will be offering two amendments later in this debate to bring recognition to this important issue. The first amendment, which I am offering along with Congressmen OLVER, LEWIS, and HORN, and Congresswoman PELOSI, makes it clear that it is the ''Sense of Congress'' that AIDS must be dealt with if we are to have a healthy trade relationship with Africa.

I also will be offering an amendment that encourages corporate America, who will benefit greatly from the passage of this Act, to engage the problem of AIDS in Africa. I also states that corporate America should be ready to assist in Africa's prevention efforts through the use of some fiscal mechanism, like a HIV/

AIDS Response Fund. Many of these corporations engage in charitable gift-giving here in the United States, we ought to make sure that they are willing to do the same abroad as well.

Another area in which the bill could use some improving is in its lack of focus on small business. Small businesses are the backbone of our economy, providing more than half of the private workforce in the United States. They also represent 96 percent of all U.S. exporters. Small businesses also make up the bulk of the African economy. We should encourage these two groups to work together—to bring about the positive change that all of us desire. The routes of trade should be filled with more than just multinational-conglomerates, because it will be small business that gives us stability, flexibility, and growth.

I am thankful that three of the amendments that I offered at the Rules Committee have been made in order under this rule and I would like to thank Chairman DREIER and Ranking Member MOAKLEY for their hard work. I urge my colleagues to support the rule, to support the bill, and to support my amendments. Thank you.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PAYNE).

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PAYNE).

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from New Jersey (Mr. PAYNE) is recognized for 3 minutes.

(Mr. PAYNE asked and was given permission to revise and extend his remarks.)

Mr. PAYNE. Mr. Speaker, let me first of all commend the leadership of this House that have taken this very important legislation, the gentlemen from New York, Mr. RANGEL and Mr. REYNOLDS; the Committee on International Relations, with the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. ROYCE); and the gentleman from Connecticut (Mr. GEJDENSON).

Mr. Speaker, this is a historic day for me, a person that in the middle sixties started going to Africa, working with the freedom movements in Kenya, with the Kenyu party back in the fifties, with SWAPO in Namibia, dealing with the racist regime of Ian Smith in Rhodesia and talking about independence for Africa. So today is a great day.

It is a day that we have some conflict, there is no question about it. We have longtime leaders like the gentleman from New York (Mr. RANGEL) and the gentlewoman from California (Ms. WATERS), who have been fighting for Africa for many, many years, and we have our newer generation who are there, coming up to step up to the plate. So I think Africa is in good shape for the future.

I think that every area needs an opportunity. When we look at Asia after World War II and at Hong Kong, we had the lowest per capita income in Asia. Housing was poor, education was down, there were no jobs. If we go to Hong Kong today, we will see a bustling, vibrant economy. Why? Because in Hong Kong and in Asia they determined that there was a need to have some investment.

We needed to start with a program. We needed to start with something that could be done. Textiles started in that place. Now we have seen the development moving into more and more sophisticated types of industry.

Africa, a continent of 800,000 people in sub-Saharan Africa, a place that has all of the resources and riches, plus it has a very strong and vibrant people, because people who can exist on less than $5 a month by their own ingenuity and by their own creativity, by their own industry, are a group of people for whom the sky is only the limit if they had the opportunity.

They say that even a trip of a thousand miles must begin with the first step. I think that today the first step is being taken. No, this is not a bill that is all-encompassing. As a matter of fact, in the old mythology, in the Pandora's box, all of the evils came out in that myth, but the cap was put down and hope remained in it.

So I think that it is important that hope remains alive, but I think we have to take a first step. This is an important first step.

I think that it is insulting to tell the Diplomatic Corps from Africa that this is not good for them. I just returned from Africa this past week, and everyone there was saying, please have this bill pass, it means that much to us.

I urge my colleagues to support the rule and pass the bill.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE), chairman of the subcommittee on Africa.

Mr. ROYCE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, African textile and apparel exports to the United States last year were $570 million. This is .86 percent of the total U.S. textile and apparel imports, less than 1 percent. The U.S. International Trade Committee reports that this volume would increase maybe 25, 50 percent, to just over 1 percent if this bill passes. Is that any kind of threat to the most powerful economy in the history of the world? No, it is not.

Opponents also miss the point that today all but two African countries have no textile quotas. That is 46 sub-Saharan countries.

So why have we not seen the transshipment problem we have heard about today in these 46 countries? This bill has safeguards against transshipment. One is that it provides for a review of its textile provisions by requiring the executive to report to us in Congress on the growth of textile and apparel imports from Africa, and if there is a transshipment problem discovered, and there is no reason to believe there would be one, today there is none, we checked with Customs, there is none, but if there is, we can simply pull that country out of the program and this bill establishes a way to do that.

Let me say that most everyone in this body, Democrat and Republican, have been working to promote U.S. trade and investment in Africa. Why? It increases the standard of living of Africans, it increases the standard of living of people in the United States. One hundred thirty-three thousand jobs right now are dependent upon exports to Africa that will increase under this bill.

This bill is bipartisan. It has been years in the making. We have held hearings on this bill. We have built this huge bipartisan support of Republicans and Democrats for this bill.

I have heard some comments about the environment. For us on the committee, we have been holding hearings on the environment in Africa. We have programs like the Campfire Program in Zimbabwe, like the Ndeki Forest Program in the Congo, that we are supporting. We will continue to do that.

But this bill need to be passed today, this Trade and Investment Opportunity Act for America and for Africa.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, I rise in support of the bill and the rule.

Last week I was in Africa and visited three very poor countries, Djibouti, Eritrea, and Ethiopia. Two of them are involved in a very, very violent war that has killed tens of thousands of people over the last year, but they still recognize that poverty is their number one enemy. And they also are noticing, Mr. Speaker, that we have spent billions of dollars in the Balkans, and are still bogged down over this bill.

Africa will notice. Today is the day to send this bill forward, even if it is not perfect. For those who are concerned that it is not a perfect bill, what is the protection? The protection is these countries do not have to participate. It is almost patronizing to say that somehow we have to put out this perfect bill and this they somehow cannot sort through all these conditions themselves.

□ 1015

They will do what is in their best interests. If they like these conditions, they will meet them and negotiate and work with the United States on trade.

This is good for Africa. It is good for the United States. I support the rule and the bill.

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from North Carolina (Mr. WATT).

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from North Carolina (Mr. WATT) is recognized for 30 seconds.

Mr. WATT of North Carolina. Mr. Speaker, I rise in opposition to the rule. Sometimes we have to make tough choices, and if I were put to a choice under this bill of choosing to keep jobs in North Carolina or send them to Africa, that would be a wonderful choice that I would have to

make. Unfortunately, because the Committee on Rules did not make in order the amendment authored by the gentleman from South Carolina (Mr. SPRATT), the choice is not that, but the choice is whether I keep jobs in the textile and apparel industry in North Carolina or create a platform in Africa for Asian and Eastern markets.

So I think this rule is unfair. We should have been allowed to debate this issue on the floor. I encourage my colleagues to oppose it.

Mr. REYNOLDS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California (Mr. DREIER), chairman of the Committee on Rules and one of my mentors on free trade.

Mr. DREIER. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time, and I congratulate him for his superb management of the rule. And I compliment the gentleman from New York (Mr. RANGEL), the gentleman from Illinois (Mr. CRANE), the gentleman from Texas (Mr. ARCHER) and the gentleman from California (Mr. ROYCE) and the others who have spent a great deal of time, such as the gentleman from New York (Mr. GILMAN), who have worked long and hard on this very important measure.

Mr. Speaker, I was going to talk simply about the issue itself, but I feel compelled to respond to the remarks of the gentleman from North Carolina (Mr. WATT), my friend, when he referred to the unfairness of this rule. Just a few hours ago, at 12:30, I referred to the fact that on the State Department authorization bill, the bill that is designed to deal with the problem that we have with embassy security around the world, we made in order a number of amendments, 41 in fact: 22 Democratic amendments, 12 Republican amendments, and 7 bipartisan amendments. On this bill, we make in order only Democratic amendments.

Now, I often have to fight the gentleman from Massachusetts (Mr. MOAKLEY), my friend, in the Committee on Rules who is often trying to withdraw Democratic amendments that we have made in order on bills. I am happy to say that he did not do it on this one.

We have, in fact, made in order an amendment from the gentleman from Illinois (Mr. JACKSON), my friend, an amendment from the gentlewoman from Texas (Ms. JACKSON-LEE), a bipartisan amendment, all amendments that have been offered by the Democrats. I am proud of this rule which will allow us to provide for a free and very, very open debate.

Let me take a couple of minutes to talk about this very important issue. I am proud to have worked with many of our colleagues on the issue of global trade and Africa. It is no secret, in fact, it was said by the gentleman from Connecticut (Mr. GEJDENSON) in our committee yesterday, the poorest continent on the face of the earth is the African continent. And this bill is designed to not only address the concerns that exist among those 48 Nations in Sub-Saharan Africa but also to address concerns that exist right here in the United States of America.

The Cold War is over. We are very proud of the legacy of Ronald Reagan and George Bush in bringing an end to the Soviet Union. I remember spending time in Angola and other spots when I traveled in the latter part of the last decade throughout Sub-Saharan Africa, and that has come to an end. Now what we have seen is a very fragile move towards political pluralism and democratization taking place in Sub-Saharan Africa.

Mr. Speaker, H.R. 434 goes a long way towards encouraging even further moves towards free markets, further moves towards representative democracy, and we need to herald those things. But it is also important to note that this bill is not only designed to address the concerns that exist in that very important part of the world, Sub-Saharan Africa; it is designed to address the concerns that exist right here in the United States of America.

I agree with some critics. We should not spend all of our time simply thinking about other parts of the world. Our priority here is to deal with our national security interests. The best way for us to maintain, or one of the best ways for us to maintain our national security is to do everything that we can to have the highest standard of living possible.

The gentleman from California (Mr. ROYCE) just referred to the fact that there will be 133,000 jobs created because of exports going from the United States to the 48 nations in sub-Saharan Africa. We also have to remember something else. What is it that gives us the highest standard of living the world? It is the fact that the world has access to our consumer markets.

So we are going to create a chance for that struggling single mother who is trying to make ends meet to have the chance. She is going to have the opportunity to have a higher standard of living by being able to buy clothes for her children, by being able to purchase other things that are very important. That is what free trade is all about. We have so often argued that trade is not a zero sum game. Trade is, in fact, an issue which is a win-win all the way around.

Mr. Speaker, that is why I encourage bipartisan support for this rule and enthusiastic support for what I think is a very, very important piece of legislation.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 263, nays 141, not voting 31, as follows:

[Roll No. 306]

YEAS—263

Abercrombie
Ackerman
Archer
Armey
Baird
Baker
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Biggert
Bilbray
Bilirakis
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brady (TX)
Brown (FL)
Bryant
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Clay
Coburn
Combest
Cook
Cox
Coyne
Crane
Crowley
Cubin
Cunningham
Davis (FL)
Davis (VA)
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dixon
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Eshoo
Ewing
Fattah
Fletcher
Foley
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hastert
Hastings (WA)
Hayworth
Herger
Hill (MT)
Hilleary
Hilliard
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kasich
Kelly
Kilpatrick
Kind (WI)
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Lampson
Larson
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Matsui
McCarthy (MO)
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Meehan
Meek (FL)
Meeks (NY)
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Moore
Moran (VA)
Morella
Murtha
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Oberstar
Olver
Ortiz
Ose
Oxley
Packard
Pastor
Paul
Payne
Pease
Petri
Pitts
Pombo
Pomeroy
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reyes
Reynolds
Roemer
Rogan
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sawyer
Saxton
Scarborough
Schaffer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauscher
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Toomey
Towns
Udall (CO)
Upton

Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Wicker
Wilson
Wolf
Wynn
Young (FL)

NAYS—141

Aderholt
Allen
Andrews
Bachus
Baldacci
Ballenger
Barcia
Barrett (WI)
Berkley
Berry
Bishop
Blagojevich
Bonior
Boswell
Boyd
Brady (PA)
Brown (OH)
Burr
Capps
Capuano
Carson
Chambliss
Clayton
Clement
Clyburn
Collins
Condit
Conyers
Costello
Cramer
Cummings
Danner
Davis (IL)
Deal
DeFazio
DeGette
Delahunt
DeMint
Dicks
Dingell
Doggett
Doyle
Emerson
Etheridge
Evans
Everett
Farr
Filner
Frank (MA)
Goode
Graham
Green (TX)
Hall (OH)
Hall (TX)
Hayes
Hill (IN)
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hunter
Inslee
Isakson
Jackson (IL)
Jones (NC)
Kaptur
Kennedy
Kildee
Kleczka
Klink
Kucinich
LaFalce
Lantos
Largent
Lee
Lipinski
Lucas (KY)
Mascara
McCarthy (NY)
McGovern
McIntyre
McKinney
Menendez
Miller, George
Minge
Mink
Moakley
Mollohan
Moran (KS)
Myrick
Nadler
Norwood
Obey
Owens
Pallone
Pascrell
Pelosi
Peterson (MN)
Phelps
Pickering
Pickett
Price (NC)
Rahall
Riley
Rivers
Rodriguez
Rogers
Roybal-Allard
Rush
Sanchez
Sanders
Sandlin
Sanford
Schakowsky
Sherman
Shows
Sisisky
Smith (TX)
Spratt
Stabenow
Stenholm
Strickland
Stupak
Tanner
Taylor (MS)
Taylor (NC)
Thompson (MS)
Tierney
Traficant
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weygand
Wise
Woolsey

NOT VOTING—31

Baldwin
Brown (CA)
Burton
Chenoweth
Coble
Cooksey
Engel
Forbes
Frost
Ganske
Gephardt
Gordon
Hansen
Hastings (FL)
Hefley
John
Latham
Luther
McDermott
McNulty
Peterson (PA)
Porter
Rothman
Serrano
Stark
Tauzin
Thurman
Udall (NM)
Whitfield
Wu
Young (AK)

□ 1043

Mr. TURNER and Mr. OWENS changed their vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. WU. Mr. Speaker, during rollcall vote No. 306 on H. Res. 250, I was unavoidably detained. Had I been present, I would have voted "no."

ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR H.R. 1074, REGULATORY RIGHT-TO-KNOW ACT OF 1999

Mr. DREIER. Mr. Speaker, a ''Dear Colleague'' letter will go out today announcing that the Committee on Rules is planning to meet the week of July 18 to grant a rule which may limit the amendment process for floor consideration of H.R. 1074, the Regulatory Right-to-Know Act of 1999.

The Committee on Government Reform ordered H.R. 1074 reported on May 19 and filed its committee report on June 7.

The Committee on Rules may meet on Wednesday, July 21 to grant a rule which may require that amendments be preprinted in the CONGRESSIONAL RECORD. In this case, amendments to be preprinted would need to be signed by the Member and submitted to the Speaker's table by the close of legislative business next Wednesday.

Amendments should be drafted to the bill as reported on Committee on Government Reform. Members should also use the Office of Legislative Counsel to ensure that their amendments are properly drafted, and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

□ 1045

AFRICAN GROWTH AND OPPORTUNITY ACT

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to House Resolution 250 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 434.

□ 1046

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 434) to authorize a new trade and investment policy for sub-Sahara Africa, with Mr. EWING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. GILMAN), the gentleman from Connecticut (Mr. GEJDENSON), the gentleman from Texas (Mr. ARCHER), and the gentleman from New York (Mr. RANGEL) each will control 22½ minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

PARLIAMENTARY INQUIRY

Mr. GRAHAM. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. GRAHAM. Mr. Chairman, does the rule provide for those in opposition to this bill an opportunity to speak against the bill?

The CHAIRMAN. The time is controlled by the chairmen and the ranking members of the Committee on Ways and Means and the Committee on International Relations.

Mr. GRAHAM. Mr. Chairman, I would ask unanimous consent that half the time allotted for debate on this bill be given to those who are in opposition to the bill.

The CHAIRMAN. The Chair cannot entertain that request. Time must be yielded by the Members who control the time under the special order adopted by the House, the ranking members and the chairmen of the appropriate committees.

PARLIAMENTARY INQUIRY

Mr. TRAFICANT. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN. The gentleman from Ohio (Mr. TRAFICANT) will state his parliamentary inquiry.

Mr. TRAFICANT. Mr. Chairman, there are a number of Members that do oppose this bill on certain grounds, and I believe they should be afforded an opportunity that the Chair could, in fact, make accommodations for, and I urge the House to do that.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from New York.

Mr. RANGEL. The gentleman asked for time and the gentleman was given time. What does the gentleman want the Chair to do?

Mr. TRAFICANT. I think there should be a reasonable amount of time presented for the opportunity for those who oppose this bill to be able to speak on this issue.

The CHAIRMAN. The gentleman from Ohio (Mr. TRAFICANT) and the gentleman from New York (Mr. RANGEL) will suspend.

The rule provides that the time will be yielded by the chairmen and the ranking members of the two appropriate committees, and that is the way the Committee of the whole will proceed under the rule approved by the House.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

(Mr. GILMAN asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. GILMAN. Mr. Chairman, I rise to express my strong support for H.R. 434, the African Growth and Opportunity Act.

This bill is the product of years of bipartisan congressional efforts to promote increased trade and investment between our Nation and sub-Saharan Africa. This measure authorizes a new trade and investment policy toward the countries of sub-Saharan Africa and expresses the willingness of our Nation to assist the eligible countries of that region with a reduction of trade barriers, the creation of an economic cooperation forum, the promotion of a free trade area, and a variety of other trade and related mechanisms.

This bill, the African Growth and Opportunity Act, has broad support in the Committee on International Relations and was ordered to be reported in February of this year.

Yesterday, in the meeting of the Committee on Rules, one of our distinguished colleagues, one who has demonstrated a long and passionate commitment to humanitarian issues, expressed concerns that this bill does not do enough for the people of Africa. Mr. Chairman, although this is indeed a modest bill, it would be a grave mistake to underestimate its strength. Both its power and its modesty, Mr. Chairman, come from the fact that this bill does not attempt to do anything for the people of Africa but rather it proposes to encourage beneficial trade with the countries and peoples of Africa.

This act recognizes a universal and independent desire of individuals everywhere to improve their lives and those of their families. Adam Smith recognized this power back in 1776 when he wrote, ''The desire of a man to better himself comes to him in the womb of his mother.'' A fundamental belief in individual aspiration is reflected in nearly all of the domestic legislation that we consider in this body, from tax laws, to education subsidies, to natural resource management. That principle must not be ignored in our policies toward other nations.

The entrepreneurial spirit is alive and well in Africa, but much economic activity there goes unrecorded and underreported. Ghanaian women with little formal education grow their crops and sell them in cooperative rural markets every week, season after season. Senegalese merchants travel to cities all across the globe selling their wares and remitting the bulk of their profits. Somalis, working together throughout the Middle East, spend their salaries on products which are in high demand back home and ship them to family members. In turn, they trade them for profit in the markets of Hargeisa and Mogadishu. It may come as a surprise to some of our colleagues, Mr. Chairman, that on any given day a visitor to Hargeisa can stand on a street corner and exchange Deutschemarks, francs, pounds and dollars at international exchange rates.

These activities, and countless others like them, are happening and they are happening right now, as we speak, all over the African continent. They are not driven by any giant multinational corporations nor by international banks. They are not supervised by the Agency for International Development or by the IMF. This work occurs because people have discovered that it puts food on the table and clothes on the backs of their children.

Make no mistake, my colleagues, I strongly support U.S. foreign aid to Africa, and my record of that support is clear. In recent years, I have been supportive of the Development Fund for Africa, the Seeds of Hope Act, the International Financial Institutions, debt relief and the work of the United Nations. But foreign aid cannot serve as a backbone of any modern economy. At best, it can jump-start independently sustainable economic activity and help individuals gain a foothold.

As I have said, H.R. 434 is a modest bill. One can think of many problems confronting the people and the countries of Africa that this bill does not specifically address, and we have heard some of them already in the debate on the rule. But it would be a mistake to reject this bill for what it is not without recognizing the significant benefits that it represents.

In closing, Mr. Chairman, I would like to recognize the extraordinary group of Members who have come together and worked extremely hard in support of this effort before us. Both Democrat and Republican, black and white, conservatives and liberals have found much common ground in the pages of H.R. 434.

I would like to pay particular tribute to the distinguished chairman of our Subcommittee on Africa of the Committee on International Relations, the gentleman from California (Mr. ROYCE); to the ranking Democrat on the subcommittee, the gentleman from New Jersey (Mr. PAYNE); to the chairman of the Subcommittee on Trade of the Committee on Ways and Means, the gentleman from Illinois (Mr. CRANE); and the ranking Democrat on the Committee on Ways and Means, the dean of our New York delegation, the gentleman from New York (Mr. RANGEL).

Mr. Chairman, even the often contentious counties of sub-Saharan Africa have come together united in support for this bill. I commend my colleagues for their efforts and their commitments, and I urge favorable consideration of the African Growth and Opportunity Act.

Mr. Chairman, I ask unanimous consent that the distinguished chairman of our Subcommittee on Africa, the gentleman from California (Mr. ROYCE), be permitted to control the balance of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Chairman, I reserve the balance of my time.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume, and I rise in strong support of H.R. 434, the African Growth and Opportunity Act. It will open a new era in U.S. relations with sub-Saharan Africa. This bipartisan bill was reported with little opposition on a bipartisan basis from the Committee on Ways and Means.

Mr. Chairman, sub-Saharan Africa today is very different from what it was just a few short years ago. In the 1990s, more than two dozen of the 48 countries in the region have held democratic elections and 30 have undertaken specific economic reforms.

□ 1100

Increasing numbers of Africans have embraced the principles of democracy and free markets, which enable people and nations to improve the course of their futures.

Last year I traveled to Gabon. I believe President Omar Bongo and his country are an example of the changes under way across the African continent. President Bongo has set out on a plan to energize his country. He has brought a high level of prosperity to his country and actually developed an empowered middle class. And to ensure economic opportunity for the Gabonese people, the president is also directing the country's efforts in infrastructure building and privatization of state-owned industries.

Gabon is a good example of what is happening in Africa today. And here, in this body, we are laying the legislative groundwork that will help support the steps Gabon and other nations are taking in Africa.

Today, we adapt U.S. policy in response to the African renaissance. Specifically, this legislation will add a trade component to U.S. policy toward the region to mutually improve the standard of living of Americans and the African people.

It is unfortunate that the tremendous potential of sub-Saharan Africa has not been reflected in U.S. trade policy to date. But this bill fills that gap. I commend many members of the Committee on Ways and Means on both sides of the aisle for bringing us to where we are today on the floor in developing this legislation.

In developing this legislation, I particularly compliment the chairman of the subcommittee, the gentleman from Illinois (Mr. CRANE); and the gentleman from New York (Mr. RANGEL), the ranking member, who are the lead sponsors of this bill. They have done great work.

In addition, I must mention the gentleman from Washington (Mr. MCDERMOTT), the gentleman from New York (Mr. HOUGHTON), and the gentleman from Louisiana (Mr. JEFFERSON) particularly who have expended enormous effort in bringing this bill to the floor.

I urge the passage of the bill.

Mr. Chairman, I reserve the balance of my time, and I ask unanimous consent that the balance of my time may be managed by the gentleman from Illinois (Mr. CRANE) and that he may be able to yield and assign the time as he chooses.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I ask unanimous consent that at the conclusion of my statement I may yield the time controlled by the Committee on Foreign Affairs on the Democratic side to the gentleman from New Jersey (Mr. PAYNE).

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, let me first take one moment to remind our colleagues where this legislation began.

The genesis was with one of our colleagues, the gentleman from Washington State (Mr. MCDERMOTT). I have yet to see a bill with as strong bipartisan support with people on both sides of the aisle supporting it, particularly the ranking Democrat on the Committee on Ways and Means the gentleman from New York (Mr. RANGEL), the gentleman from New Jersey (Mr. PAYNE), and so many of my friends, the gentleman from New York (Mr. GILMAN) and others on the Republican side.

There are many of us who would like to do more today. Africa is a continent that we have often ignored. The United States, with its often European and Middle Eastern-focused policies it is attempting to engage, the economic stage of Africa has been left behind. A continent with the poorest people on this planet, devastated by illness, famine, and economic hardship, America's foreign assistance has given the least to this continent that needs it the most.

There is more that we should be doing. We should be doing more in almost every category, from assistance to health, education, and in trade.

For my friends on the Democratic side of the aisle, this is not an easy vote. Some of our core constituencies are divided. Concern for labor protection, the concern for the environment, things that we cherish, are not as significant and powerful as they should be.

I am among those who believe we should be doing more in every trade bill to include labor and environmental rights. We need to make sure that when we work to lift these other nations that we lift all of their citizens and not just a few.

The provisions of this bill are as good as we can get in this compromise. I can assure my colleagues, if this was a different Congress, we would have more protection for labor, we would have more committed to the poorest of the poor, and we would do more for the environment.

But our choice is not that today. We do not decide the composition of this House. What we have to do is do the best we can for these people who have suffered so much, with the legislature that the American people have given us.

GSP is a good program. It forces countries to address the ILO standard. And when we take a look at its history, almost a dozen countries have lost GSP preference because they did not follow those rules. In another number of cases, countries that had failed to follow the ILO standard when challenged and threatened with the removal of GSP ended up accepting the better standard for labor.

I ask all of my colleagues on both sides of the aisle to stretch politically today. There are tough questions here. There are concerns that we all have about why we are not doing more for Africa in aid, in health care, in education, in trade and assistance. But the choice before us is this bill or nothing.

Will Africans be better off if we kill this bill today? I think not. I think, if we can move this bill forward today, we will be able to build on its strength in the future.

Lastly, for my friends who have had a bad experience with NAFTA, this bill is not about NAFTA. This bill does not take away tariffs in a permanent manner, irrespective of countries' actions. The countries that deal with us under this bill will have to make improvements on how they treat their working men and women. They will have to address these issues that so many on our side care about. This is a bill that begins an engagement that we should have undertaken long ago.

I again commend all those involved, but particularly the gentleman from New York (Mr. RANGEL) and the gentleman from New Jersey (Mr. PAYNE) for their great efforts.

Mr. Chairman, I reserve the balance of my time.

Mr. RANGEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have never really enjoyed any bipartisan effort as much as I have with this piece of legislation. Because truly, emotionally and politically, I am totally involved and committed.

Many, many years ago I was involved in the civil rights struggle, and I marched from Selma to Montgomery, and I cussed every step of the way, not having the slightest idea that I was a part of history. I feel, for most of us today, that we are on the brink of history.

It is hard for us to imagine that a country as big, as populous, as rich, as historic as Africa has been ignored by a great Republic like we have. It is hard to imagine that we have so many millions of African-Americans in this country but, unlike other Americans, have no village, no town, no country, not even a name that identifies us with any other country except our great United States of America.

As small as this step is, it brings us now in a family of trade. And for those that love Africa so much and believe that we have not really done enough, let me laud them for their efforts to attempt to improve this bill; but of course, after looking and working with the heads of these African countries and recognizing that they know that if everything they wanted and everything we wanted was on the bill we would not have bipartisan support, we would not have a bill, and we would not be able to take this one giant step.

But look at the people, Nelson Mandella, whose commitment is not to just Southern Africa, not just to Africa, but his commitment to humankind, supports the bill as well as all of the heads of state.

I know we have Members that know better than most people, but why do we not give the African people just a chance? They are not in the major leagues but, my God, they will be in the ball game. We have so many organizations, white and black, Jew and gentile, Muslim organizations, saying that we can work together with a better cultural understanding and a better commercial understanding of the things that we are doing.

For those that fear the loss of their jobs, visit Africa, please. Go to the towns and villages, and please do not come back saying that these countries are a threat to our textile industry. Do not say that they are going to take our jobs away from us.

Let us hope that what we are talking about is that we can get a decent standard of living for our friends in Africa, that they will be able to enjoy some of the comforts of the world, that we will continue to have our industrial commercial leadership, and that they will continue, as all of the countries we trade with, to take advantage of our technology and our consumer appetite.

So, for those who were opposed to the rule because it did not go far enough, stay with us as we open the door asking our colleagues to come in to work to improve the conditions that we want to improve, to improve the bill which we want to improve, but to be able to say that before we went into that next century, where every country we have had some agreement with, with this European country through the European Union, that we understood them. We understand our friends in Canada, in Mexico, Central and South America, in the Middle East with Israel, every continent except Africa.

Now we can rest assured when this becomes law that, on our watch, we started. Let us hope that our youngsters and our children's children will be able to say one day that no nation is denied the opportunity to enjoy the freedom and the friendship and the trade with our great Republic.

Mr. Chairman, I reserve the balance of my time.

Mr. ROYCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of the Africa Growth and Opportunity Act.

Over the last several years, many Members of this body have been working hard to improve America's relationship with Africa. We have done this because what happens in Africa matters. It matters to Africans, and it matters to our country.

The United States has real interests in seeing that Africa begins to reach its considerable potential. Such an Africa would offer limitless cultural and economic opportunity to Americans.

Already our exports to Africa are some $6.5 billion. This is greater than our exports to the former Soviet Union. It is greater than our exports to all of Eastern Europe. And the volume is growing. U.S. exports to Africa are

growing by more than 8 percent per year. This is 130-some thousand American jobs.

As this map shows, businesses in my home State of California have been part of this. California is one of the top States in the country when it comes to exports to Africa, as is Illinois, New York, Pennsylvania, Texas. We can see the result of the growing exports here to Africa.

On the other hand, if Africa fails to meet its potential with the United States of America, then the United States will not escape the negative economic political and security implications. There would be lost economic opportunities, yes, but there would be more.

The reality is that terrorism and environmental degradation know no bounds. Simply put, this legislation, which has broad bipartisan support, is critical to the United States' relationship with Africa.

The Assistant Secretary of State for African Affairs recently said, ''No other U.S.-Africa issue can be taken seriously until the Africa Growth and Opportunity Act is passed.''

As chairman of the Subcommittee on Africa, I second that. But so do all the African ambassadors here in Washington, everyone who has unanimously supported this legislation. The African ambassadors understand the importance of this legislation, and they have rejected in no uncertain terms the efforts of critics to speak authoritatively for Africans.

So I say to my colleagues, if they care about the future of the continent, if they care about the future of 700 million people, support this legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I first of all would like to pay tribute to colleagues on the other side of the aisle, starting out with the gentleman from Washington (Mr. MCDERMOTT), who I hope is in everyone's prayers. He had heart bypass surgery, and I understand he is doing well.

He spoke to me about the possibility of figuring out how we would expand our trade relations with the underdeveloped portions of Africa where we were virtually nonexistent and was there something we could do. I talked to him about it awhile, and then the gentleman from Louisiana (Mr. JEFFERSON) and the gentleman from New York (Mr. RANGEL) joined in that effort.

We had meetings, and we decided to come up with a bill that would advance the concept of free trade and establish a free-trade agreement with sub-Saharan Africa.

□ 1115

That is how the bill has finally reached this point. It is a culmination, really, of 4 years of bipartisan work to develop a U.S. trade and investment policy toward the 48 countries in sub-Saharan Africa. I pay tribute to all who have been involved in this effort and who have given of their time and their energies so graciously.

This legislation comes at a time of great hope and opportunity in Africa. Already, the majority of countries in the region have held democratic elections. Earlier this month, peace agreements were signed in Sierra Leone and in the Democratic Republic of the Congo. In May, Nigeria, the most populous nation in the region with 107 million people, inaugurated its first democratically elected President in nearly two decades.

As Africans embark on this new course for their future, they said that they would like to be partners with us in the global economy. H.R. 434 responds to the change under way in Africa and proposes a framework for United States-African trade relations.

In particular, H.R. 434 promotes mutually beneficial trade partnerships with countries in the region committed to economic and political reform. The bill creates a U.S.-Africa Trade and Economic Cooperation Forum, similar to the successful APEC model and the Asia-Pacific region, to facilitate regular trade and investment policy discussions.

It provides enhanced export opportunities for nonimport sensitive African products in the U.S. market through a 10-year extension of the Generalized System of Preferences and removal of statutory exclusions.

It requires the President to formulate a plan to enter into free trade agreements with countries meeting the bill's economic criteria.

H.R. 434 clearly puts our European and Asian competitors on notice that the United States will no longer cede market share to them in Africa. At present, our European competitors, who have capitalized on their historic relationship with the region and will reap the benefits of the proposed EU-South African free trade agreement, enjoy a 30 percent market share in Africa. Most recently, our Asian competitors have doubled their share of Africa's markets to 28 percent. Meanwhile, the U.S. market share in Africa has fallen to 6 percent.

The trade benefits in H.R. 434 are important because they will support and strengthen the democratic institutions emerging in sub-Saharan Africa. A stronger, more stable and prosperous Africa will be a better partner for security and peace in the region and a better ally in the fight against narcotics trafficking, international crime, terrorism, the spread of disease and environmental degradation.

A strong and stable sub-Saharan Africa constitutes a combined market for U.S. goods and services of 700 million people, more than all of Japan and the ASEAN nations combined. Already, U.S. exports to the region are 45 percent greater than our exports to all of the former Soviet Union. Yet our exports, which were valued at $6.7 billion in 1998, have just begun to tap into the rapidly growing markets of the region, some of which have posted double-digit growth for the past several years.

As the sponsor of H.R. 434, I believe that its enactment will establish sub-Saharan Africa as a priority in U.S. trade policy and will encourage countries in the region to redouble their economic and political reforms. H.R. 434 is also important to the advancement of a wide range of U.S. policy and security interests in the region and to codify many significant initiatives already under way in the administration.

I would remind my colleagues, also, that our legislation does nothing to impair any U.S. aid programs. That is totally separate and detached from what our bill attempts to do. We do not impair the continuation of U.S. aid where it is needed.

I would urge my colleagues to support the passage of H.R. 434 today.

Mr. Chairman, I reserve the balance of my time.

Mr. PAYNE. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Chairman, let me begin by thanking the gentleman from New York (Mr. RANGEL). He has borne what I consider to be some unfair slings and arrows in the course of advocating this most important bill. I also want to compliment my colleagues on the other side of the aisle for working with us to promote the African Growth and Opportunity Act.

I am supporting this bill for one simple reason. The countries in Africa want it. I think it would be the height of arrogance and extremely patronizing for those of us here to impose our will or to suggest that we know better for Africa than Africans do. If people are concerned about whether the trade will be fair, if people are concerned about whether the working conditions will be fair, I think it is reasonable to say, let the African countries and their leadership determine those issues, worker protection and the like.

It seems to me that this is a good bill for Africa that gives us an opportunity to trade with an area that we have unfortunately neglected. Make no mistake, however. This is not charity. This is not altruism. This bill is good for America. It opens up the potential for tremendous new markets in Africa. But it is fundamentally good for Africa. It will enable African countries to build on the reforms that are already taking place. It encourages those reforms. It will enable Africa to be more competitive in the new era, in 2005 when the WTO opens up duty-free zones. It will enable them to be competitive and productive.

Some will tell us that this is a threat to U.S. textile workers. That is not true. The fact of the matter is that the African component of textile manufacturing is extremely small, less than 1 percent of the U.S. market. We also

have protections in this bill to ensure that import sensitive items are not brought in under the provisions of this legislation. For those who believe we will be hurting our textile markets, I think if we look at the bill, we find that that is not true.

There are some who say, ''Well, this bill will hurt African workers.'' Again not true. We have provisions to protect African workers. Let us not raise a higher standard for those workers than we do with other countries.

The bottom line is this bill is good for Africa. I urge its adoption.

Mr. RANGEL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Chairman, as evolving nations move into the global economy and a major purpose of this bill is to help Africa do that, we have to look upon them as potential consumers but also as potential competitors. We have to look at the impact potentially on American jobs and businesses. We have to look at what are the rules of competition.

The main trade provision here spreads GSP to African nations, including textiles, and that is the most sensitive issue. So what are the rules of competition here? First of all, as has been mentioned, there is a provision that the President must certify that any product that is going to come in under GSP, including textiles, not be import sensitive. Secondly, there must be, I deeply believe this, labor market worker rights provisions in trade agreements. There is such in the GSP. The President has to consider in granting eligibility whether a Nation has taken steps or is taking steps to afford core worker rights, including the right to bargain collectively. Private parties can petition if GSP labor provisions are being abused, and 11 nations have had GSP treatment withdrawn from them because of that. Where competition is keener than would be true here, where labor markets are more developed than is true in sub-Saharan Africa, there should be a different standard applied, and I will fight for that.

I urge support. In this case it is a first step, a modest step, but it looks at the rules of competition as well as Africa as a potential consumer. We should support this bill and remember as we go on to other issues, we should keep in mind the rules of competition, including core worker rights.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. CAMPBELL) who serves on the Subcommittee on Africa.

Mr. CAMPBELL. Mr. Chairman, I thank the gentleman for yielding me this time. I note his superb leadership in this area. I note the superb leadership of the ranking Democrat on our subcommittee as well the gentleman from New Jersey (Mr. PAYNE).

There are two arguments against this bill, the first that it is really bad for Africa. The gentleman from Maryland was quite eloquent in making the case how wrong it is to apply such an assumption that the representatives of each African nation are selling their people short, that they do not care about worker exploitation, that somehow they do not care about environment. These are the assumptions one must be making if one says that the support of this legislation by every government in the African continent is somehow to be discounted.

As to the second argument that it hurts the United States, the gentleman from Maryland's argument was also quite persuasive. On what assumption do we base the fear that African nations are not reliable? On what assumption do we base the prejudice that an African nation will not be able to comply with its obligations under the trade agreements not to have massive transshipments? In our trading arrangements with other nations around the world, we assume that they honor their obligations, including the prohibitions against mislabeling and transshipments. Why do we throw this assumption out when we are dealing with Africa? It seems to me that the assumption is fair in this case, even if there were a much larger percentage of textiles than there is.

Lastly, let me conclude by pointing out that we give less in direct aid to Africa per capita than any other part of the globe with the possible exception of India depending how it is measured. This is not an aid bill. This is a bill to open up a reciprocal relationship of trade and respect. Other countries we give more than $30 per capita. To the people of sub-Saharan Africa, we give less than 17 cents per capita. Is that right? Is that fair?

If you wish to change it but you have constraints with the budget, at least open up trade, open up hope. That is what this bill does. I am proud to support it.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Chairman, I thank the distinguished chairman of the Subcommittee on Trade for yielding me this time. It is a privilege for me to rise in support of this legislation.

America has an enormous stake in our long-term relationship with Africa, a relationship which can and must be mutually beneficial. Many will note that our experience in Africa since the colonial period in some respects has been disappointing. Despite our well-intentioned efforts in sending billions in foreign aid to this continent, poverty had over many years increased and economies had stagnated. Yet Africa has recently seen a modest but promising return to economic growth and a growing embrace of economic reforms and market capitalism. We need to encourage this.

By opening our markets and looking to Africa as a market for our goods, we can do more to lift Africa out of poverty and help build its economic self-sufficiency while at the same time increasing our exports and creating jobs right here in America. By passing this bill, we can buttress the economic reforms now being embraced by sub-Saharan Africa and stimulate much needed economic growth and investment.

The notion of Africa as an export market for America's products is not an exotic one. In the period between 1993 and 1997 in my own congressional district, the city of Erie benefited from $49 million in exports to Africa and the State of Pennsylvania currently ranks in the top 10 States in exports to the region.

Our investment in sub-Saharan Africa is a win-win situation that will promote stability in the region, increase economic prosperity and encourage development and growth. I am happy to be a cosponsor of this legislation which I believe is critical in shaping our long-term relationship with Africa.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. OWENS).

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, progress for African trade and growth can never take place unless there is first recognition that Africa has as much promise as any other region in respect to long-term trade and commerce possibilities. Developing economies in Africa are natural markets for U.S. products and services. Recognition of Africa as a significant part of the global economy is long overdue. One of the principles advocated by the great radical organizer Saul Alinsky was that an aggrieved, neglected or oppressed group or nation must first command recognition before hope for progress can be ignited.

□ 1130

For the 17 years that I have been in Congress, there has been no significant attention focused on African trade. Like many of my colleagues, I am the cosponsor of several additional measures related to Africa. Unfortunately, other than the foreign aid appropriations, this bill is probably the only African relevant bill that will reach the floor of the House in the 106th Congress.

Let me note the fact that some have charged that this legislation is as devastating as NAFTA. Nothing could be further from the truth.

I urge the full support for this landmark piece of legislation.

Progress for African trade and growth can never take place unless there is first recognition that Africa has as much promise as any other region with respect to long-term trade and commerce possibilities. Developing economies in Africa are natural markets for U.S. products and services. Recognition of Africa as a significant part of the global economy is long overdue. One of the principles advocated by the great radical organizer, Saul

Alinsky, was that an aggrieved, neglected, or oppressed group or nation must first command recognition before the hope for progress can be ignited.

For the seventeen years that I have been in Congress there has been no significant attention focused on African trade. This long overdue bill stands alone—and despite its imperfections and incompleteness, this legislation deserves our full support. Hope for Africa begins with today's recognition of Africa as a deserving trade partner.

Like many of my colleagues I am the cosponsor of several additional measures related to Africa. Unfortunately, other than the foreign aid appropriations, this bill is probably the only Africa relevant bill that will reach the floor of the House in the 106th Congress.

Let me also note the fact that some have charged that this legislation is as devastating as NAFTA. Nothing could be further from the truth. In the much highlighted textile industry the Sub-Saharan African countries have less than one percent. On the other hand, China has almost 10 percent of the U.S. textile market. In the seventeen years that I have served on the Education and Labor Committee no union has yet complained to me about losing textile industry jobs to China.

Just transfer one percent of the textile trade from China to Africa and you will do nothing to hurt American jobs—you merely maintain the status quo. Why are the same people who are yelling about trade with the infant economies of Africa so wimpish or silent on trade with China.

In the final analysis we have a problem here similar to the one faced by King Solomon when two women claiming to be the mother of one baby came before him. There are some who are proclaiming that, never mind the pleas of the African leaders, it would be better to vote this bill down and do nothing for Africa. Following the wisdom of King Solomon, it is clear that these negative opponents do not understand what is best for Africa. I urge a yes vote on this landmark legislation.

Mr. PAYNE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, I want to thank the gentleman from New Jersey (Mr. PAYNE) for yielding this time to me, for his hard work and commitment to Africa and to America.

I rise in opposition to H.R. 434. This is one of the most difficult no votes which I again will cast today, but I have attempted to dig beneath the surface of this legislation and analyze what its true impact will be.

I was compelled to vote against this bill when it was examined in the House Committee on International Relations. As one who has historically encouraged and worked for a comprehensive trade and development policy for Africa, this is not a vote which I cast lightly. In opposing this legislation I part company with the President I strongly support and a number of congressional colleagues for whom I have the utmost respect.

Now very troubling to me, the African Growth and Opportunity Act fails to respect African sovereignty. It threatens the rights of African nations to determine for themselves the economic priorities that are in the best interests of their people. H.R. 434 continues to carry harsh eligibility requirements. To obtain trade benefits, countries must reorder their spending priorities to suit the preferences of foreign investors and the International Monetary Fund.

Now, considering the mystery and the destructive nature of many of the IMF structural adjustment programs in Africa, this eligibility requirement is one which I cannot in good conscience support.

Other provisions in this legislation require countries to reduce taxes for corporations while at the same time cut domestic spending which will inevitably lead to further reductions in vital health care and education programs which are already starved for funds.

Africa has been neglected for too long, and as I listened to this debate, the supporters of this bill say that it is a modest first step. Well, it should be a major first step. It should not be symbolic, as many are saying. Africa deserves better.

In our enthusiasm to promote American business opportunities and forge new relationships with countries in Africa, we must remain focused on the paramount need at hand to support a free and fair trade policy which benefits Africa and America.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. BEREUTER), vice chairman of the Committee on International Relations.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Chairman, I rise in strong support of this legislation. As a cosponsor, I believe that the expanding trade and foreign investment in Africa is going to be a highly effective way to promote sustainable economic development on the continent. By providing African nations incentives and opportunities to compete in the global economy and by reinforcing African nations' own efforts to institute market-oriented economic reforms, this bill will help African countries provide jobs, opportunities and a future for their citizens.

Only through dramatically improved levels of trade and investment will Africans fully develop the skills, institutions, and infrastructure to successfully participate in the global marketplace and significantly raise their standard of living.

It is true that trade liberalization cannot remedy all of Africa's woes; however, that is why our overall strategy for sub-Saharan Africa is a combination of trade and aid working together. To those who criticize H.R. 434, charging it does not provide sufficient immediate aid to Africa's poor or for protecting Africa's environment, this Member would remind his colleagues that just 8 months ago the Congress enacted and the President signed into law the Africa Seeds of Hope legislation.

This food security initiative, which this Member sponsored, refocuses U.S. resources on African agriculture and rural development and is aimed at helping the 76 percent of the sub-Saharan people who are small farmers. This law, along with other current U.S. aid programs such as the Development Fund for Africa are the aid components of our African development strategy. With the passage of this legislation, we will have a balanced trade and aid program.

Frankly, I am mystified by some of the arguments against this legislation. I refer my colleagues who are opposed to reexamine the comments of the distinguished gentleman from Massachusetts (Mr. NEAL) during the debate on the rule and to listen to the gentleman from Maryland (Mr. WYNN) who spoke just a few moments ago. The gentleman from Maryland reminded us that all of the Africa nations really are supportive of this legislation.

Mr. Chairman, now is the time to complete this strategy and approve this desperately needed complementary trade component. This is the crucial missing component. I urge my colleagues to vote aye.

Mr. CRANE. Mr. Chairman I yield 1½ minutes to our distinguished colleague, the gentelman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding me this time.

This is a very important bill. For too long Africa has been treated as still colonies of many of our European allies. For too long their resources have been exploited by some Asians who have very little regard for the natural resources, including the magnificent rain forests and the creatures that are now endangered that walk this earth in Africa.

With the investment, American investment, we will be exporting one of our most valuable commodities, democracy, human rights, our appreciation for the environment. This is what will be exported into Africa, and with the importation in Africa and reaching out to Africa, their economies will grow; and with their economies, the democracies will also be more firmly put in place and their appreciation for their free-market system that has served this country so well.

These are the values that I believe we will bring to Africa, and African exports and the rich resources of Africa will be of great benefit to our country.

I traveled to Gabon with the chairman of the Committee on Ways and Means just last year and was very much impressed with the progress that Gabon has made, President Bongo, with his reelection. We had observers on the scene during the reelection. Members of their Parliament are visiting the United States at this time and I believe are with us this morning.

So I would urge a yes vote on this most important piece of legislation. Let us not continue to turn our back on Africa.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON), an author of the bill and member of the Committee on Ways and Means.

(Mr. JEFFERSON asked and was given permission to revise and extend his remarks.)

Mr. JEFFERSON. Mr. Chairman, I want to call the attention of the House to this chart. Those who say they want to help African workers and who want to deny the entry of African textiles to the American market cannot have it both ways. This shows how little Africa is involved now in importations to our country: just four-tenths of 1 percent, this big blue area and this little sliver of red. This little sliver of red is African imports to this country.

While it does not do anything in our market, makes us a slight dent here, one we can almost not notice, in Africa it is going to mean a lot to African workers. It is going to mean thousands of jobs there on the continent of Africa. It is the one place where Africa now has existing industrial capacity. The industrial revolution passed over Africa, or it was passed over Africa, if my colleagues will, and this is a way now to build in Africa the industrial base there around the textile industry.

If this is not done for Africa now, this bill will not mean very much in the shot term for African workers or for people that are off to the continent. So, for those who want to help African workers, let us make sure we do something about letting textiles in this country. We can do something to help the entry-level worker in Africa get a job and build the industrial base in that country.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, in this Chamber just a few months ago, the President of the United States stood right here; and he said in his State of the Union address that ''trade has divided us and divided Americans outside this Chamber for too long. Somehow we have to find common ground on which business and workers and environmentalists and farmers and government can stand together.''

President Clinton continued: ''We must ensure that ordinary citizens in all countries actually benefit from trade, and we applaud it, a trade that promotes,'' he said, ''the dignity of work and the rights of workers and protects the environment. We have got to put a human face on the global economy, and then we proposed the old face on the global economy.''

I would love for the gentleman from New Jersey (Mr. PAYNE) or the gentleman from New York (Mr. RANGEL) or the gentleman from Illinois (Mr. CRANE) or any of the sponsors of the bill to show me specifically in H.R. 434 where that common ground is. Show me where multinationals from the United States that locate in sub-Saharan Africa and take advantage of these trade provisions, that they have to hire African workers. Show me how we have provisions in this bill to keep the Chinese from taking advantage of African workers by importing Chinese workers into sub-Saharan Africa.

Mr. Chairman, I include the following for the RECORD:

[From the Chicago Tribune, July 12, 1999]

A 'GROTESQUE' GAP BETWEEN THE GLOBAL ECONOMY'S WINNERS AND LOSERS

(By R.C. Longworth)

As the global economy grows, rich nations are getting richer than ever, and poor ones are stuck in shantytowns on the outskirts of the global village.

''Global inequalities in income and living standards have reached grotesque proportions,'' the UN Development Program said in its annual global overview, the Human Development Report.

For instance:

The richest countries, such as the United States, have 20 percent of the world's people but 86 percent of its income, 91 percent of its Internet users, 82 percent of its exports and 74 percent of its telephone lines. The 20 percent living in the poorest countries, such as Ethiopia and Laos, have about 1 percent of each.

The three riches officers of Microsoft—Bill Gates, Paul Allen and Steve Ballmer—have more assets, nearly $140 billion, than the combined gross national product of the 43 least-developed countries and their 600 million people.

The United States, meanwhile, has more computers than the rest of the world combined. Lesser-developed countries are not likely to catch up any time soon: the same computer that costs a month's wages for the average American takes eight year's income from the average resident of Bangladesh.

The 200 richest people in the world more than doubled their net worth between 1994 and 1998. But in nearly half the world's countries, per capita incomes are lower than they were 10 or 20 years ago. Some of these are oil-producing nations hit by the long slump in oil prices, but many are in sub-Saharan Africa, where per capita income has fallen to $518 from $661 in 1980.

In 1960, the richest fifth of the world's people had 30 times as much income as the poorest fifth. By 1997, that proportion had more than doubled, to 7–1.

The key to a solution to these problems, the UNDP said, is not to stamp out the global economy but to embrace it with the rules and institutions that will ensure it serves people and communities, not just markets and their manipulators.

''Competitive markets may be the best guarantee of efficiency but not necessarily of equity,'' it said. ''Markets are neither the first nor the last word in human development.

''Many activities and goods that are critical to human development are provided outside the market, but these are being squeezed by the pressures of global competition.

''When the market goes too far in dominating social and political outcomes, the opportunities and rewards of globalization spread unequally and inequitably—concentrating power and wealth in a select group of people, nations and corporations, marginalizing the others.

''The challenge,'' the report said, ''is not to stop the expansion of global markets. The challenge is to find the rules and institutions for stronger governance . . . to preserve the advantage of global markets and competition but also to provide enough space for human, community and environmental resources to ensure that globalization works for people, not just for profits.''

The gap between people, like the one between nations, also is growing in the global economy, the UNDP report said. Inequality is growing both in industrialized nations—especially in the United States, Britain and Sweden, it said—and in newly industrializing countries, such as China and the formerly communist countries of Eastern Europe.

One result of globalization, it said, is that the road to wealth—the control of production, patents and technology—is increasingly dominated by a few technology—is increasingly dominated by a few countries and companies.

Of all the countries in the world, only 10, including the United States, account for 84 percent of global research-and-development spending. Businesses and institutions in the same 10 control 95 percent of all patents issued by the U.S. government over the past 20 years, it said.

Among corporations, the top 10 controlled 86 percent of the telecommunications market, 85 percent of pesticides, 70 percent of computers and 60 percent of veterinary medical products, it said.

The major countries and the global corporations may have earned their dominance, but, the report said, this monopoly of power is cutting poorer nations off from a share of the economic pie and, often, from decent health care and education.

''The privatization and concentration of technology are going too far,'' the report said. ''Corporations define research agendas. . . . Money talks, not need. Cosmetic drugs and slow-ripening tomatoes come higher on the priority list than drought-resistant crops or a vaccine against malaria.''

Many new technologies, ''from new drugs to better seeds,'' are priced too high for poor nations, it said. Global patent laws, intended to protect intellectual property, are blocking the ability of developing countries to develop their own products.

Even within the Third World, inequality is sharp. Thailand has more cellular phones and Bulgaria more Internet users than all of Africa except South Africa, the report said.

The report was not all gloom and doom. Even as gaps between nations grow and some countries slide backward, the quality of life for many of the world's poor is improving, it said.

Between 1975 and 1997, life expectancy in Third World countries rose to 62 years from 53, adult literacy rates climbed to 76 percent from 48 percent, child mortality rates to 85 per 1,000 live births from 149, and some countries—Costa Rica, Fiji, Jordan, Uruguay and others—''have overcome severe levels of human poverty.''

The UNDP report said uneven and unequal development around the world is not sustainable and risks sinking the global economy in a backlash of public resentment.

Without global governance that incorporates a ''common core of values, standards and attitudes, a widely felt sense of responsibility and obligations,'' the major nations and corporations face trade wars and uncontrolled financial volatility, it said, with the Asian financial crisis of the past two years only the first of many upheavals.

At the moment, new rules and regulations are being written in talks at the World Trade Organization, the International Monetary Fund and other powerful global bodies. But these talks are ''too narrow,'' the report said, because they focus on financial stability while ''neglecting broader human concerns such as persistent global poverty, growing inequality between and within countries, exclusion of poor people and countries, and persisting human-rights abuses.''

They are also ''too geographically unbalanced,'' with an unhealthy domination by the U.S. and its allies.''

The UNDP report called instead for a ''global architecture'' that would include:

A global central bank to act as a lender of last resort to strapped countries and to help regulate finance markets.

A global investment trust to moderate flows of foreign capital in and out of Third World countries and to raise development funds by taxing global pollution or short-term investments.

New rules for the World Trade Organization, including anti-monopoly powers to enable it to keep global corporations from dominating industries.

New rules on global patents that would keep the patent system from blocking the access of Third World countries to development, knowledge or health care.

New talks on a global investment treaty that, unlike talks that failed last year, would include development countries and respect local laws.

More flexible monetary rules that would enable developing countries to impose capital controls to protect their economies.

A global code of conduct for multinational corporation, to encourage them to follow the kind of labor and environmental laws that exist in their home countries. The report praised voluntary codes adopted in Asia by Disney World and Mattel, the toy company.

The leading industrial nations already are considering new global rules on investment, banking and trade. The UNDP report, in effect, endorsed these efforts but urged that they be broadened to include the needs of poorer nations.

INTRODUCING H.R. 772, ''HOPE FOR AFRICA''

(By Congressman Jesse Jackson, Jr.)

To overcome a nearly 400 year legacy of unregulated business, investment and trade that gave us slavery, colonialism and widespread human and economic exploitation, today we introduce H.R. 772, ''The HOPE for Africa Act of 1999,'' based on Human Rights, Opportunity, Partnership and Empowerment as the basis for a new respectful and mutually beneficial human and economic relationship.

Unregulated business and investment, structural adjustment programs built on debt service, is the status quo or worse. This status quo formula has given Africa: wealth in the hands of a few; followed inevitably by civil wars (both ethnic and tribal) over food and economic security; undemocratic regimes; and economic and political instability.

We support bilateral, multilateral and international trade. We are not economic isolationists or economic protectionists. By introducing this legislation today, we seek to establish a new principle that should underlie every trade bill in the United States—that the benefits of trade must be shared widely by the majority of the common working people in every participating society, not just benefit the business and financial interests of an elite few.

We support business and investment in Africa. Indeed, our business development and trade provisions are more expansive than the provisions in Rep. Phil Crane's African Growth and Opportunity Act. HOPE for Africa insures that the average African worker will be paid a minimum wage; has the right to organize for their own protection and economic security; has the right to work in safe and healthy working conditions; can produce goods and protect the environment at the same time so business development and economic growth can be sustained indefinitely; and so the common people of Africa might be able to work their way out of their poverty and underdeveloped condition with dignity.

The HOPE for Africa legislation provides trade remedies that can be embraced by both working Americans and working Africans because it raises the living standards of both. It does not raise some African living standards at the expense of lowering some American living standards. It is also good for long-term business development and economic investment because average workers on both continents will be able to buy the goods and services that they produce and, in the process, build a fairer and more perfect economic world.

First, H.R. 772 affirms each African nation's right to economic self-determination. The HOPE for Africa legislation is built on the principles and goals developed by African finance ministers in cooperation with the Organization or African Unity, and with input by African workers' organizations such as COSATU in South Africa.

Second, H.R. 772 offers a solution to Sub-Saharan Africa's crushing $230 billion debt—unconditional, comprehensive debt forgiveness. Excluding South Africa, with upwards of 20 percent of sub-Saharan nations' export earnings going to debt service, few resources are left to devote to development and urgent local needs.

Third, H.R. 772 addresses the AIDS crisis by replenishing and targeting assistance from the Development Fund for Africa for AIDS education and treatment programs; making it U.S. policy to assist Sub-Saharan African countries in efforts to make needed pharmaceuticals and medical technologies widely available; and prohibiting the use of U.S. funds to undermine African intellectual property and competition policies that are designed to increase the availability of medications. Since the beginning of the AIDS epidemic, 83 percent of AIDS deaths have occurred in Sub-Saharan Africa.

Fourth, H.R. 772 restores Africa's budget line item for foreign aid with a set guaranteed amount, not to decline below 1994 levels. This would restore parity for Africa with U.S. foreign aid treatment of other vital regions. Currently, Africa is the only region not a line item in the budget.

Finally, President Clinton says we must put a new and human face on trade—and I agree. But the new face must be based on a new foundation. The policies regarding Africa that the Congress sets now will deeply affect the economic future of the continent and, thus, the future of the African people for decades to come. With such high stakes, it is vital that we get the initial policy right. With this in mind, I submit H.R. 772, which has the broad-based support of African and U.S. development, trade and economic experts and also organizations in Africa and the U.S., representing the interests of the majority of the people who will be affected.

A HUMAN FACE ON THE GLOBAL ECONOMY—THE HOPE FOR AFRICA ACT OF 1999

(By Congressman Jesse L. Jackson, Jr.)

President Clinton in his State of the Union Address said: ''. . . trade has divided us, and divided Americans outside this chamber, for too long. Somehow we have to find a common ground on which business and workers and environmentalists and farmers and government can stand together . . . . We must ensure that ordinary citizens in all countries actually benefit from trade—(applause)—a trade that promotes the dignity of work, and the rights of workers, and protects the environment . . . . We have got to put a human face on the global economy. (Applause.)''

I agree completely. However, the only piece of legislation mentioned in the President's Address, and the first trade bill being pushed by the administration, is the Republican-sponsored African Growth and Opportunity Act (AGOA), H.R. 434—which is a continuation of the old face of trade.

The new face of trade must be based on a new foundation. That is why I introduced a Democratic alternative, H.R. 772 ''The Human Rights, Opportunity, Partnership and Empowerment (HOPE) for Africa Act of 1999.''

The old face of the AGOA has been dubbed ''NAFTA for Africa'' by the trade press, and represents the failed status quo trade policy that has lost the support of the American people and was rejected last fall by Congress. Like Fast Track, the AGOA's chief sponsor is conservative corporate-oriented Rep. Phil Crane (R–IL).

When this legislation was introduced last year, I called it the ''Africa Recolonization Act'' and joined 185 of my colleagues in opposing it. Opposition to the AGOA is widespread in Africa. The Congress of South African Trade Unions declared this bill worse than no bill at all. Indeed, South African President Nelson Mandela declared the bill ''not acceptable to us'' in a joint news conference with President Clinton.

This bill is not the first time that developed countries have sought to do business with Africa. Slavery and colonialization were long-standing international commercial policy with Africa, and the results are the desperate poverty, environmental devastation and civil unrest plaguing Africa today. There is a long history of U.S.-Africa economic relations that must be overcome.

My HOPE for Africa bill promotes sustainable, equitable development in Africa, and fair and mutually beneficial trade between our two regions. Specifically, HOPE represents the new approach to international commercial policy that the President says he is seeking: access for African countries to U.S. markets; broad benefits to ordinary Africans; corporate adherence to labor, human rights and environmental standards; employment of African workers; promotion of African capital accumulation and investment partnership; emphasis on establishing small and medium-sized businesses in Africa; and partnerships between Africans and Americans.

HOPE provides for mutually beneficial trade by taking a holistic approach to interlocking trade, investment, business facilitation, debt relief and aid elements that are vital to any successful economic relationship between sub-Saharan Africa and the U.S. Indeed, the bill is based on the principles of the Lagos Plan on economic development created by the African finance ministers and the Organization of African Unity.

Moreover, HOPE includes the purchase, at the significantly discounted market rate, and cancellation of African debt which has a face value of $230 billion and annual debt service that devours over 20% of all African export earnings. Cancellation of this debt would provide a clean slate—and working domestic credit markets and resources for education, infrastructure and health—for African countries facing the challenges of the global economy. HOPE also targets U.S. foreign aid toward uses with broad public benefits, such as the prevention and treatment of the AIDS epidemic ravaging Africa. The AGOA does not even mention AIDS.

The AGOA extends short-lived trade ''benefits'' for the nations of sub-Saharan Africa. In exchange for these crumbs from globalization's table, the African nations must pay a huge price: adherence to economic policies that serve the interests of foreign creditors, multinational corporations and financial speculators at the expense of the majority of Africans.

Specifically, the AGOA requires sub-Saharan Africa to adopt a range of policies

straight out of the International Monetary Fund's discredited play book. These policies include cuts in spending on health care and education, orienting food production away from meeting domestic needs and toward exports, and divesting natural resources and precious public assets to foreign investors. No other region's right to economic self-determination is dismissed so cavalierly by U.S. policy makers.

AGOA provides no relief from Africa's crushing debt burden, and does nothing to ensure that African workers and businesses, as opposed to foreign corporations, will enjoy the benefits of expanded trade.

Whose interests will the AGOA advance? Look at the coalition promoting it—a corporate who's who of oil giants, banking and insurance interests, as well as apparel firms seeking one more place to locate their low-paying sweatshops. Some of these corporations are already infamous in Africa for their disregard for the environment and human rights.

Africa is a region of tremendous human creativity, vast natural and cultural wealth, and enormous economic potential. More than 750 million people live in sub-Saharan Africa, compared to 250 million in the United States. The standard of living for most of Africa's people has been falling. The region's per capita income is less than $500 annually—versus $752 in 1980 when the IMF first began to work its will on African economic policy.

How shall we overcome our exploitative history with Africa? By the AGOA or by HOPE? It should be clear. AGOA ignores the needs of nations it is ostensibly designed to assist. HOPE embodies the priorities African nations themselves have identified. HOPE represents the new approach which places the needs of people ahead of narrow corporate interests and the dictates of economic dogma. HOPE is the human face on the global economy that President Clinton says he seeks.

THE TRADE DEBATE AND HOPE FOR AFRICA

(By Robert L. Borosage)

In 1999, the historic debate about US trade policy and the global economy will once again be joined. Economic collapse abroad and political opposition at home have shattered the Washington trade consensus. In his State of the Union address, President Clinton admitted as much, suggesting the need for a new dialogue on trade.

The first round of that debate will take place in African trade policy. The HOPE for Africa Bill, introduced by Rep. Jesse Jackson Jr. and co-sponsored by an ever-growing number of House members, contains the principles of a new direction for US trade policy generally. It contrasts starkly with the Africa Growth and Opportunity Act, which is essentially a NAFTA for Africa. The following outlines the political context and stakes of that argument.

I. THE WASHINGTON CONSENSUS IS NO MORE

As President Clinton has warned, the world is gripped with the worst financial crisis since the 1930s. 40% of the world economy is in recession. Millions of Asians have been thrust into poverty. Russia has gone belly up. The contagion now engulfs Brazil, and threatens Latin America's economies. With West Germany in decline, Europe also now experiences declining growth that could lead into a recession.

Even in the United States, an island of prosperity in a sea of trouble, the effects are being felt. Manufacturing industries were in recession for much of last year. Exports declined; the trade deficit has hit new and unsustainable height. The most efficient steel plants in the world have been forced to lay off thousands of steelworkers. Layoff announcements last year were the worst of the 1990s. Even Federal Reserve Chair Alan Greenspan has warned of the dangers posed by the soaring trade deficits and the global crisis.

While the international policy elite struggles to contain the crisis and worries about its effects on globalization, it is apparent that globalization is the source, not the victim of the contagion. For over two decades, global corporations and banks have forged a global economy. They wrote the rules. Workers, consumers, and environmentalists were not invited to the table. They systematically pushed to dismantle controls over corporations, capital and currencies. The short term pain was worth it, they argued, for we would all reap the benefits of faster growth and global markets.

Now the returns are in. The world is plagued, as Joseph Stiglitz, chief economist for the World Bank has reported, with financial crises of increasing severity and frequency. Moreover, as a series of authoritative studies have documented, the defensive measures adopted by countries to avoid the crisis have produced far slower growth and greater inequality.

In the wake of the global crisis, this policy cannot be sustained. Across Asia, countries are scrambling to protect their people, to limit the brutal impact of speculative tides.

And in the United States, even at the height of the recovery, most Americans remain skeptical about the benefits of trade. The failure of the NAFTA accord reinforces those attitudes. Over the last two years, a coalition of unions, consumers, and environmentalists joined with isolationists on the right to block fast track trade authority. As AFL–CIO President John Sweeney has said, ''the Washington consensus isn't even a consensus in Washington anymore.'' It is time for a new direction.

II. THE CURRENT DEFAULT

This reality is increasingly recognized in the rhetoric of global leaders. Last summer, President Clinton warned the World Trade Organization that the global economy had to work for working families or it could not be sustained. He called for a new effort to build core labor standards and environmental protections into the global trading rules. Treasury Secretary Robert Rubin has called for a ''new architecture'' for global finance. British Prime Minister Tony Blair has gone further, suggesting the need for a new Bretton Woods, presumably a systemic attempt to bring capital and currency speculation under greater control. Billionaire financier George Soros has demanded action to stave off what he calls ''the capitalist threat.''

Yet the bold rhetoric has not yet been reflected in policy. The contrast between changing rhetoric and static policy grows wider as the crisis continues to spread.

The Africa Growth and Opportunity Act expresses this inertia. Modeled on the NAFTA Accord, encompassing the harsh preconditions that the IMF enforced on Asian countries (and later admitted were excessive), it represents the failed policies of the past, not the new direction for the future.

III. THE EMERGING ALTERNATIVE: HOPE FOR AFRICA

The HOPE for Africa legislation, based upon extensive discussions with worker, scholars and activists in the African community, offers a small ''d'' democratic, internationalist alternative to the NAFTA model. It provides the beginnings of a new direction for US trade policy, and responds to the president's call for a new dialogue on the rules that should guide the global economy. Core elements include;

Debt relief to enable nations to pursue independent paths to growth and development. In contrast, the Africa Growth and Opportunity Act offers no relief from the crippling debt burdens that force countries to open their economies, dismantle controls on capital, sacrifice food crops for export crops, and lock themselves in a constricting development straight jacket. Yet the record shows that countries do far better if they increase investment and sustain democratic freedoms while pursuing their own course to development.

Secure access to aid targeted on human needs. Poor nations need investment in education, health care, and other core human needs. By providing a floor underneath aid levels and by targeting human needs, HOPE for Africa provides nations with a basis upon which to plan. This contrasts sharply with the ''NAFTA for Africa'' model, which guarantees nothing and will end up providing aid that will go to repay foreign creditors.

Preferential access to the US market, but only if the countries choose to meet core human rights and environmental standards. Countries that decide to adhere to their own international commitments—to core international labor rights, to environmental protections, respect for other human rights—can gain preferred access to the US market. This contrast sharply with the NAFTA–WTO model that protects property rights but not labor rights, protects speculators but not the environment. One would lift standards up; the other would drive them down.

Preferred access limited to companies that actually serve to add employment, business opportunity and production within Africa, as opposed to multinationals content to use Africa as a transshipment point for goods made elsewhere.

The contrast with current policy is apparent. Today the US offers preferential access to its markets to countries routinely, whatever their record on labor rights or environmental protections. The ''NAFTA for Africa'' bill sustains such preferences on the condition that nations enforce IMF-like austerity and privatization dictates.

IV. THE COMING POLITICAL DEBATE: NO MORE BUSINESS AS USUAL

With the first signs that the Asian nations may be emerging from the global crisis and the hope that the Europe and US will escape much of its impact, the temptation is to return to business as usual. Already the Business Roundtable has announced a public relations campaign to educate Americans on the benefits of trade and the need for fast track trade authority. The administration is pushing for a new round in global trade talks, and possibly for China's accession to the World Trade Organization. With the support of much of the Wall Street-multinational corporate lobby and the administration in hand, Republican leaders began this year assuming that they could pass the ''NAFTA for Africa bill quickly with bipartisan'' support.

But as the growing support for the HOPE for Africa alternatives shows, the old consensus cannot be put back together again. Attempts to impose it will meet ever-greater opposition at home and abroad. And if the US economy slows and unemployment rises, the failure to define a new course that works for working people may generate a harsh xenophobic and nationalist reaction.

HOPE for Africa points the way to a new direction, one grounded in respecting independent national paths to development and growth, while protecting core human values. If frames a debate that is vital to working people a home and abroad. It deserves more than a hearing. It deserves support and passage.

PACE,
Fairfax, VA, March 15, 1999.

DEAR REPRESENTATIVE: On behalf of the 330,000 members of PACE, the Paper, Allied-Industrial, Chemical and Energy Workers International Union, I am writing to urge you to support the HOPE for Africa Act, H.R. 772. This is the first time in our collective memories that the House has considered a bill that tries to ensure that any wealth generated by increased trade is shared by workers in all affected countries. The bill does so in part by including strong workers' rights provisions. The HOPE for Africa Act contrasts sharply with the African Growth and Opportunity Act, H.R. 434, which is almost identical to H.R. 1432, which passed the House last year.

The HOPE for Africa Act would expand trade between the U.S. and the countries of sub-Saharan Africa more than the Growth and Opportunity Act, but without damaging the U.S. economy. It would do so by increasing market access for Lome Treaty products, for which the U.S. is not a competing supplier. HOPE would also shift apparel quota from China to Africa, rather than adding additional imports to an already glutted U.S. clothing market to the detriment of workers here. Most importantly, HOPE includes strong language against transshipment of goods and use of guest workers, both aimed at seeing that its benefits accrue to African workers, rather than to Asian producers.

H.R. 772 does all of this without imposing the counterproductive conditionalities of H.R. 434. Instead of requiring African countries to reshape their economies to serve U.S. investors, HOPE recognizes the right of African countries to shape their own economic development plans.

Finally, HOPE for Africa provides the financial assistance that African nations will need to be able to participate in the world economy. It restores the budget line item for African aid. The failure of African Growth and Opportunity to do this leaves Africa as the only region of the world with no guaranteed annual level of American aid. HOPE also provides relief from Africa's crushing $230 billion burden of foreign debt. No debt relief is contained in the African Growth and Opportunity Act.

The House has a unique opportunity to forge a new consensus on trade policy, one that serves workers as well as employers. We urge you to become a cosponsor of the HOPE for Africa Act, H.R. 772, and to work to enact it into law.

Thank you for consideration of our views on this important piece of legislation.

Sincerely,

PAULA R. LITTLES,
Director, Citizenship-Legislative Department.

WASHINGTON, DC,
March 30, 1999.

DEAR COLLEAGUE: I write to share with you a letter written by the Union of Needletrades, Industrial and Textile Employees (UNITE) on behalf of H.R. 772, the ''HOPE for Africa Act.'' As you may know textile manufacturing jobs are often transplanted to overseas markets with lax worker protections and wage rates. Consequently, many working men and women in America find themselves down-sized, outsourced and left behind. Yet instead of taking a protectionist position on international trade issues in Africa, UNITE has chosen to support the ''HOPE for Africa Act'' because ''for the first time in [their] collective memories,'' there is a trade bill being offered that ''tries to ensure that any wealth generated by increased trade is shared by workers in all affected countries.'' If you would like more information about the ''HOPE for Africa'' act, please contact me or have staff contact my Legislative Director, George Seymore, at 5–0773 or george@jackson.house.gov.

Sincerely,

JESSE L. JACKSON, Jr.,
Member of Congress.

UNITE!
March 1, 1999.

DEAR REPRESENTATIVE: On behalf of the 250,000 members of UNITE, the Union of Needletrades, Industrial and Textile Employees, we are writing to urge you to support the HOPE for Africa Act, H.R. 772. This is the first time in our collective memories that the House has considered a bill that tries to ensure that any wealth generated by increased trade is shared by workers in all affected countries. The bill does so in part by including strong workers rights provisions. The HOPE for Africa Act contrasts sharply with the African Growth and Opportunity Act, H.R. 434, which is almost identical to H.R. 1432, which passed the House last year.

The HOPE for Africa Act would expand trade between the U.S. and the countries of sub-Saharan Africa more than the Growth and Opportunity Act, but without damaging the U.S. economy. It would do so by increasing market access for Lome Treaty products, for which the U.S. is not a competing supplier. HOPE would also shift apparel quota from China to Africa, rather than adding additional imports to an already glutted U.S. clothing market to the detriment of workers here. Most important, HOPE includes strong language against transshipment of goods and use of guest workers, both aimed at seeing that its benefits accrue to African workers, rather than to Asian producers.

H.R. 772 does all of this without imposing the counterproductive conditionalities of H.R. 434. Instead of requiring African countries to reshape their economies to serve U.S. investors, HOPE recognizes the right of African countries to shape their own economic development plans.

Finally, HOPE for Africa provides the financial assistance that African nations will need to be able to participate in the world economy. It restores the budget line item for African aid. The failure of African Growth and Opportunity to do this leaves Africa as the only region of the world with no guaranteed annual level of American aid. HOPE also provides relief from Africa's crushing $230 billion burden of foreign debt. No debt relief is contained in Growth and Opportunity.

The House has a unique opportunity to forge a new consensus on trade policy, one that serves workers as well as employers. We urge you to become a cosponsor of the HOPE for Africa Act, H.R. 772, and to work to enact it into law.

Sincerely,

ANN HOFFMAN,
Legislative Director.

MIDDLE EAST & AFRICA

NIGERIA: OIL IN TROUBLED WATERS—WITH A WEEK TO GO BEFORE NIGERIA'S ELECTION, ROBERT CORZINE AND WILLIAM WALLIS VISIT THE TURBULENT OIL DELTA

If only that were true. In recent weeks, dozens of young men from the Ijaw tribe have been killed by Nigerian army bullets as they demonstrated for a bigger share of the oil wealth produced by foreign companies in the delta.

Four years after the execution of the writer Ken Saro-Wiwa, who campaigned for the rights of the delta's Ogoni people, the region is again teetering on the edge of open rebellion against the federal government in far-away Abuja.

The conflict also threatens to divide the communities of the delta, as young activists challenge the authority of more cautious traditional leaders. Foreign oil companies such as Royal Dutch/Shell, which operate on behalf of the Nigerian state, are already in the line of fire. Militant groups have orchestrated kidnappings and closed oil installations in the state of Bayelsa.

Saro-Wiwa's militant message has been embraced by many of the region's minority tribes. The Ijaw—Nigeria's fourth largest tribe—have even resurrected Egbesu, their ancient god of war, to support their cause. ''Egbesu Boys'' recently marched into Yenagoa, the capital of Bayelsa, wearing only black shorts and holding white candles in a peaceful protest. But clubs can easily replace candles, and it was armed Egbesu Boys who died in the fighting with soldiers in Yenagoa.

Oil wealth is at the root of the tensions in the delta. Nowhere in the world do so many of the world's poorest people rub shoulders with some of its richest multinationals.

In their reed huts and tiny canoes, the Ijaws are dwarfed and encircled by towering gas flares and the pipelines that criss-cross the meandering creeks and rivers of the delta.

Canoes carved from local trees and designed for the placid waters of the mangrove swamps are regularly tipped over in the wake of orange speedboats ferrying oil workers to and from installations.

''When you see Shell workers and the installations they live in, and our swamp where the people are wallowing, you cannot be happy,'' a youth leader says.

Dragging his hand in the water from the side of a boat, he collects a rainbow film of oil on his dark skin. He says it is from an untreated spill. He is one of many young men in the delta who believe that oil leaks from ageing pipes—and not over-fishing—have choked the life from the once-fish-filled waters.

In one incident, he recalls, a loose bolt in a connecting pipe sent a 30-foot jet of oil over a village at the Santa Barbara crossing. For 24 hours, it spewed out a thick layer of oil, covering huts, fishing nets, cooking utensils and the small periwinkle snails that substitute for fish if the catch is poor.

''The only fish we can find here now are small and bony. We call them 'broke-marriage' because their flesh melts into the soup and husbands accuse their wives of feeding it to another man,'' says an old woman.

Local resentment against oil companies has made large parts of the delta no-go areas for foreign oil men, who risk being kidnapped or attacked by angry villagers.

''Arresting oil company boats is one of the few ways the Ijaw can gain the federal government's attention,'' says Antony Ikonibo, paramount ruler of the Akassa clan, a collection of 50 fishing villages and settlements near the mouth of the Nunn River.

In Khongo, the main village in Akassa, the signs of neglect are everywhere.

The jungle has reclaimed the high school, built by a civilian government in the 1970s. Goats sleep in one of the few classrooms still in use. In the evening, villagers gather around a muddy pool that serves as the main water supply. There is no electricity. Concrete slabs intended to protect the village from floods lie abandoned on the riverbank, the contractor having pocketed the money and abandoned the project.

Although the residents of the delta are united in the demands for a long-awaited share of the oil wealth, the emergence of militant groups and their increasingly aggressive tactics have divided communities.

''If we're not careful, soon the traditional leaders will be the target as it happened in Ogoniland,'' says Chief Ikonibo.

''There they were appealing for calm but the youths thought they were taking money

[from oil companies] and so they butchered them.''

Many residents say it would be a tragedy if a struggle directed against a remote and distant government claimed many of its victims from within the neglected communities themselves.

But as one young man in Khongo noted: ''If a man from the Delta is on the wrong side, he'll die like a fly.''

TRANSAFRICA,
Washington, DC, February 15, 1999.

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: I am writing in strong support of the Human Rights Opportunity Partnership and Empowerment for Africa Act of 1999 (''HOPE for Africa Act''), soon to be introduced by Congressman Jesse Jackson, Jr. This bill would promote sustainable economic development and democratic governance in Africa as a means of securing for that continent maximum socio-economic benefits from its myriad economic relationships with the United States public and private sectors.

The Hope Act was developed over several months of meetings with a variety of grass-roots organizations, both African and American. The Act, among other things: describes the status of Africa at the dawn of the new millennium; cancels Africa's official U.S. debt; addresses the role of sovereignty in the conduct of mutually beneficial relations between nations; re-establishes a line-item for aid to Africa in the U.S. Foreign Operations Appropriations bill, and strongly encourages Export-Import Bank and OPIC involvement with small, female and minority-owned businesses.

Thus far, members who have announced their intention to co-sponsor the HOPE Act are:

House Minority Whip, David Bonior (D–MI); Congressional Black Caucus Chair, Jim Clyburn (D–SC); Congresswoman Cynthia McKinney (D–GA); Congresswoman Barbara Lee (D–CA); Congressman William Delahunt (D–MA); Congressman Elijah Cummings (D–MD); Congressman Dennis Kucinich (D–OH); Congresswoman Carolyn Kilpatrick (D–MI); Congresswoman Sheila Jackson-Lee (D–TX); Congresswoman Jan Schakowsky (D–IL); Congressman Sherrod Brown (D–OH); Congressman Lane Evans (D–IL); Congressman John Conyers (D–MI); Congressman George Miller (D–CA).

On March 11, 1998, the House of Representatives passed H.R. 1432, the African Growth and Opportunity Act, a bill designed to authorize new trade and investment policies towards sub-Saharan Africa. The Senate failed to pass companion bill S. 778.

H.R. 1432 would have imposed on Africa the most harmful conditionalities of the North America Free Trade Agreement (NAFTA) and the International Monetary Fund (IMF). The Act, like many structural adjustment programs, would have bankrupted local African enterprises, increased Africa's dependency on food imports, gutted vitally needed social services, reduced government expenditures on health and education, and widened the gap between rich and poor. Even President Nelson Mandela, standing next to President Clinton at an internationally televised press conference during President Clinton's March 1998 visit to Africa, said the following regarding H.R. 1432 in general, and its conditionalities in particular:

''These matters are the subject of discussions and they are very sensitive matters . . . This is a matter over which we have serious reservations. This legislation to us, is not acceptable.''

Efforts to remove these harmful provisions from H.R. 1432 were rejected by the House Leadership.

On February 2, 1999, Congressman Philip Crane (R–IL) introduced H.R. 434, the African Growth and Opportunity Act, in substantially the same form as H.R. 1432. However, H.R. 434 eroded H.R. 1432 in that language pertaining to development assistance and human rights was deleted.

By introducing the HOPE for Africa Act, Congressman Jackson seeks not only to remove the damaging provisions of the Crane bill, but more importantly to ensure maximum social, economic, and political benefits for the nations of Africa as they rightfully expand extant economic relations with the U.S. public and private sectors.

In the United States as in Africa, an educated and healthy populace is vital to competitiveness in an increasingly complex global marketplace. And, in Africa as in America, labor and environmental standards should form part of responsible public/private undertakings. The Jackson bill recognizes this.

The U.S. process of policy formulation—whether domestic or foreign in focus—has never limited debate and discussion to a ''single track.'' During our Congressional battle against apartheid, for example, and later during the Congress's efforts to restore democracy to Haiti, there were a plethora of ideas and approaches, reflected in a number of different legislative initiatives, as to how best to achieve these important goals.

The creation of a new and comprehensive economic policy package towards Africa should be no different.

U.S. criticism of the Soviet Union during the Cold War was that forced adherence to the established ''party-line''—no variation, no debate, no offering of alternate ideas—resulted in policies that ran counter to the long-term interests of the then-Soviet people. If we do indeed wish the people of Africa to benefit from the vast wealth and potential of that continent, and from the ever-expanding opportunities for US/Africa cooperation, we must—unlike the Soviets—allow open and constructive debate on the best means of doing so.

I seek your leadership to ensure the passage of the HOPE for Africa Act. Should you wish to discuss this matter further, I would welcome your call at (202) 797–2301.

Thank you for your attention to this matter.

Sincerely,

RANDALL ROBINSON,
President.

WOMEN'S EDGE,
February 11, 1999.

DEAR REPRESENTATIVE: Women's EDGE, a coalition of international development organizations, domestic women's groups, and individuals, is writing to express our concern about the Africa Growth and Opportunity Act II (H.R. 434). We oppose this bill, as currently written. Women's EDGE works to give women and families around the world an economic edge. Women's EDGE believes that H.R. 434 will harm, rather than help, the majority of African citizens. We support the HOPE (Human Rights, Opportunity, Partnership, & Empowerment) for Africa Act, sponsored by Representative Jesse Jackson, Jr. (D-Illinois) as that best opportunity to achieve sustainable development in the Sub Saharan African (SSA) region.

H.R. 434 aims to improve the livelihoods of African citizens by pursuing an export-promotion strategy to the exclusion of other methods. We are deeply disturbed that H.R. 434 contains no provisions for development assistance to Africa. Women's EDGE believes that trade and aid are both important policy tools for the U.S. to use to achieve its diplomatic and economic aims. Furthermore, in order to truly benefit African citizens, the U.S. needs to support basic development needs such as basic education, education and access to technology, and capacity-building efforts. By laying the foundation for strong human capital development, the U.S. will be aiding African citizens today and tomorrow. In contrast to H.R. 434, the HOPE for Africa Act supports restoration of annual aid to Africa at the 1994 level ($802 million) under the Development Fund for Africa and prioritizes funding for basic human needs.

Women must be central to any discussion of sustainable economic development. A recent World Bank paper (No. 428) stated that ''if Sub-Saharan Africa is to achieve equitable growth and sustainable development, one necessary step is to reduce gender inequality in access to and control of a diverse range of productive, human, and social capital assets. . . . Reducing gender inequality—a development objective in its own right—increases growth, efficiency, and welfare''.

Trade policies must take women's social and work roles into account and design policies that improve women's lives, rather than increase their burden. Numerous studies have shown that trade provisions affect women differently because of the social roles that women play in most societies, as well as the wage discrimination, job segmentation, and cultural barriers women often face. While we commend the authors of H.R. 434, for recognizing the importance of women to economic development (Sec. 3), we are dismayed that there are no provisions within the bill to facilitate women's access to education, credit, capital, or technology in order to increase their ability to become economically self-sufficient. Instead, many of the export-driven strategies within H.R. 434 will serve to undermine women's businesses and health.

Some examples include:

Micro-credit programs, which have gained strong support in the U.S. Congress, are an avenue through which women have been able to parlay small loans into thriving businesses throughout SSA. However, in Zimbabwe, as trade was liberalized, women micro-entrepreneurs were unable to compete with the flood of cheap goods entering their country (AWEPON/DGAP, 1996).

Susan Joekes' research has shown that in Sub-Saharan Africa (SSA), a switch to export-promotion crops (non-traditional agricultural promotion) has often diverted resources from domestic consumption. Men have controlled the extra cash earned from this strategy and the nutritional status of women and children has declined. Falls in girls' school enrollment has also been observed, reflecting the need to use additional labor to meet domestic and export production.

Women's EDGE has grave reservations about the impact of the eligibility requirements on the poor in SSA, particularly poor women. The eligibility criteria outlined in H.R. 434 calls for the restructuring of African economies. Past experience has demonstrated that this sort of restructuring has led to deep cuts in government health, nutrition, and education programs. As a result, professional women who work in the government (and are disproportionately concentrated in these sectors) are displaced, and poor women see an increase in the cost of health care, food, and education. Any eligi-

bility criteria should allow nations the necessary latitude to ensure food security, adequate health care, and access to basic education for its citizens.

The HOPE for Africa Act, rather than using the ''cookie-cutter approach'' outlined in H.R. 434 to determine eligibility, recognizes the need for self-determination for African nations. The HOPE for Africa Act enables African nations to pursue policies in the best interests of their citizens and recognizes the different capacities, natural resource base, and economic, social, and political needs of each nation.

Women's EDGE shares the concerns that other organizations have articulated about the preoccupation of expanding the textile industry in SSA, given that global trade rules will end textile and apparel quotas in 2005. With China competing for the textile market once the quotas are lifted, nascent industries will be overwhelmed and it is likely that China will become one of the sole suppliers of textiles for the global economy. This strategy seems to be shortsighted as a long-term development model for the region. The HOPE for Africa expands the market access for African goods, while protecting workers rights and the environment. Women's EDGE also supports the HOPE for Africa contention that debt relief must be an integral part of any policies aimed at improving the livelihoods of African citizens.

Women's EDGE urges you to oppose H.R. 434 and instead, support the HOPE for Africa Act that includes development aid and debt relief, and respects the sovereignty of African nations.

Sincerely,

RITU R. SHARMA,
Executive Director, Women's EDGE.

SIERRA CLUB,
Washington, DC, February 10, 1999.

DON'T TRADE AWAY AFRICA'S ENVIRONMENT—OPPOSE THE AFRICAN GROWTH AND OPPORTUNITY ACT (''NAFTA FOR AFRICA'') SUPPORT THE HOPE FOR AFRICA ACT

DEAR REPRESENTATIVE: On behalf of the Sierra Club's more than half-million members, I urge you to oppose the African Growth and Opportunity Act (''NAFTA for Africa'') and to support the HOPE for Africa Act instead. Last fall Congress defeated fast track legislation as the first step toward forging a new, progressive trade policy that would guarantee protections for working families and the environment alongside any new trading privileges for business. The NAFTA for Africa represents the failed status quo trade policy that has lost the support of the American people and was rejected last fall with the defeat of fast track. The HOPE for Africa Act represents the first, bold step toward creating a new, progressive trade policy for the twenty-first century.

The NAFTA for Africa would pressure African countries into handing over their minerals, oil, and timber to transnational corporations by threatening to withdraw the low tariffs now granted for African exports to the United States under the US Generalized System of Preferences (GSP). Without strong environmental and labor standards, increased foreign investment by transnational oil, mining, and logging companies would destroy the natural resources—the farmland, pure water, and forests—that the vast majority of Africans depend on for sustainable development.

The NAFTA for Africa would:

encourage the kind of irresponsible and unaccountable investment represented by Royal Dutch Shell's oil operations in Nigeria's Ogonilnad. Shell has polluted the land and water, destroying Ogoni farmland and spreading disease, while propping up the country's military dictatorship with oil revenues. The NAFTA for Africa would spur investment by foreign mining and oil companies that have already displaced thousands from their homes without recourse to law, ignored Africa's weak environmental laws, and polluted the air, soil, and water with mine wastes, mercury, and cyanide.

increase tropical deforestation by foreign logging companies in Central Africa, where deforestation rates already exceed those of Brazil. In addition to destroying forests that help to curb global warming and provide clean water to Africa's farms and cities, industrial logging could expose the African people to terrible disease risks. According to The New York Times, the deadly Ebola virus was recently unleashed in Zaire and Gabon after foreign logging companies cut their way into untouched, primary forests, exposing humans to the forest animals that harbor the disease.

harm Africa's ability to benefit from new foreign investment by requiring cuts in corporate taxes and government spending. With few options for taxes to support needed public services, such essentials as public health and education would almost certainly be slashed.

In contrast, the HOPE for Africa Act would offer Africa a partnership for equitable and sustainable development that could serve as a model for a new, progressive American trade policy. In place of the NAFTA for Africa's meager trade benefits, HOPE for Africa would open the US market to the wide variety of goods listed under the Lome Treaty in which the US is not a competitor, would grant new access for African textiles and apparel while protecting the rights of workers and the environment, and would not set onerous, new conditions for continued GSP preferences.

In addition, HOPE for Africa would:

provide comprehensive relief of Africa's crushing burden of $230 billion in foreign debt. Debt relief would allow Africa to re-direct its own resources toward priority development, health, education, and environmental needs. And debt relief would reduce the enormous pressure to recklessly exploit and export the region's rapidly shrinking natural resources.

provide adequate foreign assistance through the Development Fund for Africa and through the US Agency for International Development. Hope for Africa requires that such assistance be spent in consultation with the intended beneficiaries, the African people, and would be directed toward education, micro-credit, health, environmental protection, and other priority goals.

ensure that foreign corporations operating in Africa adhere to internationally recognized labor rights and to developed country environmental standards. Hope for Africa would give US citizens access to US courts to enforce these obligations.

The Hope for Africa Act offers the opportunity to launch a new, progressive trade policy in partnership with the African people that promotes equitable and sustainable development for all. The NAFTA for Africa offers only more of the same, failed policies of the past. We urge you to support the Hope for Africa Act and to reject the NAFTA for Africa.

Sincerely,

CARL POPE,
Executive Director.

AMERICAN LANDS ALLIANCE,
Washington, DC, February 25, 1999.

AMERICAN LANDS, CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, DEFENDERS OF WILDLIFE, FRIENDS OF THE EARTH, PACIFIC ENVIRONMENT AND RESOURCES CENTER AND SIERRA CLUB URGE CONGRESSIONAL SUPPORT FOR THE HOPE FOR AFRICA ACT

DEAR MEMBER OF CONGRESS: Yesterday, Representative Jesse Jackson, Jr. and thirty other Members of Congress introduced legislation that will help protect Africa's threatened native forests.

The HOPE (Human Rights, Opportunity, Partnership and Empowerment) for Africa Act of 1999 (H.R. 772) is one of the first international trade and investment bills that forest activists can stand behind and endorse.

Unique among trade legislation, the HOPE for Africa Act includes strong environmental safeguards to ensure that corporations operating in Africa and accessing the bill's benefits act responsibly with respect to the local environment. Specifically, the bill would:

1. Deny U.S. market access to products that are produced in a manner inconsistent with the environmental standards that apply to similar operations in developed countries;
2. Empower U.S. citizens to enforce provisions of the Act in U.S. courts; and
3. Provide adequate foreign assistance to Africa while requiring that the assistance be spent in consultation with the African people and be directed toward environmental protection and other goals.

On the other hand, The ''NAFTA for Africa'' bill, or the Africa Growth and Opportunity Act (H.R. 434), provides a myriad of new rights to foreign corporations operating in Africa while remaining completely silent on environmental protections.

The NAFTA for Africa bill would encourage the continuation of logging practices that have led to the near deforestation of Africa's frontier forests. According to the World Resources Institute, in West Africa, nearly 90 percent of the original moist forest is gone, and what remains is heavily fragmented and degraded. In Central Africa, over 90 percent of all logging occurs in primary forest, one of the highest ratios of any region in the world. In Zaire, which contains more than half Central Africa's remaining forests, many tropical forests remain intact, in part because of the nation's poor transportation system. The NAFTA for Africa bill would mean open season on these endangered forests while the HOPE for Africa Act would encourage forest protection.

The HOPE for Africa Act would provide forests activists with the opportunity to protect Africa's endangered forests with support for environmental protection policies, financial assistance and local input on sustainable practices while the NAFTA for Africa bill would provide new rights to foreign logging corporations without any consideration for forest protection.

We hope that you will listen to voices of forest activists from across the country and protect Africa's remaining native forests by supporting the HOPE for Africa Act and opposing the Africa Growth and Opportunity Act.

Sincerely,

ANTONIA JUHASZ,
Director, International Trade and Forests Program, American Lands.
on behalf of:
BRENNAN VAN DYKE,
Director, Trade and Environment Program, Center for International Environmental Law.

WILLIAM SNAPE,
Legal Director, Defenders of Wildlife.
MARK VALLIANATOS,
International Policy Analyst, Friends of the Earth.
DOUG NORLEN,
Policy Director, Pacific Environment and Resources Center.
DANIEL A. SILIGMAN,
Director, Responsible Trade Campaign, Sierra Club.

[From the New York Times, June 7, 1998]

AT WHAT COST?

(By Bob Herbert)

It has a nice name, the ''African Growth and Opportunity Act,'' and a clever slogan, ''trade not aid,'' but a bill now before Congress is in fact an enormous benefits package for thriving multinational corporations and a threat to the very sovereignty of the sub-Saharan nations that sponsors of the bill say they want to help.

The bill narrowly passed the House in March, where it was introduced and pushed hard by Representative Philip Crane, an Illinois Republican who has referred to some developing African countries and their leaders as ''retards.'' (A spokeswoman told me on Friday that the Congressman had not intended to offend anyone.)

The sponsor in the Senate, which has yet to vote on the measure, is Richard Lugar, an Indiana Republican. The bill has the strong backing of the Clinton Administration, as well as such giant corporations as Texaco, Coca-Cola and Kmart.

The aim of the bill is to liberalize trade between the United States and Africa. It would, among other things, allow duty-free and quota-free exports to the U.S. for 10 years, support the creation of a U.S.-sub-Sahara free-trade agreement and encourage the Overseas Private Investment Corporation to set up funds to stimulate private development in Africa.

But the bill also makes some demands. In essence, participating countries would have to adhere to the harsh and often inhumane requirements of the International Monetary Fund. Thus, these underdeveloped and often very poor countries would have to undergo a radical economic restructuring that would include cuts in corporate taxes, reductions in government spending and privatization of some of their most valuable assets—mines, forests, harbors, oil wells and the like—with the multinationals and other wealthy foreign investors ready to snap them up at fire-sale prices.

''What does this mean to the people on the ground in these countries?'' asked Randall Robinson, the president of TransAfrica and an opponent of the Crane-Lugar bill.

He noted that I.M.F. structural adjustment programs are already under way in some African countries and studies of those programs have shown disturbing effects. Ghana is one example. It is cited as an I.M.F. success story. And yet, as Mr. Robinson pointed out, public spending on education, health and agriculture—in accordance with I.M.F. dictates to limit spending—has been falling. Health care for the poor has taken a particularly heavy hit, even though children are dying in staggering numbers.

Half of all deaths in Ghana in recent years have been of children under 5, though that age group makes up just one-fifth of the country's population.

In Senegal, under the guidance of the I.M.F., spending on education has been cut. One might ask what sense this makes in a country in which more than 65 percent of adults and 77 percent of all women are illiterate.

From the point of view of the I.M.F. and the multinationals, it makes economic sense.

The trade bill also requires participating countries to join the World Trade Organization, even though many African countries have chosen not to join. The Organization for Economic Development, a supporter of the W.T.O., has reported that sub-Saharan Africa would be a loser under W.T.O. rules because countries that import more food than they export would inevitably be hurt by requirements to cut domestic agriculture subsidies.

This is not a small matter. Four in 10 Africans suffer in some degree from hunger or malnutrition. Agricultural subsidies can be a matter of life and death in such populations.

But the trade bill fashioned in Washington says simply: you will join the W.T.O.

Attempts to amend the bill—to modify the most onerous requirements—have been beaten back. President Nelson Mandela of South Africa has characterized the bill as ''not acceptable.'' But most sub-Saharan leaders, faced with desperately poor populations and desperately high unemployment, have signed on. They appear to hope that in some way, somehow, a trade agreement with the big boys, with the United States and its great corporations, will alleviate their economic suffering.

It's a situation ripe for wholesale exploitation.

HOUSE OF REPRESENTATIVES,
Washington, DC.

The choice between the major provisions of two proposed pieces of legislation with respect to U.S./Africa economic policy—HOPE for Africa and African Growth and Opportunity—are contrasted below. This legislation will define U.S. economic policy towards Africa for the foreseeable future. HOPE stands for Human Rights, Opportunity, Partnership and Empowerment.

ECONOMIC POLICY: SELF-DETERMINATION OR PATERNALISM?

African Growth and Opportunity rejects African nations' right to self-determination by coercing them to adopt the IMF economic development model which has already had devastating consequences in the region.

HOPE for Africa is based on the recognition that African nations have the right to determine their own approach to economic development.

TRADE BENEFITS FOR AFRICA

African Growth and Opportunity's meager trade ''benefits'' (the only benefits for Africa in the entire bill) are either short-lived, illusory or redundant.

HOPE for Africa offers broad market access for African goods.

BENEFITS FOR AFRICAN BUSINESSES, COMMUNITIES AND WORKERS

African Growth and Opportunity contains no conditions that African citizens or businesses benefit from the market access provisions.

HOPE for Africa aims to raise living standards and foster capital accumulation in Africa.

DEBT RELIEF

African Growth and Opportunity provides no binding debt relief whatsoever—despite the fact that Africa's crushing $230 billion debt burden is a massive obstacle to economic and social progress.

HOPE for Africa provides for comprehensive debt cancellation. Excluding South Africa, with upwards of 20 percent of Sub-Saharan nations' export earnings going to debt service, few resources are devoted to development and urgent local needs.

SUSTAINABLE DEVELOPMENT ASSISTANCE

African Growth and Opportunity fails to even restore the budget line item for Africa aid eliminated in 1996—even though U.S. assistance is at a historical low of .02 percent of the U.S. GNP and Sub-Saharan Africa is now the only region of the world with no guaranteed annual level of American aid. The bill provides no safeguards to ensure that funds that are allocated will be used to benefit African nations and African economic development instead of U.S. corporations, for instance seeking subsidies or government backing of investment they were planning to undertake anyway.

HOPE for Africa restores aid to Africa and ensures it is used for Africa's benefit.

THE AIDS CRISIS

African Growth and Opportunity ignores the AIDS crisis, and fails to even mention the word AIDS, much less allocate any U.S. aid funding to combat the AIDS epidemic currently enveloping the continent.

HOPE for Africa addresses the AIDS crisis by replenishing and targeting assistance from the Development Fund for Africa for AIDS education and treatment programs; making it U.S. policy to assist Sub-Saharan African countries in efforts to make needed pharmaceuticals and medical technologies widely available; and prohibiting the use of U.S. funds to undermine African intellectual property and competition policies that are designed to increase the availability of medications.

LABOR RIGHTS AND ENVIRONMENTAL PROTECTION

African Growth and Opportunity is silent on these issues.

HOPE for Africa includes strong safeguards to ensure that corporations operating in Africa and accessing the bill's benefits act responsibly with respect to their employees and the local environment.

SIDE-BY-SIDE COMPARISON: HOPE FOR AFRICA (H.R. 772) AND AFRICAN GROWTH AND OPPORTUNITY ACT (H.R. 434)

The Human Rights, Opportunity, Partnership and Empowerment for Africa Act (''HOPE for Africa Act'') H.R. 772 was conceived and drafted by African and U.S. civil society groups, economists, trade specialists and legislators to address the real needs and concerns of sub-Saharan African nations (hereafter SSA). It includes mutually beneficial U.S.-Africa trade and investment opportunities—meaning that African businesses and workers, not just U.S. corporations, will enjoy the Act's broad trade benefits. It adopts a holistic approach to the elements essential to ensuring a mutually successful U.S.-sub-Sahara Africa economic policy, including business facilitation, debt relief, aid and AIDS prevention and treatment. The legislation enjoys broad support of African labor, environmental and development organizations, as well as their U.S. counterparts. It is being promoted by a coalition of African-American clergy, community organizations and leaders.

In contrast, the ''African Growth and Opportunity'' Act adopts the NAFTA formula for Africa: giving foreign corporations broad new rights that will increase their capacity to profit from control of African resources, while doing nothing to ensure that benefits actually accrue to African nations and people. This NAFTA for Africa legislation also contains harsh eligibility rules that will force African nations to alter their economic and social policies and laws to suit the needs of foreign investors and the dictates of the

International Monetary Fund—despite the IMF's dismal record in the region. NAFTA for Africa is supported by the multinational corporate lobby and harshly criticized by African and African-American community, church and development groups. Nelson Mandela called the bill ''not acceptable.''

The choice between the two bills, whose major provisions are contrasted below, will define U.S. economic policy towards Africa for the forseeable future.

ECONOMIC POLICY: SELF-DETERMINATION OR PATERNALISM?

H.R. 434 rejects SSA nations' right to self-determination by coercing them to adopt the IMF economic development model which has already had devastating consequences in the region. In order to qualify for the bill's narrow trade benefits SSA countries must be annually certified by the U.S. President as meeting a long list of U.S.-imposed, IMF-style conditions:

Cutting government spending, such as further depriving vital health and education services of desperately needed funding; Cutting corporate taxes; Privatizing public assets through divestiture and opening up most areas of their economies to ownership and control by foreign multinationals, such as mines, agricultural land and telecommunciations; Abandoning economic development policies that nurture local industry and enable it to compete globally; Joining the WTO, where the OECD has said African nations will be the big losers; and Adopting policies, like the abolition of price controls, that will jeopardizing food security.

H.R. 772, HOPE for Africa is based on the recognition that African nations have the right to determine their own approach to economic development.

Rather than being conditioned on SSA nations' adopting a one-size-fits-all economic model, the substantial benefits provided (market access for a wide range of African products, business facilitation, debt relief, development assistance), are instead designed to provide SSA nations with the resources and the freedom of maneuver necessary to pursue the policies that are in the best interest of the majority of their citizens, and

The HOPE for Africa Act is modeled on the policy priorities established in the Lagos Plan of Action drawn up by African Finance Ministers in cooperation with the Organization for African Unity.

TRADE BENEFITS FOR AFRICA

H.R. 434's trade ''benefits'' (the only benefits for Africa in the entire bill) are either short-lived, illusory or redundant, and are conditioned on the discredited IMF-style policies.

Lifts existing quotas for Kenya and Mauritius and locks in quota-free treatment for the rest of SSA for textiles and apparel. This benefit is illusory, however, given that global trade rules will end textile and apparel quotas in 2005, at which point all countries who have invested in this industry will be overwhelmed by the dominant producer: China

In the interim, there are no meaningful safeguards to ensure that ''African'' textiles and apparel exported to the U.S. will actually be African in origin; weak transshipment rules mean they may be shipped through Africa from third countries such as China.

The Generalized System of Preferences program for SSA countries will be extended until 2009.

All SSA countries are granted ''least developed country'' benefits of the GSP program. It turns out that all but a handful of the most economically developed African countries already have been designated as qualifying for this treatment.

H.R. 772. HOPE for Africa offers expansive market access benefits to African countries, including new benefits for countries that enforce internationally recognized human rights and labor standards.

For the next five years before termination of the apparel and textile quota system, HOPE for Africa lifts the quotas now existing for Kenya and Mauritius and locks in quota-free treatment for the other SSA countries, but ensures that such goods will be produced Africa, by African workers, under conditions that protect workers' rights.

African countries will be granted quota-free, duty-free U.S. market access for the broad range of goods listed under the Lome Treaty in which the U.S. is not a competing producer. Lome covers goods like bananas, certain minerals, processed foods, and tropical products in which African countries have an advantage.

HOPE provides strong, enforceable protections against transshipment.

The Generalized System of Preferences program for SSA countries will be extended until 2005.

LABOR RIGHTS AND ENVIRONMENTAL PROTECTION

H.R. 434 denies trade benefits to countries engaging in ''gross'' violations of human rights, but does not contain meaningful, enforceable language on labor rights and is silent on environmental issues.

It denies benefits to countries engaging in ''gross'' violations of human rights.

It contains weak and unenforceable language with respect to labor rights protections that major labor unions have declared ineffective.

It provides expansive rights and benefits to multinational corporations operating in SSA, but requires nothing of them with respect to the protection of the environment.

H.R. 772, HOPE for Africa contains strong, enforceable provisions denying benefits to human rights violators, as well as strong, enforceable safeguards to ensure that corporations operating in Africa benefiting from the bill act responsibly with respect to their employees and the local environment.

It denies benefits to countries engaging in ''significant'' violations of human rights.

It denies U.S. market access to products that are produced under conditions that violate internationally recognized labor standards.

It provides additional trade benefits for products of joint ventures using the environmental standards the use in their developed country facilities.

It empowers U.S. citizens to enforce the labor, environmental and other protections of the Act in U.S. courts.

BENEFITS FOR AFRICAN BUSINESSES, COMMUNITIES AND WORKERS

H.R. 434 contains no conditions that African citizens or businesses benefit from the market access provisions:

It doesn't require companies to employ citizens of sub-Saharan nations. Already, Asian workers are being imported into several African countries—where significant unemployment already exists among Africans—to work at Asian-owned factories.

It doesn't require investment or creation of jobs in sub-Sahara Africa. Rather, the weak transshipment rules allow goods to be shipped through Africa.

It applies a mere 20% value-added requirement for the GSP program to SSA—lower than any other eligible region. This reduces the likelihood of significant employment gains under the bill.

H.R. 772, HOPE for Africa aims to raise living standards and foster capital accumulation in Africa. To this end, the bill provides and requires:

Additional trade benefits for companies with 51% African equity participation.

60% African value-added for goods to obtain the duty-free, quota-free market access guaranteed by the bill.

Companies benefiting from the trade preferences employ 90% African workers.

DEBT RELIEF

H.R. 434 provides no debt relief whatsoever—despite the fact that Africa's crushing $230 billion debt burden is a massive obstacle to economic and social progress.

HOPE for Africa provides for comprehensive debt cancellation. With upwards of 20% of sub-Saharan nations' GDP going to debt service, few resources are devoted to economic development and urgent local needs.

African debts have been repaid many times over, but the vicious cycle of taking out new loans to pay the excessive compound interest on the old loans ensures that its debt will never be ''officially'' satisfied.

HOPE for Africa calls for full cancellation of African foreign debt, starting with the relatively small debt owed to the U.S. government and covering IMF, World Bank and private sector loans. By eliminating the principle—whose market value is less than a single year's interest payments—HOPE will remove the burden of servicing the debt.

During the period of debt cancellation, HOPE for Africa caps debt payments so that no African country is forced to pay an amount exceeding 5 percent of its annual export earnings toward the servicing of foreign loans (the same percentage countries paid under the Marshall Plan).

SUSTAINABLE DEVELOPMENT ASSISTANCE

H.R. 434 fails to even restore the budget line item for Africa aid eliminated in 1996—even though U.S. assistance is at a historical low of .02% of U.S. GNP and sub-Sahara Africa is now the only region of the world with no guaranteed American aid.

H.R. 772, HOPE for Africa restores aid to Africa and ensures it is used to benefit the majority of SSA people.

Restores annual aid guarantee at the 1994 level ($802 million) under the Development Fund for Africa.

Requires that assistance be dispensed in consultation with African civil society, that it be directed to such vital areas as women's programs, education, healthcare, HIV/AIDS education and treatment, micro-credit, sustainable agriculture.

BUSINESS FACILITATION

H.R. 434's business facilitation measures are not actually targeted to SSA businesses.

Targets $500 million in existing OPIC funds for projects in sub-Sahara Africa, but does not target African businesses as beneficiaries, nor does it require that such funds be dispensed in consultation with African civil society.

Provides no safeguards to ensure that any financing will be used to benefit African nations and African economic development instead of U.S. corporations, that for instance, are seeking government backing of investment they were planning to undertake anyway.

H.R. 772, HOPE for Africa, targets investment financing for desperately needed infrastructure projects to small, women- and minority-owned businesses with majority African ownership, ensuring that the projects are undertaken in an environmentally responsible manner.

It targets $500 million in OPIC funds for infrastructure projects in SSA, including schools, hospitals, sanitation, potable water and accessible transportation.

It allocates 70% of the OPIC funding to small, women- and minority-owned businesses with at least 60% African ownership and $1 million or less in assets.

It targets 50% of OPIC funds used for energy projects to renewable or alternative energy.

It requires environmental impact assessments to be conducted and made public wherever relevant.

It creates advisory boards to oversee new OPIC funds (section 501) and Ex-Im Bank financing in SSA (section 502). These boards will have private sector experts in human rights, labor rights, the environment and development. Board meetings will be public.

THE AIDS CRISIS

H.R. 434 ignores the AIDS Crisis. NAFTA for Africa fails to even mention the word AIDS, much less provide any programs or funding to combat the AIDS epidemic currently enveloping the Continent.

H.R. 772, HOPE for Africa addresses the AIDS crisis by:

replenishing aid and newly targeting assistance from the Development Fund for Africa, specifically to AIDS education, prevention and treatment programs.

making it U.S. policy to help sub-Saharan African countries make needed pharmaceuticals widely available.

prohibiting the use of U.S. funds to undermine WTO TRIPS-legal African intellectual property and competition policies designed to increase the availability of medications.

AMENDMENT TO H.R. 434, AS REPORTED
OFFERED BY MR. JACKSON OF ILLINOIS

Page 69, strike line 9 and all that follows through line 18 on page 70 and insert the following:

SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUCTURE FUNDS.

(a) INITIATION OF FUNDS.—The Overseas Private Investment Corporation shall, not later than 12 months after the date of the enactment of this Act, exercise the authorities it has to initiate 1 or more equity funds in support of projects in the countries in sub-Saharan Africa, in addition to any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act.

(b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) shall be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) CAPITALIZATION.—Each fund shall be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guaranties.

(3) TYPES OF FUNDS.—One or more of the funds, with combined assets of up to $500,000,000, shall be used in support of infrastructure projects in countries of sub-Saharan Africa, including basic health services (including AIDS prevention and treatment), including hospitals, potable water, sanitation, schools, electrification of rural areas, and publicly-accessible transportation in sub-Saharan African countries.

(c) ADDITIONAL REQUIREMENTS.—The Corporation shall ensure that—

(1) not less than 70 percent of trade financing and investment insurance provided through the equity funds established under subsection (a), and through any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act, are allocated to small, women- and minority-owned businesses—

(A) of which not less than 60 percent of the ownership is comprised of citizens of sub-Saharan African countries and 40 percent of the ownership is comprised of citizens of the United States; and

(B) that have assets of not more than $1,000,000; and

(2) not less than 50 percent of the funds allocated to energy projects are used for renewal or alternative energy projects.

Page 70, strike line 19 and all that follows through line 20 on page 73 and insert the following:

SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

''(e) ADVISORY COMMITTEE.—

''(1) ESTABLISHMENT.—The Board shall establish and work with an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa, including with respect to equity and infrastructure funds established under section 11 of the African Growth and Opportunity Act.

''(2) MEMBERSHIP.—

''(A) IN GENERAL.—The advisory committee established under paragraph (1) shall consist of 15 members, of which 7 members shall be employees of the United States Government and 8 members shall be representatives of the private sector.

''(B) APPOINTMENT.—The members of the advisory committee shall be appointed as follows:

''(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an employee of the United States Government.

''(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are employees of the United States Government.

''(C) ADDITIONAL REQUIREMENTS.—Of the 8 members of advisory committee who are representatives of the private sector—

''(i) at least 4 members shall be representatives of not-for-profit public interest organizations;

''(ii) at least 1 member shall be a representative of an organization with expertise in development issues;

''(iii) at least 1 member shall be a representative of an organization with expertise in human rights issues;

''(iv) at least 1 member shall be a representative of an organization with expertise in environmental issues; and

''(v) at least 1 member shall be a representative of an organization with expertise in international labor rights.

''(D) TERMS.—Each member of the advisory committee shall be appointed for a term of 2 years.

''(3) MEETINGS.—

''(A) OPEN TO PUBLIC.—Meetings of the advisory committee shall be open to the public.

''(B) ADVANCE NOTICE.—The advisory committee shall provide advance notice in the Federal Register of any meeting of the committee, shall provide notice of all proposals or projects to be considered by the committee at the meeting, and shall solicit written comments from the public relating to such proposals or projects.

''(C) DECISIONS.—Any decision of the advisory committee relating to a proposal or project shall be published in the Federal Register with an explanation of the extent to which the committee considered public comments received with respect to the proposal or project, if any.

''(4) ENVIRONMENTAL IMPACT ASSESSMENTS.—The Corporation shall carry out environmental impact assessments with respect to any proposal or project not later than 120 days before the advisory committee, or the Board, considers such proposal or project, whichever occurs earlier.''.

(b) EXPORT-IMPORT BANK INITIATIVE.—Section 2(b)(9) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)) is amended to read as follows:

''(9) For purposes of the funds allocated by the Bank for projects in countries in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act):

''(A) The Bank shall establish an advisory committee to work with and assist the Board in developing and implementing policies, programs, and financial instruments with respect to such countries.

''(B) The members of the advisory committee shall be appointed as follows:

''(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an officer or employee of the Federal Government.

''(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are officers or employees of the Federal Government.

''(C)(i) At least half of the members of the advisory committee who are representatives of the private sector shall be representatives of not-for-profit public interest organizations.

''(ii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in development issues.

''(iii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in human rights.

''(iv) At least 1 of such private sector representatives shall be a representative of an organization with expertise in environmental issues.

''(v) At least 1 of such private sector representatives shall have expertise in international labor rights.

''(D) Each member of the advisory committee shall serve for a term of 2 years.

''(E)(i) Members of the advisory committee who are representatives of the private sector shall not receive compensation by reason of their service on the advisory committee.

''(ii) Members of the advisory committee who are officers or employees of the Federal Government may not receive additional pay, allowances, or benefits by reason of their service on the advisory committee.

''(F) Meetings of the advisory committee shall be open to the public.

''(G) The advisory committee shall give timely advance notice of each meeting of the advisory committee, including a description of any matters to be considered at the meeting, shall establish a public docket, shall solicit written comments in advance on each proposal, and shall make each decision in writing with an explanation of disposition of the public comments.

''(H) The Bank shall complete and release to the public an environmental impact assessment with respect to a proposal or project with potential environmental effects, not later than 120 days before the advisory committee, or the Board, considers the proposal or project, whichever occurs earlier.

''(I) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the advisory committee.''.

AMENDMENT TO H.R. 2415

OFFERED BY MR. JACKSON OF ILLINOIS

Page 84, after line 16, add the following (and conform the table of contents accordingly):

TITLE VIII—INTELLECTUAL PROPERTY OR COMPETITION LAW RELATING TO PHARMACEUTICALS OR OTHER MEDICAL TECHNOLOGIES IN SUB-SAHARAN AFRICAN COUNTRIES

SEC. 801. INTELLECTUAL PROPERTY OR COMPETITION LAW RELATING TO PHARMACEUTICALS OR OTHER MEDICAL TECHNOLOGIES.

No funds appropriated or otherwise made available to the Department of State may be used to seek, through negotiation or otherwise, the revocation or revision of any intellectual property or competition law or policy of a sub-Saharan African country that is designed to promote access to pharmaceuticals or other medical technologies if such law or policy, as the case may be, complies with the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).

AMENDMENT TO H.R. 434, AS REPORTED

OFFERED BY MR. JACKSON OF ILLINOIS

Page 92, after line 17, add the following:

SEC. 20. AUTHORIZATION OF APPROPRIATIONS FOR DEVELOPMENT FUND FOR AFRICA.

(a) IN GENERAL.—Section 497 of the Foreign Assistance Act of 1961 (22 U.S.C. 2294) is amended by inserting before the first sentence the following: ''There are authorized to be appropriated to carry out this chapter for fiscal year 2000 and each subsequent year an amount not less than the amount appropriated to carry out this chapter for fiscal year 1994.''.

(b) ADDITIONAL REQUIREMENT.—Amounts appropriated under the Foreign Operations, Export Financing, and Related Programs Appropriations Act pursuant to the authorization of appropriations established under the first sentence of section 497 of the Foreign Assistance Act of 1961 (22 U.S.C. 2294), as added by subsection (a), shall be appropriated to a separate account under the heading ''Development Fund for Africa'' and not to the account under the heading ''Development Assistance''.

AMENDMENT TO H.R. 434, AS REPORTED

OFFERED BY MR. JACKSON OF ILLINOIS

Page 41, after line 16, insert the following:

TITLE I—TRADE AND INVESTMENT PROVISIONS

Page 41, line 17, strike ''**SEC. 2**'' and insert ''**SEC. 101**'' (and redesignate each subsequent section accordingly and make all appropriate technical and conforming changes).

Page 92, after line 17, add the following:

TITLE II—CANCELLATION OF DEBT OWED BY SUB-SAHARAN AFRICAN COUNTRIES

SEC. 201. DECLARATIONS OF POLICY.

The Congress makes the following declarations:

(1)(A) For the majority of people in sub-Saharan Africa to be able to benefit from new trade, investment, and other economic opportunities provided by this Act, and amendments made by this Act, the pre-existing burden of external debt of sub-Saharan African countries must be eliminated.

(B) This fresh start will allow operation of local credit markets and eliminate distortions currently hindering development in sub-Saharan Africa.

(2) The cancellation of debt provisions contained in this title, and amendments made by this title, shall serve to help establish a more level playing field on which sub-Saharan African countries may move forward under the provisions of this Act.

SEC. 202. CANCELLATION OF DEBT OWED TO THE UNITED STATES GOVERNMENT BY SUB-SAHARAN AFRICAN COUNTRIES.

The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following:

''PART VI—CANCELLATION OF DEBT OWED TO THE UNITED STATES BY SUB-SAHARAN AFRICAN COUNTRIES.

''SEC. 901. CANCELLATION OF DEBT.

''(a) IN GENERAL.—The President shall cancel all amounts owed to the United States (or any agency of the United States) by sub-Saharan African countries defined in section 17 of the African Growth and Opportunity Act as a result of—

''(1) concessional loans made or credits extended under any provision of law, including the provisions of law described in subsection (b)(1); and

''(2) nonconcessional loans made, guarantees issued, or credits extended under any of provisions of law, including the provisions of law described in subsection (b)(2).

''(b) PROVISIONS OF LAW.—

''(1) CONCESSIONAL PROVISIONS OF LAW.—The provisions of law described in this paragraph are the following:

''(A) Part I of this Act, chapter 4 of part II of this Act, or predecessor foreign economic assistance legislation.

''(B) Title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.).

''(2) NONCONCESSIONAL PROVISIONS OF LAW.—The provisions of law described in this paragraph are the following:

''(A) Sections 221 and 222 of this Act.

''(B) The Arms Export Control Act (22 U.S.C. 2751 et seq.).

''(C) Section 5(f) of the Commodity Credit Corporation Charter Act.

''(D)(i) Section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621).

''(ii) Section 202 of such Act (7 U.S.C. 5622).

''(E) The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.).

''(c) TERMINATION OF AUTHORITY.—The authority to cancel debt under this section shall terminate on September 30, 2002.

''SEC. 902. ADDITIONAL REQUIREMENTS.

''(a) REDUCTION OF DEBT NOT CONSIDERED TO BE ASSISTANCE.—A reduction of debt under section 901 shall not be considered to be assistance for purposes of any provision of law limiting assistance to a country.

''(b) INAPPLICABILITY OF CERTAIN PROHIBITIONS RELATING TO REDUCTION OF DEBT.—The authority to provide for reduction of debt under section 901 may be exercised notwithstanding section 620(r) of this Act.

''SEC. 903. REPORTS TO THE CONGRESS.

''(a) IN GENERAL.—Not later than December 31, 1999, and December 31 of each of the next 3 years, the President shall prepare and transmit to the appropriate congressional committees an annual report concerning the cancellation of debt under section 901 for the prior fiscal year.

''(b) DEFINITION.—In this section, the term 'appropriate congressional committees' means—

''(1) the Committee on Banking and Financial Services and the Committee on International Relations of the House of Representatives; and

''(2) the Committee on Foreign Relations of the Senate.

''SEC. 904. AUTHORIZATION OF APPROPRIATIONS.

''For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the cancellation of debt under section 901, there are authorized to be appropriated to the President such sums as may be necessary for each of the fiscal years 2000 through 2002.''.

SEC. 203. ADVOCACY OF CANCELLATION OF DEBT OWED TO FOREIGN GOVERNMENTS BY SUB-SAHARAN AFRICAN COUNTRIES.

(a) ADVOCACY OF CANCELLATION OF DEBT.—The Secretary of State shall provide written notification to each foreign government that has provided loans, guarantees, or credits to the government of a sub-Saharan African country (and such loans, guarantees, or credits are outstanding) that it is the policy of the United States to fully and unconditionally cancel all debts owed by each such sub-Saharan African country to the United States. In addition, the Secretary shall urge in writing each such foreign government to follow the example of the United States and fully and unconditionally cancel all debts owed by sub-Saharan African countries to each such foreign government.

(b) REPORT.—Not later than 9 months after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report containing—

(1) a description of each written notification provided to foreign governments under the first sentence of subsection (a);

(2) a description of the response of each such foreign government to such notification; and

(3) a description of the amount (if any) owed to the United States by any foreign government opposing the United States policy advocated pursuant to subsection (a).

SEC. 204. ADVOCACY OF CANCELLATION OF DEBT OWED TO THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT BY SUB-SAHARAN AFRICAN COUNTRIES.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262c–262p–5) is amended by redesignating section 1622 as section 1623 and by inserting after section 1621 the following:

''SEC. 1622. ADVOCACY OF CANCELLATION OF DEBT OWED TO THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT BY SUB-SAHARAN AFRICAN COUNTRIES.

''(a) IN GENERAL.—The Secretary of Treasury shall instruct the United States Executive Directors at the International Monetary Fund and the International Bank for Reconstruction and Development to use the voice, vote, and influence of the United States to advocate that their respective institutions—

''(1) fully and unconditionally cancel all debts owed by any country in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act) to such institution; and

''(2) encourage each country benefiting from such debt cancellation to allocate 20 percent of the national budget of the country, including savings from such debt cancellation, to basic services, as the country has committed to do under the United Nations 20/20 Initiative, with appropriate input from civil society in developing basic service plans.

''(b) ADVOCACY OF POLICY TO PREVENT SUB-SAHARAN AFRICAN COUNTRIES FROM PAYING MORE THAN 5 PERCENT OF ANNUAL EXPORT EARNINGS FOR DEBT SERVICE ON IMF OR WORLD BANK LOANS.—The Secretary of Treasury shall instruct the United States Executive Directors at the International Monetary Fund and the International Bank for Reconstruction and Development, until their respective institutions have fully and unconditionally canceled all debts owed to

such institutions by any country in sub-Saharan Africa (within the meaning of subsection (a)(1)) to use the voice, vote, and influence of the United States to advocate that their respective institutions not be party to, and that no future loan from their respective institutions be used to finance in whole or part the implementation of, any agreement which requires the government of any such country, during any 12-month period beginning on the date of the enactment of this section or any anniversary of such date, to pay an amount exceeding 5 percent of the annual export earnings of the country during the year toward the servicing of foreign loans.

''(c) ADVOCACY METHODS.—The Secretary of Treasury shall instruct the United States Executive Directors at the International Monetary Fund and the International Bank for Reconstruction and Development to carry out such instructions by all appropriate means, including by letter to the country representative members governing bodies of their respective institutions, and by requesting formal votes on these matters.

''(d) REPORT.—Within 1 year after the date of the enactment of this section, the Secretary of the Treasury shall submit to the Committees on International Relations and on Banking and Financial Services of the House of Representatives and the Committees on Foreign Relations of the Senate a report that contains—

''(1) a description of the response by foreign governments to the policies advocated pursuant to this section;

''(2) the result of any votes taken pursuant to requests made under subsection (c);

''(3) the amount (if any) owed to the United States by any country opposing any such policy; and

''(4) a copy of the letter referred to in subsection (c).''.

SEC. 205. CANCELLATION OF DEBT OWED TO UNITED STATES LENDERS BY SUB-SAHARAN AFRICAN COUNTRIES.

(a) REPORT.—Not later than January 1, 2000, the Secretary of the Treasury shall submit to the Congress a report on the amount of debt owed to any United States person by any country in sub-Saharan Africa. The report shall specify the amount owed to each such person by each such country, the face value and market value of the debt, and the amount of interest paid to date on the debt.

(b) ACQUISITION OF THE DEBT BY THE UNITED STATES.—Not later than September 1, 2000, the Secretary of the Treasury shall acquire each debt obligation owed to any United States person by any country in sub-Saharan Africa. It is the sense of the Congress that the price at which such an obligation is acquired should be the market value of the debt obligation as of January 1, 1999.

(c) DEBT CANCELLATION.—On the acquisition of a debt obligation pursuant to this section, the debt obligation is hereby canceled.

SEC. 206. STUDY ON REPAYMENT OF DEBT IN LOCAL CURRENCIES BY SUB-SAHARAN AFRICAN COUNTRIES.

Section 603 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in section 101(d) of division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999) is amended—

(1) in subsection (e)—

(A) by striking ''and'' at the end of paragraph (3);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following:

''(4) the viability and desirability of having each indebted country in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act) repay foreign loans made to the country (whether made bilaterally, multilaterally, or privately) in the currency of the indebted country; and''; and

(2) in subsection (g), by adding at the end the following:

''(6) The matters described in subsection (e)(4).''.

SEC. 207. ALLOCATION OF PERCENTAGE OF NATIONAL BUDGETS OF SUB-SAHARAN AFRICAN COUNTRIES FOR BASIC SERVICES.

The Secretary of State shall encourage the government of each sub-Saharan African country to allocate 20 percent of its national budget, including the savings from the cancellation of debt owed by the country to the United States (pursuant to part VI of the Foreign Assistance Act of 1961, as added by section 202 of this Act), to other foreign countries (as called for in section 203 of this Act), to the International Monetary Fund and the International Bank for Reconstruction and Development (as called for in section 1622 of the International Financial Institutions Act, as added by section 204 of this Act), and to United States persons (as called for in section 205 of this Act), for the provision of basic services to individuals in each such country, as provided for in the United Nations 20/20 Initiative. In providing such basic services, each such government should seek input from appropriate nongovernmental organizations.

SEC. 208. SENSE OF THE CONGRESS RELATING TO LEVEL OF INTERIM DEBT PAYMENTS PRIOR TO FULL DEBT CANCELLATION BY SUB-SAHARAN AFRICAN COUNTRIES.

It is the sense of the Congress that, prior to the full and unconditional cancellation of all debts owed by sub-Saharan African countries to the United States (pursuant to part VI of the Foreign Assistance Act of 1961, as added by section 202 of this Act), to other foreign countries (as called for in section 203 of this Act), and to United States persons (as called for in section 205 of this Act), each sub-Saharan African country should not, in making debt payments described in the prior provisions of law, pay in any calendar year an aggregate amount greater than an amount equal to 5 percent of the export earnings of the country for the prior calendar year.

AMENDMENT TO H.R. 434, AS REPORTED

OFFERED BY MR. JACKSON OF ILLINOIS

Page 43, line 22, strike ''(a) IN GENERAL.—''.

Page 44, line 2, strike ''gross'' and insert ''significant''.

Page 44, beginning on line 3, strike ''and has'' and all that follows through line 22 on page 48 and insert a period.

Page 58, line 5, strike ''to the United States—'' and all that follows through line 18 and insert the following: ''to the United States from Kenya and Mauritius, respectively, not later than 30 days after the country demonstrates the following:

''(A) The country has adopted an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents in accordance with the provisions of this Act. The Customs Service shall provide the necessary technical assistance to Kenya and Mauritius in the development and implementation of the visa system described in the preceding sentence.

''(B) Not less than 90 percent of employees in business enterprises producing the textile and apparel goods are citizens of that country, or any 2 or more sub-Saharan African countries.

''(C) The cost or value of the textile or apparel product produced in the country, or any 2 or more sub-Saharan African countries, plus the direct costs of processing operations performed in the country or such countries, is not less than 60 percent of the appraised value of the product at the time it is entered into the customs territory of the United States.''.

Page 58, strike line 19 and all that follows through line 5 on page 59 and insert the following:

(2) OTHER SUB-SAHARAN COUNTRIES.—The President shall continue the existing no quota policy for each other country in sub-Saharan Africa if the country is in compliance with the requirements applicable to Kenya and Mauritius under subparagraphs (A) through (C) of paragraph (1).

Page 61, after line 10, insert the following:

(e) TREATMENT OF TARIFFS.—The President shall provide an additional benefit of a 50 percent tariff reduction for any textile and apparel product of a sub-Saharan African country that meets the requirements of subparagraphs (B) and (C) of subsection (c)(1) and that is imported directly into the United States from such sub-Saharan African country if the business enterprise, or a subcontractor of the enterprise, producing the product is owned by citizens of 1 or more sub-Saharan African countries who control not less than 51 percent of such business enterprise.

Page 61, after line 10, insert the following:

(f) ADDITIONAL ENFORCEMENT.—A citizen of the United States shall have a cause of action in the United States district court in the district in which he or she lives or in any other appropriate district to seek compliance with the standards set forth under subparagraph (B) or (C) of subsection (c)(1) with respect to any sub-Saharan African country, including a cause of action in an appropriate United States district court for other appropriate equitable relief. In addition to any other relief sought in such an action, a citizen may seek three times the value of any damages caused by the failure of a country or company to comply. The amount of damages described in the preceding sentence shall be paid by the business enterprise (or business enterprises) the operations or conduct of which is responsible for the failure to meet the standards set forth under subparagraph (B) or (C) of subsection (c)(1).

Page 61, line 11, strike ''(e)'' and insert ''(g)''.

Page 62, strike line 1, and all that follows through line 18 and insert the following:

''(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—(i) The President may provide duty-free treatment for any article described in clause (ii) that is imported directly into the United States from a sub-Saharan African country.

''(ii) An article described in this clause is an article set forth in paragraph (1) of subsection (b), or an article set forth in the product list of the Lome Treaty, that is the growth, product, or manufacture of a sub-Saharan African country that is a beneficiary developing country, if, after receiving the advice of the International Trade Commission in accordance with subsection (e), the President determines that such article is not import-sensitive. This subparagraph shall not affect the designation of eligible articles under subparagraph (B).''.

Mr. Speaker, I rise in strong opposition to both the rule and the bill—H.R. 434. Three-hundred-and-eighty years ago our nation's first trade policy landed 19 Africans in Jamestown, VA. Since then our nation has struggled with that painful and profound legacy. Undoubtedly, the effects of trade are far reaching and long lasting. In many ways my presence here today and that of 33 million other Americans is the result of this nation's first African trade policy.

As I told a delegation from Gabon that came to visit me in my office yesterday, the blood that unites us runs deeper than the water that divides us. So as Congress considers a new trade policy with Africa for a new millennium, for many of us this issue is charged with strong emotions and deep convictions. There are people of good will and intentions on both sides. It's rare—almost never—that I stand in opposition to a bill sponsored by Mr. RANGEL, a man who I've known and looked up to virtually all of my life and for whom I have the utmost respect and admiration. We both want what's best for Africa.

Today the weight and eyes of history are upon us. After centuries of getting it wrong—through slavery, exploitation, as pawns in a Cold War and neglect—it is incumbent upon us to get this new policy right.

Why am I opposed to the rule and opposed to AGOA?

Indeed, a dozen of my Democratic colleagues offered some 20 amendments—all of which were rejected except for four, only one of which is not a non-binding sense of the Congress resolution.

These amendments—which this restrictive rule would keep us from considering—did two things that are vital:

Cutting out the AGOA terms that would cause damage—make things worse—for the majority of people in Africa and/or the U.S. If the AGOA were simply not good enough—because some important aspect was missing for instance, that would be one thing—but it is AGOA's ability to undermine the already harsh status quo of food security, access to health and education, control of natural resources and economic sovereignty in Africa—that has moved me to action.

These are the provisions—mainly contained in AGOA's section 4—that led a broad array of African labor, religious, anti-hunger and other civic groups to reach out to me to develop an alternative to AGOA. We're talking about groups like COSATU—South African's mighty labor federation representing one in five South Africans. These are the provisions that have led to the formation of a coalition of African American bishops and ministers against AGOA—and led the community, labor, church, pro-Africa and other U.S. groups from Trans-Africa and Organization US to the AFL–CIO, Teamsters and Sierra Club to make a vote against AGOA a high priority.

AGOA's section 4 would impose conditions—unlike any we impose on any other trade partners—requiring African countries to make major changes in their domestic economic and social policies as a condition for qualifying for AGOA's ''benefits.'' And, we are not talking about NAFTA telling Mexico to enforce intellectual property rights because that is a trade issue. We are talking about legislation that has the U.S. President annually certifying each sub-Saharan African countries' compliance with a long list of U.S.-imposed conditions: like requiring cuts in domestic corporate taxes and domestic health and education spending, we are talking about forced privitization through divestiture of African nation's mineral and oil wealth and of its other public assets, we are talking about changes in domestic pharmaceutical policy that are in compliance with African countries' obligations in the GATT–WTO.

There simply is nothing like that dealing with any other region of the world. And worse, the U.S. government has said to Africa's Ambassadors: it is this or nothing. Yet, the ''this'' is simply an intensification of the IMF–NAFTA policies that have been a disaster for African countries—because many of the provisions in AGOA are beefed up version of the ''structural adjustment'' policies imposed on Africa by the IMF in the past decades that have led to growing infant mortality, lowering of real incomes, devastating cuts in basic health and education services. Now we have the World Bank and IMF admitting that this policy has failed in sub-Saharan Africa and then the U.S. would impose it unilaterally through AGOA?

And that does not get to the damage to the U.S.: which is that AGOA's rules against transshipment through Africa from third countries like China are so weak that the 1.3 million U.S. workers in the textile and apparel sector would face major job losses even as African workers obtain no benefits. No doubt that there would be a limited impact of the trade provisions of AGOA if what we were talking about was just African imports—but AGOA's transshipment rules—opposed by the U.S. and African textile and apparel unions and by the U.S. industry—are the same ones that failed in the island of Hong Kong with its small size and well-funded enforcement capacity. It is unnacceptible that U.S. textile and apparel workers—70% of whom are women and people of color—should lose their jobs while no new jobs are created in Africa because Chinese made goods are using the AGOA's trade benefits.

The second thing the amendments this rule would keep out would do is add the vital missing elements to AGOA:

You all know the list: AGOA simply fails to deal with the most basic issues that could make for a mutually beneficial U.S.-Africa policy:

There's nothing binding HIV–AIDs, one of Africa greatest economic and social challenges.

There is nothing binding to deal with the crushing $230 billion debt burden on the SSA countries.

There are no basic labor, human rights, African-employment, environmental rules for corporations to meet in order to enjoy the special trade benefits—not even the pathetic NAFTA agreements.

What is in AGOA and what is missing guarantees that passing this legislation on Africa is a worse outcome for most people in Africa than doing no U.S. legislation on Africa at this time. We all want to do something for Africa—but I doubt any of us want to do something bad to Africa.

Make no mistake: what we do with this Africa legislation will be the U.S.-Africa policy for decades to come, there's not going to be some piecemeal approach where industry—satisfied by the new rights it has obtained over Africa's resources and economies—suddenly decide to independently push for debt relief, aid, AIDS–HIV policy. Come on folks, get real. We either do the right thing now, or we are responsible for inflicting damage in Africa to benefit some narrow special interests in the U.S. business world.

We need to reject this rule and massive change AGOA. Absent that we need to defeat it. On behalf of the 72 Democrats cosponsoring the alternative approach to U.S.-Africa trade policy—the Human Rights Opportunity Partnership and Empowerment (HOPE) for Africa Act, I urge you to defeat this rule and keep hope alive.

Mr. PAYNE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Chairman, today Congress has before it legislation that will take a first step. Some would like it to be a giant step. Some say it is a baby step, but it is still a first step to a long standing inequality of U.S. trade policy with reference to Africa.

The passage of H.R. 434, the African Growth and Opportunity Act, will codify the first-ever trade policy with the nations of sub-Saharan Africa. It is a first step for sub-Saharan African nations who need a financial boost to their economies in order to improve the socioeconomic status of their citizens. It is a first step to trade with the most powerful economy in the world.

It is a first step of American investment in Africa that will bring the same benefits it has brought to other developing nations, jobs, skill, training, and a degree of local sourcing and a transfer of technology and best practices that will benefit African business development.

It is a shame that it has taken this long for a first step, but it is indeed a first step for the U.S. Trade policy toward other developing nations in Europe, Asia, and South America utilizing similar framework has led to significant economic development in those nations to the point where the GDP growth rate exceeded that of the U.S.

To aid the development of Israel, the United States granted duty- and quota-free access for its textiles and apparel. It was the right thing to do for Israel; it is the right thing to do for Africa.

In order to ensure that the African people are the major recipients of the benefits of this trade, this legislation contains the strongest anti-illegal transshipment language of any U.S. trade policy. The ambassadors from the African nations and the Organization of African Unity have endorsed this legislation.

It is not for us to decide that they do not know what trade policy is best for their nations, just as we in America would not appreciate a foreign nation deciding what international policies are best for America.

The sub-Saharan African nations that can participate in this trade policy need to be given the same opportunity and assistance to develop their economies that the U.S. has given to developing countries in Asia, Europe, and South America.

Remember, we cannot have a second step without a first step.

Mr. CRANE. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from North Carolina (Mr. BURR).

Mr. BURR of North Carolina. Mr. Chairman, I think that it is safe to say that everybody here wants to help Africa. Why is there a difference? It is because some do not want to do it on the

backs of American workers, plain and simple. How could this be a good bill? Well, we could assure that there are no Asian transshipments. Can we accomplish that without U.S. Customs? Not with the track record currently.

We could assure that the products were made in Africa. The agreement calls for 35 percent. Rule of origin. Can my colleagues imagine if we allowed Made in America, I say to the gentleman from Ohio (Mr. TRAFICANT), that say only 35 percent needs to be made here for them to have the label?

□ 1145

Clearly, we should look to increase our export opportunities to the African countries, but under this agreement, not a single item is required to have their tariffs lowered.

I would challenge the Members, this is a trade bill, we will all agree. I think the name is the transshipment trade bill, but we have a trade bill.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, my home State of Texas leads 15 other U.S. States in exporting goods to Africa, with an economic benefit totaling over $1 billion. So I rise in support of H.R. 434, hoping that many of my colleagues will answer the call from African leaders, and specifically women.

Women are very eager to possess the means to fully engage the global economy and become economically self-reliant. This bill helps the economic standing of women in Africa, as well as the U.S. Businesswomen in the Nigerian American community in my district are encouraging me to remind this body that H.R. 434 will help women in Africa to receive more entrepreneurial opportunities that are central to the eradication of poverty in sub-Saharan Africa. This is why the African Association of Women Entrepreneurs supports this bill.

Currently, women in Africa head about 40 percent of African households, and supply a significant percentage of the African work force. This is a great first step. They do not want a handout, they want trade. Vote for 434.

Mr. Chairman, some opponents to H.R. 434 would have you believe that Democrats cannot think in terms of self-reliance or free-market opportunities in the context of helping individuals create a better way of life for themselves, domestically or abroad.

However, I rise in support of H.R. 434, hoping that many of my colleagues will answer the call from African leaders, and specifically women who are eager to possess the means to fully engage the global economy, becoming economically self-reliant.

This bill helps the economic standing of women in Africa and well as in the U.S.

My home State of Texas leads 15 other U.S. states in exporting goods to Africa, with economic benefits totaling over $1 billion.

Many of the women benefiting from this relationship between Texas and Africa are members of the large Nigerian-American community that I represent. They are committed to strengthening trading ties with their fellow sisters in Africa. Both sides want the passage of AGOA.

Businesswoman in the Nigerian-American community in my district are encouraging me to remind this body that H.R. 434 will help women in Africa to receive more entrepreneurial opportunities that are central to the eradication of poverty in sub-Saharan Africa.

This is why the African Association of Women Entrepreneurs supports this bill.

Currently, women in Africa head about 40% of African households and supply a significant percentage of the African workforce in the following industries: food processing, agricultural workforce, marketing and domestic food shortage.

This shows that they are already proving their ability to work to take advantage of the benefits that would be provided by the passage of H.R. 434.

Economic growth provided under AGOA also benefits women by generating increased resources for critical health care and educational needs.

Therefore, as a nurse and businesswoman, I am acutely aware of the economic and health-related benefits that AGOA will create for women in Africa.

I ask that my colleagues in this body not to deny women in Africa true empowerment, health access and economic rights. A vote against AGOA would do just that.

During the debate on the 1964 civil rights bill in the Senate, a member of the body said of that legislation, ''There is nothing so profound as an idea whose time has come.''

Mr. Chairman, H.R. 434 is laden with great possibilities and is profound because it is an idea whose time has finally come. Women in Africa are waiting for us to turn this profound idea into law and give them the means to take control over their lives and livelihood.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. TRAFICANT).

The CHAIRMAN. The gentleman from Ohio (Mr. TRAFICANT) is recognized for 3 minutes.

Mr. TRAFICANT. Mr. Chairman, I am opposed to the bill. Everyone in this room supports Africa and we want to do what is right for Africa, but by God, we do not have to do it at the expense of Uncle Sam.

One of the previous speakers said this bill defines an African-made product as having 35 percent content. Look at our own laws on requirements for American-made products. I had an amendment before the Committee on Rules that said, make it 50 percent, in compliance with the Buy American Act of 1933, number 1; and number 2, require that those workers in Africa be African citizens.

This is a blueprint for transshipment, quota-free, duty-free, 35 percent content. For all of the Members who say that that is a smoke screen, the U.S. Customs Service has already cited six African nations for such transgressions.

Here is the bottom line, Mr. Chairman. I represent the United States of America. We have a record trade deficit approaching a quarter of a trillion dollars a year. I am opposed to the bill because yes, it is good for Africa, it is bad for America. It is good for African industry, it is bad for American industry. It is good for African workers, it is bad for American workers. It is good for China, Asia, and the world, and it is bad for our Cotton Belt, it is bad for our Midwest, it is bad for our farmers, it is bad for our industry. It is bad for America.

Let me say this, Congress will never help Africa, no matter how well-intended, by ultimately hurting the United States of America. Mr. Chairman, I was elected to represent the interests of Uncle Sam. I believe Africa needs all the help we can give them, and we should, but we should not make it easy to continue to put our people in unemployment lines.

The Democrat party had better look at the trade situation. They had better look at the trade situation, and they had better look at American jobs.

Mr. Chairman, I support the intent of our efforts, but I oppose the substance and the mechanics of this legislation.

Mr. RANGEL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Chairman, I thank my colleague for yielding time to me.

Mr. Chairman, let me just say at the outset, I am glad we are having this debate. We need to have more debates on this floor and in this Congress.

I want to commend my friend, the gentleman from New York, for his concern and diligence on behalf of providing opportunities and jobs in an area that we have neglected for such a long time, and my friend, as well, from the State of New Jersey (Mr. PAYNE).

Having said that, let me just say that I oppose this bill. If I could just address for a second why I oppose the bill, I want to talk about the workers in Africa. This bill I think in my heart patterns the mistakes that we made in Mexico.

We were told when we did the North American Free Trade Agreement that not only would American workers benefit, but the Mexican worker would benefit. If we look at Mexico, the reality is that the wages since we passed that back in 1993 have gone down, from $1 an hour for the workers who belong to the maquilladora to 70 cents an hour.

The reason that has happened, the reason the environment has been despoiled, the reason wages have gone down, the reason they have no rights to organize, work collectively, come together and bargain for their sweat and labor, is because the trade agreement did not ensure that. The trade agreement there ensured that we were protecting our intellectual property, we were protecting the corporate rights, but it did not protect the worker.

I fear the same pattern here. I fear the same pattern here. Until we embody in these agreements the basic

rights of working men and women, the same patterns will repeat themselves.

We should be addressing that. We should be addressing the questions of medical emergency assistance on AIDS. We should be addressing the debt question, which would take an enormous burden, which would be dealing with Jubilee 2000. We should be reaching out and expressing our hope in that way.

I want to commend my colleague, the gentleman from Illinois (Mr. JACKSON) for bringing these issues up, bringing them to the floor, making us look at where we have been, where we are going, and what we are transplanting in terms of policy, and facing up to the reality that it is not just the corporations and the diplomats and the elite corps in these countries we ought to be concerned about, it is the working men and women who make the products who need to have the gains so their economies can flourish.

I thank my colleagues, Mr. Chairman, and I urge, I urge my colleagues to vote no on this bill.

Mr. PAYNE. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I am sorry, I must oppose this bill. I oppose this bill because I am not simply talking about Africa as a business opportunity. I love Africa. I have spent 20 years of my life working on behalf of Africa. We cannot see this as a business opportunity, and one more way of sophisticatedly exploiting Africa.

For those who love Africa as I do, help me stop Savimbi in Angola from running over dos Santos. They created Savimbi, the right wing did, along with Mobutu. They were the ones that supported de Klerk when we were trying to do something about getting rid of apartheid in South Africa.

I am sitting, as the ranking member in the Subcommittee on Domestic and International Monetary Policy of the Committee on Banking and Financial Services, trying to do something about the IMF. Some of the same language from IMF and the World Bank on structural adjustment is in this bill, not wanting Africa to own its own infrastructure, wanting them to reduce its corporate taxes, wanting them basically not to be able to be in control of their railroads and their airports, because we want to have the ability to own it all when we come in on this trade bill.

Yes, I am concerned about Africa. If Members love Africa as I do, help me make it a line item in the budget for foreign aid. Ensure that trade is not going to replace foreign aid. Do for Africa what we do for Israel. Do for Africa what we do for Russia. Give it most-favored-nation status, the way we do China.

I will tell Members how much they love Africa, they love it enough to want to give it to the corporations and allow them to do whatever they want to do. I know the gentleman from New York (Mr. RANGEL) loves Africa as I do, and he wants a good trade bill, but he has to amend it and make it right, I say to the gentleman from New York. This is not right.

Mr. CRANE. Mr. Chairman, I yield 1½ minutes to our distinguished colleague, the gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Chairman, I appreciate the gentleman yielding time to me, and I appreciate the leadership the gentleman has shown in bringing this legislation to the floor.

Mr. Chairman, I rise in strong support of this bipartisan legislation. There is very little doubt that the Africa that we see today is vastly different from the Africa we knew of yesterday. It is truly remarkable that a continent that was once racked by the insidious evils of apartheid, of civil strife, of dependence and economic stagnation, is today on the eve and in the making of an economic renaissance.

The engineers of this renaissance are not the Americans, they are not their former European colonial masters nor the Japanese. The engineers of this renaissance are the African themselves.

Today there is a generation of leadership in sub-Saharan Africa, leadership dedicated not to the failed status development models of the past, but to market-based reforms and private sector growth. This new generation does not ask America for help, but for hope. They do not ask America for food, but for the tools to make their crops grow. They do not ask America for roads or schools or dams, but for the capital incentives to build their own.

That is precisely what this bill would do. Through their actions, the African people have asked us to hear their call for hope, for opportunity, self-sufficiency, and sustainable economic growth. That is precisely what this bill would do. I urge my colleagues to heed this vote, to heed this call, and to vote yes on H.R. 434.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Chairman, I want to thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this bill, because although it is well-intended, although it sounds good, it looks good, but in reality who does it really help? It really helps the multinational corporations that will slide into sub-Saharan Africa, pick up all of the goodies, put it in their pockets, in their wallets, and then move back. It has no protection for workers.

I see nothing in this bill that says that companies must hire, train, upgrade citizens who are indigenous to the community. I commend all of those who worked on it, and I admit that it sounds good. I, too, love Africa. I am of African descent.

But I can tell the Members, I do not want to help multinational corporations at the expense of the people in my district who have lost more than 130,000 jobs in the last 20 years, people who want to work, good people, but people who cannot find work because the jobs are gone.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. GRAHAM).

Mr. GRAHAM. Mr. Chairman, I thank the gentleman for yielding time to me.

Let us talk about who is helped and who is hurt. Let me give some numbers consistent with what the gentleman just spoke of. He said 130,000 jobs in 20 years. The Bureau of Labor Statistics has reported that the apparel and textile industries lost 134,000 jobs in 1 year, 30,000 jobs in South Carolina in 12 months.

This will be a national holiday in China when Members pass this bill. The Chinese are going to send through Africa material made in China, apparel goods made in China that we would not let exist 20 seconds over here with the work conditions.

□ 1200

There is going to be a stamp, ''Made in Africa'' but the slave labor comes from China, and it is going to put people from my district and the districts of my colleagues out of work. Sixty percent of the people in the textile industry and apparel industry are women, 35 percent are minorities, mostly African Americans. Where are they going to go to work?

We are going to give China an opportunity to destroy our textile industry. The trade policies of both parties are absolutely abysmal. We are played for a fool. I would not let either parties trade my car.

Mr. CRANE. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from New York (Mr. HOUGHTON).

(Mr. HOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Chairman, really, there are two themes here. One is the economic and one is the human. And sometimes we get confused with sort of the opinions on the economics and the facts on the economics.

I am not going to get into the details because I disagree totally with some of the assumptions that have been made, that transshipments are going to deluge this country, it is going to open the doors to China. I do not think that is going to happen, but that is an opinion. We have the mechanisms to stop that.

I think that regarding the question about textile jobs, if I were representing a textile State, I would probably be concerned, also. But when we take a look at the actual numbers and the impact this is going to have, it is not a big worry.

I think as far as the human side, Sheila Sisulu, the Ambassador from South Africa, said this: If the first 5 years after apartheid were about ''nation-building, now it is about making hope a reality,'' and that is in terms of helping them economically.

Frankly, if we cannot help Africa in this tiny little impact on this Nation, who can we help? I love Africa, but if everybody else loved Africa, why can they not support this bill?

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, this is not a bill about China. Transshipments are illegal. This is a bill about trying to inject a measure of investment and opportunity into one of the most catastrophically depressed regions of the world.

What are we afraid of? Are we afraid that our corporations, our workers cannot compete with this region? Clearly, that is a false assumption.

This is a win for Africa, but it is also an important win for the United States. This is a region of 700 million people. U.S. agriculture exports into this area are a tiny fraction of that compared just to Europe alone. And the growth opportunity is extremely significant if we begin building the kinds of relationships that will flow from the trade that is established from this act.

Mr. Chairman, I commend the gentleman from New York (Mr. RANGEL) for his leadership in advancing a bill that is going to offer a real measure of hope to a region of the world that so desperately needs it.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, this bill is a bad deal for Africans and Americans. It extends NAFTA. What can we expect if H.R. 434, ''NAFTA for Africa'', passes? We can expect even lower wages. If the experience of Africa is like that of Mexico, wages will fall. That is precisely what happened in Mexico where wages fell about 20 percent when NAFTA was enacted.

We can expect even more powerful multinational corporations. Africa knows this well already. One oil company ferries troops to fire upon civilians who exercise their democratic rights to protest for a cleaner environment and higher wages.

We can expect ever-higher trade deficits. Before NAFTA, the U.S. had a trade surplus with Mexico. After NAFTA, the U.S. had a trade deficit with Mexico. Why? Because NAFTA gave incentives to American companies to close their plants in America and reopen them in Mexico, then export from Mexico to the U.S. the goods they used to make in Michigan, Pennsylvania, and in my State, Ohio.

Some say it is not for us to decide. Well, it is only the Congress who can decide. If this is a first step, it is a first step in the wrong direction.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Chairman, I rise in support of H.R. 434, the African Growth and Opportunity Act. I have met with many of the presidents of Africa. I spoke with African ambassadors and diplomats, and all of them support the bill. I have not talked to one African representative that has been elected that did not support the bill and had a deep desire to increase foreign trade and investment.

In addition, as an African American woman, I strongly endorse H.R. 434 and believe that it is time that we pay attention to Africa and it is time that the United States and the world become color-blind to the continent and engage in trade with the Africans, just as we do with Asia and Latin America.

Let us not forget that the Africans who were brought to this country unwillingly made a great contribution to the infrastructure of our country without a penny of reimbursements. We owe it to the African continent at least to have them as trading partners. It is about time we made a sea change in our perception of the African continent and do everything within our power as Members of Congress to promote a success for African people whose forefathers have given so much to this great country.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. TANCREDO), a Member who is new to the Subcommittee on Africa and has shown a great interest in the continent.

Mr. TANCREDO. Mr. Chairman, I thank the gentleman from California (Mr. ROYCE) for yielding me this time. American workers are not impoverished by African nations that are impoverished themselves. American workers are not protected by having an impoverished African continent. American workers are not employed nor are their wages increased by businesses which are prevented from trading with Africa.

There are those who apparently want to see the African continent and most of the nations hobbled by a socialistic enterprise that has really impeded their progress for many years. They want to see countries continue in this failed program of a government-controlled economy. This will not work. It has not worked. It will only lead to greater degradation of both the environment and the economic situation in Africa.

There is another aspect of this, not just the economic consequences which I believe are positive for both American workers and African workers. With the end of the Cold War almost a decade ago, we are now faced with confronting a new war: a war on international terrorism. Likewise, Africa is a continent which can be welcomed by the United States or left alone, as some would have us do, and fall into the arms of terrorism, as we have seen these examples before in the past with the bombings of American embassies.

Mr. Chairman, I am not suggesting that with the passage of this bill we will eliminate the possibility of terrorist activities emanating out of Africa, but I am suggesting that it is a step in that direction. Because with the expansion of American exports in the way of trade and economies we are also exporting ideas. This is an extremely important point I think for our colleagues here to recognize.

We are not only bolstering monetary gains for those involved, but we are helping to build up and strengthen the stability of a region in a world that is rampant with conflict and turmoil. It is time to take a stand, and I welcome the nations of Sub-Saharan Africa as trading partners.

Mr. CRANE. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California (Mr. HUNTER), my good friend.

Mr. HUNTER. Mr. Chairman, I thank the gentleman from Illinois (Mr. CRANE), my good friend, for yielding me this time.

I think it might be appropriate at this time to remind the gentleman of his promises that he made during the NAFTA debate that NAFTA would take this $3 billion trade surplus that we then enjoyed over Mexico and expand it. It has been expanded, but the wrong way. It has now gone into a $10 billion annual trade loss with Mexico, and all of those workers who were going to make enough money to go above that $1,000 per capita annual income to the point where they could order up American Kenmore washing machines and American-made Cadillacs, well, that has not come to fruition. In fact, their wages have gone down.

Mr. Chairman, that is the point here. These free trade deals manifest a situation clearly in which the best of intentions end up with very bad results.

I am impressed with the candor of the Chinese. It has been said on the floor that there are not going to be transshipments. Everybody seems to agree with that except the Chinese. This is a press release out of the Chinese Trade Ministry. I quote: ''Setting up assembly plants in Africa with Chinese equipment, technology, and personnel could not only greatly increase sales in African countries but also circumvent'' and here is the Chinese Trade Ministry saying this, ''will allow us to circumvent the quotas imposed on commodities of Chinese origin by European and American companies.''

The Chinese are already laying out their blueprint for expanding their $40 billion trade surplus over the United States at the expense of American workers.

Mr. Chairman, for those folks who think that African workers are going to partake in that, notice that they are not in this press release. They are not involved. This is going to be Chinese transshipment. It is going to accrue to the detriment of our trade balance.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. BECERRA), a member of the committee.

Mr. BECERRA. Mr. Chairman, I thank the gentleman from New York (Mr. RANGEL) and the gentleman from Illinois (Mr. CRANE) for their work on this measure.

Mr. Chairman, I rise in support of H.R. 434. The Africa Growth and Opportunity Act offers us an opportunity to move forward our relationship with Africa.

Right now, the African market is small, but it is destined to grow. We can lay the groundwork today for a stronger relationship in the future which will mean a stronger partnership in the future, especially when it comes to the issue of trade, when Africa becomes a vibrant and strong player in that market.

Mr. Chairman, this is not a perfect bill. I would prefer to see stronger provisions on the environment and on labor. But it needs to move forward. Partnership and progress are important elements in the U.S.-Africa relationship. 435 voting Members cannot in this House individually dictate the path and pace we will take to build that partnership and progress, especially as it relates to trade with Africa. But collectively we can send a message that we understand that in the future Africa will be an important trading partner with this country and move this measure forward and hope that in the future, when we have established that we are partners and friends with the African countries, that we deserve their trade and we deserve their business.

I urge support for H.R. 434.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Chairman, Africa has long suffered from neglect and needs our help. But when it comes to trade in textiles and apparel, I am not at all convinced that this bill will help Africa, and neither are the sponsors. They insist that its impact on the textile and apparel industry in this country will be small, minimal. But it may hurt textiles and apparel workers in these industries in America without helping textile and apparel workers in Africa.

Mr. Chairman, that is because by giving sub-Saharan countries duty-free, quota-free access to our markets, this bill will invite textile and apparel manufacturers in Asia to make their goods in Asia but transship them through Africa and gain access to our markets duty-free, quota-free, no restrictions whatsoever.

Is this improbable? Not when we consider the volume of transshipment today. Customs estimates it is in the range of $6 billion to $12 billion in textiles and apparel alone, and not when we consider the advantages. So if my colleagues want to help Africa but also help American workers, vote for the Bishop motion to recommit which will give Africa liberal treatment for access, but also protect our workers.

The bill before us today may be well-intentioned, but it is deeply flawed. I urge you to consider some important facts before you vote.

U.S. workers in the textile and apparel industry have lost their jobs faster than workers in any other industry over the past three years, and AGOA can only worsen the problem.

These jobs have been lost faster, and in greater numbers, than jobs in the steel industry, which has been the beneficiary of strong bipartisan support in this session. Almost 700,000 jobs have been lost in the textile and apparel industry since 1981; 118,000 have been lost in the past 12 months. The steel industry has lost 16,700 jobs over the same period.

If H.R. 434 becomes law, the U.S. textile and apparel industry—staggering under a trade deficit that topped $65 billion last year—will be hit even harder by imports coming in duty-free and quota-free from Africa. Neither Mexico under NAFTA, nor the Caribbean countries under CBI enjoy such access to our apparel markets. Even worse, these imports will not be made in Africa. They will be made in Asia and shipped through Africa and re-labeled to evade quotas and tariffs. Who will bear the brunt of these imports? 70% of U.S. apparel workers are women, and more than half are minorities, mostly African-American.

Why have the jobs disappeared? A primary driver has been low-wage imports—in both fabrics and apparel—manufactured and assembled in nations where worker compensation and working conditions are deplorable. This fact, not blind protectionism, is the reason we continue to impose quotas and levy tariffs on imported textiles and apparel. This fact also drives our decision to keep tariffs in place even after quotas are phased out in 2005. H.R. 434, in contrast to this reasoned policy, would create half a continent's worth of cheap imports. It would also open up Africa as a massive platform for transshipment, because textile/apparel goods supposedly originating there could come to the U.S. duty-free and quota-free. In short, AGOA will speed the already alarming textile and apparel job losses here in the U.S.

H.R. 434 will establish Sub-Saharan Africa as a massive platform for transshipment, accelerating these job losses.

Eight countries in Africa have already been identified by the U.S. Customs Service as transit points for illegal shipments of Chinese textile and apparel goods. This abuse, known as transshipment, is taken to evade China's quotas. China exports $10 billion legally to the U.S., and Customs believes that China exports as much as $6 billion more to the U.S. illegally.

H.R. 434 raised the reward for quota evasion by eliminating tariffs. Profits from transshipment will increase by the amount of tariffs evaded, which average 18% and run as high as 30%. The result: an explosion of transshipment through Africa, which will be all but impossible for Customs to police. Another result: rampant transshipment will take away the incentive for investment in African apparel production.

Supporters of the Bishop-Myrick amendment are not asking that a wish list of legislative language be added to H.R. 434, as some today have suggested. We are asking, instead, that we take steps simply to keep the pace of these job losses to a level reasonably commensurate with the rate of new job creation. The language we have sought to add, would address this problem, and its absence makes this bill poison to hundreds of thousands of hard working Americans.

I urge members to oppose H.R. 434.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

(Ms. MILLENDER-MCDONALD asked and was given permission to revise and extend her remarks.)

□ 1215

Ms. MILLENDER-MCDONALD. Mr. Chairman, I rise in strong support of H.R. 434, the African Growth and Opportunity Act. I am honored to say that, today, the vast majority of American civic, religious, and business leaders strongly support this bill. More importantly, all 43 nations of sub-Saharan Africa have voiced unanimous support for this bold step towards stronger economic ties between the United States and Africa.

We have also recognized that Africa's fragile democracies cannot sustain themselves without economic prosperity. We have turned our attention towards strengthening Africa economically through U.S.-Africa trade. The globalization of the economy marked by the integration of markets through the world has made Africa the new economic frontier for economic growth. Western Europe and Japan are aggressively pursuing new trade relations with African countries.

This vast continent, with its enormous resources and human capacity, may become the world's economic engine well into the 21st Century.

Mr. PAYNE. Mr. Chairman, I yield 1 additional minute to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, the African Growth and Opportunity Act provides the United States with the mechanism to leverage stronger U.S.-African public and private partnerships while promoting African and American long-term economic interests.

H.R. 434 is bipartisan. It provides a viable framework for modernizing Africa's trade infrastructure, strengthens relationships between the African and American private sectors, promotes African economic reform, and lays a foundation for future cooperation. H.R. 434 is the beginning of an ongoing relationship between the United States and Africa.

Much now has been said about the need for debt relief for Africa. The gentleman from Illinois (Mr. JACKSON) has forcefully brought this point home to all of us. This bill does call for a deep debt relief for poor countries. We should, however, keep alive a discussion on this serious matter and seek to appropriately address the debt burden in an appropriate manner.

However, today, we begin to build strong trade relations between the United States and Africa, as it is a critical part of Africa's economic recovery. And for that, I urge all of my colleagues for the passage of H.R. 434. I thank the gentleman from New York (Mr. RANGEL) for his leadership.

Mr. ROYCE. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio (Mr. CHABOT), a member of the Subcommittee on Africa.

Mr. CHABOT. Mr. Chairman, I rise in strong support of the African Growth and Opportunity Act. This bipartisan legislation is intended to fundamentally shift U.S. trade and investment policy toward sub-Saharan Africa, establishing as U.S. policy the creation of a transition path from development assistance to economic self-reliance for those countries in Africa truly committed to economic and political reform, market incentives, and private sector growth.

The African Growth and Opportunity Act helps not only those Nations in sub-Saharan Africa who have sought to improve their economies by adopting political and market reforms, it helps the United States, which will greatly benefit from expanded trade. Tearing down trade barriers and creating new markets for American products in Africa translates into more American jobs and opportunities right here at home.

As a member of the Subcommittee on Africa and an original cosponsor of this legislation, I want to commend all those who have worked so hard to bring the African Growth and Opportunity Act to the floor today. It is a well-crafted bill that deserves our overwhelming support. I urge an aye vote on this legislation.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I have reflected on the debate that we have had this morning; and like many of my colleagues, I am gratified that the Halls of this Congress now raise their voices in a debate about Africa, acknowledging the fact that there is abject poverty in Africa but, as well, that there are energetic and active and enthusiastic business owners and women and those seeking employment who demand equality in the international trade world.

The African Growth and Opportunity Act, with the leadership of the gentleman from Washington (Mr. MCDERMOTT), and now our guiding leader the gentleman from New York (Mr. RANGEL) and the gentleman from Illinois (Mr. CRANE) and the leadership of the gentleman from California (Mr. ROYCE) and the gentleman from New York (Mr. GILMAN) combined together with Members recognizing that we must stand equal to the continent, or we will stand second to Europe.

It is interesting to note that U.S. exports of sub-Saharan Africa are greater than Russia and the NIS and Eastern Europe, $6.7 billion. But the exports going that direction cannot be enhanced without the African Growth and Opportunity Act.

As well, we cannot enhance the opportunity for businesses in Africa to trade with us. We then are treating them in a second-class manner.

Mr. RANGEL. Mr. Chairman, I yield 1 additional minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, it is well knowledgeable that, as we ended World War II, it is very clear that the trade and investment helped rebuild Europe after World War II.

Yes, I started traveling to Africa and visiting with Africans in the late 1960s and 1970s. There is abject poverty. But Africans today do not want us to define them with abject poverty.

I want a debt relief. I want this Congress to have a debt relief vehicle. I am on a debt relief bill. But at the same time, we in America, acknowledging the fact that the cities of Greenville and Spartanburg and Anderson, South Carolina, exported $49 million to Africa, we in America cannot ignore $700 million.

Therefore, it is important to pass the African Growth and Opportunity Act as, not only an opportunity for Africans, but an opportunity for us in America to be able to join and encourage small businesses, women, entrepreneurs, to develop capital infrastructure and provide the nexus of the engine of more jobs in America, in our urban and rural communities.

There is something about doing business with people. In Africa, people want to do business. They want to be educated. They want to have good health care. They want to make sure they have good housing. Let us get them going and work with them in partnership. Let them tell China how to handle their business.

I rise to support the passage of the African Growth and Opportunity Act. The time has come for this historic piece of legislation and the opportunities it presents, to become reality. The African Growth and Opportunity Act is good for America and good for Africa. For the first time, we will have a framework for using trade and investment as an economic development tool throughout Africa. Through this Act the United States seeks to facilitate market-led economics and as a consequence stimulate significant social and economic development within the countries of sub-Saharan Africa. The Governments of Africa have articulated their eagerness to become fully integrated into the global marketplace, as a means to self-sufficiency and progression as the world moves into the next millennium.

The Bill changes how America does business with Africa. It seeks to enhance U.S.-Africa policy to increased trade, investment, self-help and serious engagement. It seeks to move away from the paternalism which in the past characterized American's dealing with Africa. This bill encourages strategies to improve economic performance and requires high-level talks betwen the U.S. and African governments on trade and investment issues.

The passage of this bill will begin a new era where Africans and Americans work together in a relationship of mutual respect as business partners providing for Africa a platform to integrate more fully into the global economy. The bill is not a substitute for our foreign aid. But it will allow our aid to Africa to be even more effective because it will be balanced with good fair trade policies and the positive results of foreign investments.

Although this is the first such bill to specifically target the sub-Saharan Africa, the market access provisions of this bill are not new to foreign policy. Developing countries around the world have traditionally relied on trade and investment centered development to stimulate growth and diversification of a competitive economic base.

It is an approach that has been tested and proven by time. Trade and investment helped rebuild Europe after World War II. By opening U.S. market and encouraging receptive conditions for U.S. investments and exporters abroad, we were able to assist Asia in diversifying their export bases and by doing so become prosperous consumers of American products. It is time to apply these same incentives to the African marketplace.

Why now? There are thousands of reasons Africa and the U.S. should work together for the 21st century. Obviously, Africa matters to 30 million Americans who trace their roots there. But, Africa matters to all Americans. In volume terms, nearly 14 percent of U.S. crude oil imports come from Africa as compared to 17 percent from the Middle East. Despite areas of instability, Africa's economic trends generally remain positive. Africa has thus far weathered the global financial crisis, unlike many other developing economies.

More than two-thirds of African nations continue to implement far reaching macroeconomic reforms, including liberalizing trade and investment regimes, reducing tariffs, rationalizing exchange rates ending subsidies, and stabilizing their currencies.

U.S. exports of Sub-Saharan Africa rose 8.4% in 1998 to $6.7 billion. These exports support 133,000 U.S. jobs (based on the Department of Commerce estimates). U.S. exports to Africa are concentrated in high-wage industries, such as aircraft and parts, construction machinery and equipment, computers, motor vehicles, and telecommunications equipment.

Africa is an important market for U.S. farmers. In 1998, wheat and wheat flour was the 5th largest U.S. export product to sub-Saharan Africa with a value of $262 million.

And with an estimated 700 million people, each a potential consumer, the African market is vast and ready for our products and services. Sub-Saharan Africa does matter, both economically and politically. We are part of a global community and Africa is certainly a member. It is time to allow Africa full membership!

We must afford the same opportunities to Africa that we have already offered to other regions of the world. Africa has been a cooperative partner in addressing our concerns in combating such transnational security threats as crime, narcotics, terrorism and arms proliferation. The world can not find global solutions to the many issues without including Africa. We need a strong, economically stable continent that is our partner!

Democratic countries that are at peace and enjoying prosperity make good partners. They

abide by international law. They help respond to crisis. They protect their populations. They care about their environment.

It is now, and always has been in our best interest to have our world made up of such countries. Some have stated that the Africa Growth and Opportunity act will undermine the sovereignty of African nations by imposing strict eligibility requirements on participating countries.

In a press conference on July 9th, the African Diplomatic Corps took umbrage with this claim. Ambassador Edith Ssempala, ambassador from Uganda pointed out that ''it is poverty, not African Growth and Opportunity, which ''recolonizes'' Africa.

The Africa Growth and Opportunity act does not undermine the sovereignty of any country because participation by Sub-Saharan countries in the Africa a trade initiative is entirely voluntary. A country can choose not to participate in the initiative if it believes compliance with the eligibly criteria is not in its interests. The ability of countries to make such decision is, in fact, a classic example of the exercise of sovereignty.

Some cite labor rights abuses. There is a misconception that the bill fails to include strong labor preconditions for countries to gain eligibility for expanded trade benefits. The bill stipulates that eligible countries must also observe the existing statutory criterion on internationally recognized worker rights as a condition for eligibility for duty free benefits under the General System of Preferences (GSP) program.

This includes the right of association; the right to organize and bargain collectively; a prohibition on the use of any form of forced or compulsory labor; a minimum age for the employment of children and acceptable conditions of work with respect to minimum wages, hours of work and occupational safety and health.

The African Growth and Opportunity act was developed in consultation with African leaders. It builds upon the economic reforms initiated by Africans for their countries.

As stated by Roble Olhaye as Dean of the African Diplomatic Corps, the African Growth and Opportunity Act is an innovative bipartisan legislation designed to stimulate and strengthen the U.S.-Africa economic partnership through ''incentives, trade liberalization, and [a] permanent forum for policy discussion and is of the utmost urgency''.

I agree, as must we all—the time is now. Let's pass this bill!

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. COLLINS).

(Mr. COLLINS asked and was given permission to revise and extend his remarks.)

Mr. COLLINS. Mr. Chairman, I rise in opposition to this bill.

Mr. Chairman, the Bureau of Labor Statistics reports that since 1995, over 375,000 American Textile and apparel workers have lost their jobs. Many of these workers have been from the State of Georgia—a number of them from the Third District, which I represent. June headlines in Third District newspapers read, ''Thomaston Mills Drops Bombshell: Textile Firm will Close Local Plant, Leaving 145 Jobless'' and ''Closing Will Affect All Taxpayers.'' In addition to closing its Third District facilities, Thomaston Mills simultaneously shut down factories and offices in a neighboring Georgia district and in Los Angeles and New York, costing another 555 Americans their jobs. Try to tell one of these 700 American citizens that it's a good idea to give more trade preferences to foreign textile producers without providing anything to American Producers in return. Thomaston Mills CEO Neil Hightower summarized the challenges textile mills are facing saying,

> We have been losing a lot of money on yarn and denim. The Asian crisis has seriously devalued currencies there, and they are being very aggressive in going after U.S. markets. There is still a lot of denim used, but all the growth is going to foreign suppliers.

The workers, families, and communities of the Third District of Georgia are not ready to accept another trade deal that benefits foreign manufacturers and provides nothing for American workers.

As textile manufacturers and many of my colleagues have argued for years, an African trade initiative that does not require beneficiaries to use U.S. yarn and cloth would seriously threaten domestic textiles producers by allowing massive transshipments of products through Africa from Asia. 807(a)-type ''yarn-forward'' and ''fabric-forward'' provisions would ensure first that U.S. textile workers and manufacturers would receive some benefit in exchange for trade advantages given to foreign producers. Additionally, such provisions ensure that African nations reap the benefits of increased trade, instead of trade predators such as China.

Last year, the Africa trade bill faced considerable opposition in House floor votes on the rule, on the motion to recommit, and on final passage, because transshipping provisions in the bill were inadequate to prevent massive Chinese transshipments through sub-Saharan Africa. 189 Members of the House (48 Republicans and 141 Democrats) opposed the rule last year. 192 Members (66 Republicans and 126 Democrats) supported the motion to recommit (which included 807(a)-type provisions). And, 185 Members (84 Republicans and 101 Democrats) opposed final passage of the bill. In spite of this broad opposition and in spite of the fact that this year's bill does not improve on the weak transshipping provisions from last year's effort, the Rules Committee chose not to allow floor consideration of an amendment that would have added yarn-forward and fabric-forward requirements to the bill.

Expanding trading is very important to the American worker, but most workers understand that while the United States has aggressively lowered or eliminated many of its barriers to foreign products, most countries are still closed to U.S. products. Time and again, these workers have seen trade agreements result in lost jobs. I strongly support enhanced trade and economic development in sub-Saharan Africa, but not at the cost of American jobs. In representing the people of the Third District of Georgia, I must urge Members to oppose this legislation.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Chairman, I thank the gentleman from New York (Mr. RANGEL), our ranking member, for yielding me this time. I thank the gentleman from Illinois (Mr. CRANE) for his leadership, the gentleman from New York (Mr. RANGEL), the gentleman from California (Mr. ROYCE), and others who have worked diligently on this bill.

As an African-American woman living in America, I am proud to be an original cosponsor of this legislation. Is it perfect? No, it is not. Is it a start? Yes, it is.

There are over 750 million Africans living in sub-Saharan Africa who want this bill. The leadership corps here in Africa, the Ambassador Corps who sits here in our Chamber want this bill. The African presidents who are represented by their ambassadors want this bill.

We have got a President for the first time in history of this country who has not only visited Africa but has put his support behind this bill.

I am a member of the House Committee on Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs. For the first time in the history of this country, we will have an appropriation that begins to meet the needs of the African continent.

The land is fertile. The people are ready. Its leadership is in place.

Mr. PAYNE. Mr. Chairman, I yield 1 additional minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Chairman, when one only has 2 minutes, one can only say so much.

But what I want to say here today, this is a first step. There has not been another before it. America is ripe for the building of Africa, and so are we as Africans in this country and Africans abroad.

Let us support this bill. Let us work with the African Ambassador Corps and the Subcommittee on Foreign Operations, Export Financing and Related Programs. Let me commend the gentleman from Alabama (Mr. CALLAHAN), our chairman, for having the sensitivity to increase the appropriation so that we can rise up and build on the African continent.

I rise today in strong support of strengthening Africa's role in the international economic community. I rise today in strong support of the people of the second largest land mass on our planet. I rise today in strong support of the land of all of our biological origins. I rise today in strong support of economic self-sufficiency and sufficiency for Africa and her peoples. I rise today in strong support of H.R. 424, the African Growth and Opportunity Act. It is, indeed, long overdue for Africa to take her place at the international table of economic opportunity.

On the pantheon of world history, Africa is a newborn. In the last decade, we saw the fall of one of the last old-line colonialist nations when apartheid ended in South Africa. The first African nation to gain a semblance of independence was the nation of Ghana in the mid 1950s under the late Kwame Nkrumah. Since then, many nations in sub-Saharan Africa have not struggled from outright colonialism, but the more surreptitious and sinister demon of neo-colonialism. What is neo-colonialism? While many sub-Saharan African nations gained political independence, their economic purse strings were controlled by their

former colonizers. This is neo-colonialism, something that we must never repeat in Africa or throughout the world. It is one of my goals, as a Member of Congress, to ensure that Africa becomes economically self-sufficient.

I am proud and an original cosponsor of both AGOA and H.R. 772, the HOPE for Africa Act. It is my belief that these initiatives are not mutually exclusive, and I hope that some of the vital components of the HOPE for Africa are incorporated into AGOA to make it an even stronger bill.

The African Growth and Opportunity Act assists African nations in the often difficult transition from receiving developmental assistance to economic self-reliance through increased trade and investment opportunities. Economic development is promoted by establishing a new trade and investment partnership between the U.S. and the democracies of sub-Saharan Africa. There are many steps to promoting sustainable development. This initiative, which has strong bipartisan support, moves this process forward by promoting trade while supporting debt reduction and increased development aid for African countries.

Let me point out some of the important and salient points regarding the African Growth and Opportunity Act (AGOA):

AGOA would increase U.S.-Africa high-level dialogue. AGOA creates a U.S.-Africa Trade and Economic Cooperation Forum to facilitate such high-level discussion on trade arrangements. The bill also improves private sector and non-governmental dialogue by encouraging U.S. private sector and NGOs to host annual meetings with their respective sub-Saharan Africa counterparts.

AGOA supports debt relief by expressing the sense of Congress that the Administration should forgive concessional debt owed to the U.S. by the poorest sub-Saharan countries.

AGOA expresses the sense of Congress that the U.S. Overseas Private Investment Corporation (OPIC), a corporation that I believe to be very effective in promoting exports, should initiate more equity funds in support of sub-Saharan African countries, as well as revising the composition of the OPIC board of directors to require at least one of the eight presidentially-appointed directors to have extensive sub-Saharan Africa private sector experience.

AGOA improves current workers rights. The trade benefits within this bill are extended under our Generalized System of Preferences (GSP), which contains workers protections. The GSP statute requires beneficiary countries to have taken or be taking steps to afford internationally recognized workers rights, defined as freedom of association, the right to organize and bargain collectively, prohibition against forced or compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work and occupational health and safety.

This bill expands trade opportunities by increasing access to the U.S. market for non-import sensitive goods and textiles. Of course, Africa must make continual progress toward achieving the bill's economic criteria, while maintaining the same requirements—as always—for existing trade and aid benefits to Africa.

I support trade and investment in Africa, and I hope you do too. I will be the first to acknowledge among my colleagues that while AGOA is not perfect, AGOA is a step in the right direction. For the first time in this century, Congress is taking real and positive steps toward ensuring that Africa is a fair trading partner with the United States. My colleague, Congressman JESSE JACKSON, JR., has a worthy bill, sections of which I hope can be incorporated within AGOA as it moves forward this Congress. I would personally like the canceling of even more African debt and requiring multinational companies in Africa to abide by U.S. environmental standards in Africa. I do believe, however, that AGOA is moving in the right direction by increasing the vital dialogue and interaction that is needed on all levels. This dialogue only helps the U.S. and sub-Saharan Africa to learn about each other and mutually beneficial business practices and opportunities. It is time for Africa to move along the path to effective economic self-sufficiency. H.R. 434 is a start on the path to true economic self-sufficiency for Africa that can only improve the lives of her people.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Chairman, I stand in strong support of H.R. 434. The African Growth and Opportunity Act is a win-win for African and American workers.

Africa is an untapped market of 700 million consumers for American goods and services. H.R. 434 will encourage African economic reforms, which will provide U.S. firms and workers with greater access to the growing economies of Africa.

The U.S. exports to sub-Saharan Africa rose 8.4 percent in 1998 to $6.7 billion. These exports support over 100,000 U.S. jobs, based on the Department of Commerce estimates.

Furthermore, U.S. exports to Africa are intensive in high-wage industries, such as aircraft and parts, construction machinery and equipment, computers, motor vehicles, and telecommunications equipment.

Africa is also an important agricultural market for the United States. In 1998, wheat and wheat flour was the fifth largest U.S. export product to sub-Saharan Africa with a value of $262 million.

This legislation requires the President to develop a plan to enter into free-trade agreements with sub-Saharan African countries and provides an opportunity for regular meetings with African officials to discuss trade liberalization.

H.R. 434 expresses support for the Overseas Private Investment Corporation's, OPIC's, creation of infrastructure and equity funds for projects in Africa.

But this legislation also benefits the Africans themselves. For example, H.R. 434 establishes the U.S. trade policy with Africa.

Again, I urge my colleagues' strong support for this legislation.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. DAVIS).

(Mr. DAVIS of Florida asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Florida. Mr. Chairman, I rise in strong support of the African Growth and Opportunity Act. More so than ever before, we are seeing economic development in developing countries provide tremendous prosperity to folks for whom hope was once outside their grasp.

This bill today will provide a very important tool to sub-Saharan African countries to help empower men and women and their communities to begin to support themselves and their families, begin to develop their own businesses.

We spend a lot of time talking about how great our economy is, how good our ideas and values are, but we have got to go further. We have got to provide tools to countries so they can emulate our success. This bill is not just about a good idea. It is about a very important tool.

There has been concern expressed about abuse and exploitation of workers. Those are valid concerns. We constantly balance those concerns as we foster our economy here. There are unions in these countries that will work to protect workers. There are important provisions in these bills.

This bill will allow the President to decertify these preferences should there be abuses. This bill is balanced. We should support it. It will empower our friends in these very important countries.

□ 1230

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in strong support of House Resolution 434, the African Growth and Opportunity Act.

Mr. Chairman, I am an original sponsor of this bill. I traveled throughout Africa with the gentleman from New York (Mr. RANGEL), the gentleman from New Jersey (Mr. PAYNE), and others, and I spoke privately and individually to the leaders of Africa. They want this piece of legislation.

We must realize there may be some other outside sources who may have some other benefits through the African Growth and Opportunity Act, but I say to my colleagues that there are not any that inherently have in them this investment in trade and arts, too, or any kind of development. The Rangel act has very sound policies in it, and there are things about it that will promote investment in Africa. Remember, this is the first time that this has been done. We have to take the first step.

I want to remind my colleagues that this is a critical step. After we take this critical step, we can do some other things. But I ask my colleagues to please support the Rangel bill and challenge any notion that it is going to be bad for people. It is not going to be

bad. There is only a 4 percent impact in the event this bill does pass.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. DOOLEY).

(Mr. DOOLEY of California asked and was given permission to revise and extend his remarks.)

Mr. DOOLEY of California. Mr. Chairman, I rise today in support of H.R. 434, the African Growth and Opportunity Act, and I would like to thank the gentleman from New York (Mr. RANGEL) for his leadership in bringing this legislation to the floor.

As we approach this next century, it is appropriate for us to atone for the mistakes and our failed commitment to adequately engage Africa in this century. As we move forward in the next century, it is important that we move legislation such as this which will allow us to expand trade and economic opportunities for Africans and Americans alike.

The African Growth and Opportunity Act would provide a foundation for economic growth and employment in sub-Saharan Africa by encouraging this economic engagement in expanded trade and investment. The African Growth and Opportunity Act is win-win legislation. It is a win for African nations struggling to move forward and integrate into the global economy. It is a win for the African people, who will benefit from the new jobs and economic growth that this legislation is certain to bring to their region. And it is a win for U.S. businesses and workers alike, who will benefit from a growing African economy and its increased purchasing power.

Mr. Chairman, I urge my colleagues to vote for this important legislation.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, this continent has a long history with the continent of Africa, and invariably it has been one of exploitation.

Generations ago, we used the African people, brought them to this country and enslaved them. And even after emancipation was granted, we continued to enslave them through a legal system that discriminated against them. We continued to exploit them to subsidize our agricultural economy. And then we used the African nations as surrogates in our Cold War with Russia.

Well, now, today, because of the initiative of indigenous leaders on the continent of Africa, we are finally saying, ''Look, you are on an equal basis with us. We need you. You need us. Let us work together on a level playing field.'' They have come into their own.

This should have happened generations ago, but we should not miss this opportunity today. This legislation is not patronizing. It is not exploitative. It is the right thing to do. Let us pass it unanimously.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in wholehearted support of H.R. 434, the African Growth and Opportunity Act, a landmark piece of legislation that is long overdue.

I also want to applaud my colleagues, the gentleman from New York (Mr. RANGEL), the gentleman from Illinois (Mr. CRANE), the gentleman from New Jersey (Mr. PAYNE), and all of the others who have worked so hard through several Congresses to bring us to this day.

Mr. Chairman, the United States has come to the aid of many countries, some of which have not made the strides in democracy we are seeing in many parts of the African continent. Today, with very little impact on jobs in the U.S., we can begin a process that has the potential to turn Sub-Saharan Africa into a model of economic progress. Through enacting this important piece of legislation, we will also see a win for this country in terms of increased trade and, thus, more jobs, not less, as the charts next to me support.

Mr. Chairman, I also want to strongly support amendments which will address what would be a major obstacle to the success we envision through H.R. 434, that of AIDS in Africa, a pandemic which is destroying families and decimating the populations of many of the countries we seek to help. Mr. Chairman, I urge the passage of this bill and ask my colleagues to join us in the effort to bring affordable medication and health care to the people of Africa and the rest of the world.

The CHAIRMAN. The Chair would advise that the gentleman from California (Mr. ROYCE) has 2½ minutes remaining, the gentleman from New Jersey (Mr. PAYNE) has 2½ minutes remaining, the gentleman from Illinois (Mr. CRANE) has 3 minutes remaining, and the gentleman from New York (Mr. RANGEL) has 1½ minutes.

Mr. RANGEL. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to thank publicly the gentleman from New York (Mr. RANGEL) for his out standing efforts in allowing us the opportunity to offer some critique to the African Growth and Opportunity Act.

I also want to make it very clear that many of my colleagues have stood here and said that this is a first step for Africa. Many of us have been trying to raise the bar in this Congress about what an appropriate first step would be. Not just a first step, we need to take ''the step'', the step that frees Africa and allows Africa to be an equal partner. We cannot do that if we use crushing debt as a basis for negotiating more favorable terms for U.S. corporations to grease the market for foreign investment in Sub-Saharan Africa without our standards and our values. Not just our money, we must also export our values in this particular instance.

Mr. RANGEL. Mr. Chairman, I yield myself the balance of my time, and I will attempt to conclude this discussion by saying I really think this is one of the finest hours that we have had in the House.

We have had serious differences of opinion, but I think the overwhelming thought is that it has been too long that we not recognize the great potential of our great friends in the continent of Africa.

A lot has to be said about the leadership provided by the President of the United States, but of course we also have to recognize that the former Speaker of the House, Mr. GINGRICH, was one of the first to come before the Ways and Means, under the leadership of the gentleman from Texas (Mr. ARCHER) and the subcommittee chairman of that committee, the gentleman from Illinois (Mr. CRANE).

And together, in working with the committees headed by the gentleman from New York (Mr. GILMAN) and the leadership that we have had on both sides, working with the representatives of the African countries to be affected, I do not really think that we have ever had a stronger coalition to begin this gigantic first step to bring some equity in the relationship that we would have with those that have been neglected morally and economically.

Mr. Chairman, I thank my friends and colleagues for their support.

Mr. PAYNE. Mr. Chairman, I yield myself the balance of my time.

(Mr. PAYNE asked and was given permission to revise and extend his remarks.)

Mr. PAYNE. Mr. Chairman, let me also commend the leaders in this fight: the gentleman from Washington (Mr. MCDERMOTT); the gentleman from Illinois (Mr. CRANE); the gentleman from New York (Mr. RANGEL); the gentleman from Louisiana (Mr. JEFFERSON); the gentleman from California (Mr. ROYCE); and the gentleman from Connecticut (Mr. GEJDENSON) for the work that they have done.

But I also wish to acknowledge, quickly again, the ambassadors from Africa who are here, and with this chart demonstrate what they have said what they want. The ambassador from Djibouti, who says we are sovereign and we would like to continue to have the support of this bill; and Mrs. Sisulu from South Africa, who said their country supports the bill, even under the late president of the country. Our good friend, Mr. Mandela, and Mrs. Ssempala from Uganda talked about Africa is interested in doing business. This is what they have said.

So what I am saying, as I last week went to the funeral of Joshua Nkomo, one of the freedom fighters in Zimbabwe, who fought against the white regime of Ian Smith; and while I was in Zimbabwe people were coming up and saying, we are glad finally to see this bill come. And I remember the

freedom fighters of Jomo Kunyata, Patrice Lumumba and people who fought many years ago, Julius Nyere, those men who fought for independence of that great nation, of that great continent; and the new leaders today of Thabo Mbeki and Mr. Chissano in Mozambique; and we can move on and on through the continent.

As they were trying to get it moving forward, then came the Cold War, and our policies destroyed many countries in Africa. Our policies were based on U.S. policy towards Russia. So now, after 50 years of independence, let us give African leaders an opportunity. Let us remember W.E.B. DuBois, who was the first panAfricanist, and Dellums and Diggs, or Gray and Dellums, who fought against apartheid, and the late Congressman Diggs, the first chairman of the African committee; and let us remember our friend, Mickey Leland, who lost his life saying that we should feed the children.

So, finally, we are here. We have seen peace coming to Sierra Leon, and Nigeria electing a new president, Eritrea finally coming to some accord. We are seeing the fact that Africa now has the opportunity to move forward with growth and development and opportunity. Yes, there are many problems in the continent. We need clean water, we need to eradicate the guinea worm and deal with river blindness, we need to have inoculations, but we also need to have jobs for people.

This is the first step. And people criticize and ask why it is such a little step. Everyone knows that a trip of a thousand miles has to begin with the first step. Let us start that step; let us support the bill.

Mr. CRANE. Mr. Chairman, I yield myself the balance of my time, and let me open by expressing my appreciation to all that have been involved in the advancement of what to me is one of the more significant pieces of legislation that we have had before this body in quite some time.

I think, with regard to some of the arguments that we have heard on the negative side, that there are a couple of points that need to be stressed and perhaps put into a better perspective than we have heard today. And this especially has to do with the question of transshipment and the threat of transshipment. This bill has the strongest language ever that we have had in any trade legislation to protect against transshipment.

And I think it is important to recognize also that the U.S. Customs Service has not found Africa to be a significant source of any transshipment at all in all of our trade relations worldwide. And the International Trade Commission examined Sub-Saharan Africa textile and apparel production capacity and found that the elimination of tariffs and quotas, as provided in this bill, would have a negligible effect on the U.S. economy. Furthermore, the ITC estimated that African exports would not grow over the next 10 years to account for more than 3 percent of U.S. textile and apparel imports.

The World Trade Organization agreement on textiles and apparels will eliminate all textile quotas worldwide by the year 2005. The bill's textile provisions are intended to provide Africa with a necessary transition period to develop its textile and apparel sector and to prepare for global competition. Without these provisions, Africa will be left behind.

And Africa, in terms of our trade relations with that continent, has been left behind. This bill is designed to terminate that and to open up that door and that window and to create improved relations for not just the people in the African continent, it improves conditions for Americans, too. It is a win-win proposition.

Mr. Chairman, I yield back the balance of my time, and I urge my colleagues to support the bill.

□ 1245

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, I rise in support of the bill.

Mr. CHAIRMAN, I rise in strong support of H.R. 434, the African Growth and Opportunity Act of 1999. This important legislation would encourage expanded trade and investment between American companies and manufacturers in sub-Saharan Africa, while also providing a strong foundation of economic growth and employment for some of the poorest countries in the world.

This bipartisan legislation would make significant progress in opening markets in key-sub-Saharan African countries. It will encourage greater U.S. investment in Africa, resulting in new jobs for African workers, and more jobs for U.S. workers and producers of goods and services. The U.S. will benefit by helping to build a consumer market for 700 million people. As African incomes increase, we will see a dramatic increase in U.S. exports. Today, more than 100,000 Americans are employed as a result of our trade with sub-Saharan Africa, and eight states have exported more than a billion dollars worth of products to sub-Saharan Africa over the last five years.

Enactment of the African Growth and Opportunity Act is important for U.S. businesses to compete with the already established European businesses in Africa. The U.S. has trade agreements with almost every country in the world—Asia, Europe, Israel and Mexico. Our European business competitors have long understood the importance of investment in sub-Saharan Africa. During the 1990's, British and French investments were 300 percent to 200 percent higher, respectively, than U.S. investment in Africa.

The United States has an important interest in a stable and prosperous Africa. This bill encourages African countries to continue fundamental reform in return for greater trade benefits, while providing protections for worker rights. As a result, this legislation will bolster African democracies, increase political stability and minimize the need for international humanitarian and disaster relief. By encouraging reform, supporting investments and increasing opportunity for trade, this legislation will stimulate the growth of the African private sector. One of the important provisions of this bill is the creation of OPIC-supported equity and investment funds to assist African entrepreneurs develop private sector enterprises. These funds will assist American companies seeking to establish a presence in the region, which will lead to long-term U.S. exports to the region.

This bill is clearly not enough to rescue Africa's poorest countries. We should go further by considering H.R. 1095, a bill which I have cosponsored to accelerate debt relief for highly indebted poor countries including those in sub-Saharan Africa. It is my hope the House will do so soon as a compliment to this free trade bill. In fact, few of these countries have the infrastructure to effectively compete in the global economy. But these countries need some hope of moving beyond aid dependency toward market-based economic development. This can best be achieved by expanding trade and investment opportunities for the nations in sub-Saharan Africa. This bill is a modest, but important first step toward achieving the goal of full African integration into the global economy, while assisting the U.S. to expand and diversify our exports, create new jobs and continue the longest, most stable growth period in our history.

I urge my colleagues to support this important legislation.

Mr. ROYCE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me begin by commending the gentleman from New York (Mr. RANGEL) and the gentleman from New Jersey (Mr. PAYNE) and the gentleman from Washington (Mr. MCDERMOTT) and the gentleman from Illinois (Mr. CRANE) and all those who have spent so much time moving this historic legislation.

Let me also thank the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, and commend him for the fine job he has done in doing that.

Let me just try to answer some of the concerns. As trade has expanded, unemployment in the United States has gone down appreciably. We have the highest employment numbers we have had in decades, and part of this is because of the trade and engagement we have had. Our trade exports to Africa have been going up by 8 percent a year. And yet, the United States only has 4 percent of that market, only 4 percent of that market.

This gives us an opportunity for win-win. It creates new jobs in the United States, and it will create new jobs in sub-Saharan Africa. And at the same time, it gives us tough language to combat illegal transshipment, the strongest language that we have seen to date. If there are violators, that country can be pulled out of the program and those who do so are severely punished under this act, with severe penalties.

In terms of Africa's sovereignty, that issue has been raised. Let me reiterate that the African countries themselves, every one, supports this bill. This bill limits eligible countries to those who

make progress with market-oriented economic reforms.

There is a human rights abuse screen that we have put in this bill, and we took care of some of the labor concerns with the amendment offered by the ranking member of the Committee on International Relations.

Now, when it comes to China, if anything, this bill has the potential of harming the Chinese textile industry, not helping it. Early this year, Karen Fedorko executive vice president of MAST Industries, testified to the Committee on Ways and Means that the bottom line is that, under this bill, Africa would become significantly more competitive and producers we currently work with in East Asia would shift their orders away from Asian vendors and towards some of our new contacts in Africa. Frankly, Africa's gain is China's loss under this bill.

Let me reiterate. In many ways, Africa is in the balance. Without efforts today to bring Africa into the world economy, without efforts like the African Growth and Opportunity Act, Africa could become permanently marginalized, Africans would suffer, and the American people would not escape the consequences.

To reject this legislation is to say we do not have any room on the economic map for Africa in the new century. I do not think my colleagues want to go that way.

I ask for their support for this bipartisan legislation.

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Chairman, I rise in opposition to H.R. 434, the so-called African Growth and Opportunity Act.

AFRICA TRADE BILL

I support the goals of this bill—to provide a foundation for a strong democracy and to create economic development in Africa.

What cannot sanction, however, is legislation that promotes these goals at the expense of African workers, the very sector of society upon which future economic development rests.

At the very least, we must promote an economic foundation for Africa which has as its cornerstone the provision of ample employment opportunities for the indigenous citizens and permanent residents.

Unfortunately, this bill requires African countries to meet strict IMF-style austerity measures in order to receive limited trade benefits. Even after these conditions are met, there are few provisions to ensure that African citizens actually benefit from the duty-free, quota-free access to the U.S. market that the bill provides for garment manufacturers. Only 20 percent of a garment's value would need to be added in Africa.

Further, the bill would allow foreign contract workers to be exported to Africa to make the trade-preferenced products.

My colleagues say that the bill's provisions are stringent enough, that transshipment's not going to happen, that it is not possible, that the ocean is too far.

Well, let me explain to my colleagues about the over $1 billion garment industry in the Commonwealth of the Northern Mariana Islands—a pacific island U.S. Territory that receives duty free, quota free access to the U.S. market.

Chinese garment makers send to the U.S. duty free goods woven in China cut in China, and assembled in the Northern Marianas by Chinese workers. We see in the Northern Marianas a workforce that is totally controlled, that is indentured, that is bonded, where the young women are forced into abortions and into prostitution.

It is a simple matter for the Chinese to do the same thing in Africa, because it is very clear why they would go there. In Africa, they can get there under the U.S. quota.

Today, in the Northern Marianas, 98 percent of the private sector jobs are held by foreign contract workers. Obviously, local workers in the Northern Marianas aren't the true beneficiaries of access to the U.S. market, just as the workers in Africa wouldn't benefit if this bill passes.

H.R. 434 represents the failed status quo model of trade that rewards multinational corporations but does little to protect workers or the environment.

The bill would further accelerate the global race to the bottom with corporations seeking locales where they can pollute at will and pay workers pennies an hour.

Forutnately, there is an alternative, that my colleagues, Rep. JESSE JACKSON, Jr., has introduced. It contains many of the worker-protection provisions I planned to offer—but was not allowed to offer—when this bill was debated last year.

Rep. JACKSON's bill, the HOPE for Africa Act, provides a new model for trade that combines expanded trade with protections for workers an the environment. HOPE for Africa aims to raise living standards, foster capital accumulation in Africa, and prevent the types of abuses that are rampant in the Northern Marianas.

In order to receive the bill's trade benefits, companies must employ 80% African workers, add 60% of a product's value in Africa, and be at least 51% owned by African citizens. Labor and environmental standards must be followed as well.

I urge my colleagues to reject H.R. 434 as a failed model of the past and to support Representative JACKSON's vision for the future of trade.

Mr. PAUL. Mr. Chairman, once again Congress demonstrates that it has no fundamental understanding of free trade or the best interests of the taxpayer. The Africa Growth & Opportunity Act is heavy-laden with the Development Assistance (foreign aid), debt forgiveness (so much for the balanced budget), OPIC expansion (thus putting the taxpayers further at risk), and of course a new international regulatory board to be funded with ''such sums as may be necessary.'' Additionally, the costs of this bill are paid by raising taxes on charity. Free trade, Washington style, is evidently not free for the taxpayer!

So what exactly is ''free trade'' and how far removed from this principle have those in Washington and the world drafted? Free trade, in its purest form, means voluntary exchange between individuals absent intervention by the coercive acts of government. When those individuals are citizens of different political jurisdictions, international trade is he term typically applied in textbook economics. For centuries, economists and philosophers have debated the extent to which governments should get in the way of such transactions in the name of protecting the national interest (or more likely some domestic industry). Obviously, both parties to exchange (free of intervention) expect to be better off or they would not freely engage in the transaction. It is the parties excluded (i.e. government and those out-competed) from the exchange who might have benefitted by being a party to it who can be relied upon to engage in some coercive activity to prevent the transaction in the hopes that their trading position will become more favorable by ''default.''

Because governments have for so long engaged in one variety of firm-or-industry-benefitting protectionism or another, my ''trade free of intervention'' definition of free trade is currently quite out of favor with beltway-dominant pundits. Such wrongheaded thinking is not limited to government. In academia, a widely-used undergraduate economics text, authorized by David C. Colander, describes a ''free trade association'' as a ''group of countries that allows free trade among its members and puts up common barriers against all other countries' goods''—thus here we have free trade associations putting up barriers. (An economic textbook only Orwell could love.)

An example of what now constitutes ''free trade'' Washington style can be found within the US ENGAGE Congressional Scorecard. It is insightful to consider what USA ENGAGE regards as pro-free trade against the backdrop of the non-interventionist notion of free trade outlined above.

China Most Favored Nation (MFN), while politically charged, is perhaps the cleanest genuine free trade vote chosen by USA ENGAGE. The question posed by this legislation is whether tariffs (taxes on U.S. citizens purchasing goods imported from China) should be lower or higher. In other words, when American and Chinese citizens engage in voluntary exchanges, should Americans be taxed. Clearly the free trade position here is not to raise taxes on Americans and interfere with trade.

The Vietnam Waiver vote classification as a pro-free trade position is particularly indicative, however, of what now constitutes free trade in the alleged minds of the beltway elite. When government forces through taxation, citizens to forego consumption of their own choosing (in other words forego voluntary exchanges) so that government can send money to foreign entities (i.e. trade promotion), this in the mind of Washington insiders constitutes ''free trade.'' In other words, when demand curves facing the corporate elite are less than those desired, government's help is then enlisted to shift the demand curve by forcing taxpayers to send money to various government and private entities whose spending patterns more favorably reflect those desired by those ''engineering'' such ''free trade'' policies in Washington. Much like tax cuts being a ''cost to government'' and ''free trade associations'' whose purpose it is to erect barriers, free trade has become government-coerced, taxpayer-financed foreign aid designed to result in specific private spending and private gains.

The Fast Track initiative highlighted in USA ENGAGE's Congressional scorecard has its own particular set of Constitutional problems, but the free-trade arguments are most relevant and illustrative here. The fast-track procedure

bill sets general international economic policy objectives, re-authorizes ''Trade Adjustment Assistance'' welfare for workers who lose their jobs and for businesses which fail (a gentler, kinder ''welfarist'' form of protectionism), and creates a new permanent position of Chief Agriculture Negotiator within the office of the United States Trade Representative. Lastly, like today's legislative mishap, the bill ''pays'' the government's ''cost'' of free trade by increasing taxes on a set of taxpayers further removed from those corporatists who hope to gain by engineering favorable international trade agreements.

Constitutional questions aside, like today's H.R. 434, the fast track bill contained provisions which would likely continue our country down the ugly path of internationally-engineered, ''managed trade'' rather than that of free trade. As explained by the late economist Murray N. Rothbard, Ph.D.:

[Genuine free trade doesn't require a treaty (or its deformed cousin, a 'trade agreement'; NAFTA is called an agreement so it can avoid the constitutional requirement of approval by two-thirds of the Senate). If the establishment truly wants free trade, all it has to do is to repeal our numerous tariff, import quotas, anti-dumping laws, and other American-imposed restrictions of free trade. No foreign policy or foreign maneuvering in necessary.

In truth, the bipartisan establishment's fanfare of ''free trade'' fosters the opposite of genuine freedom of exchange. Whereas genuine free traders examine free markets from the perspective of the consumer (each individual), the mercantilist examines trade from the perspective of the power elite; in other words, from the perspective of the big business in concert with big government. Genuine free traders consider exports a means of paying for imports, in the same way that goods in general are produced in order to be sold to consumers. The mercantilists want to privilege the government business elite at the expense of all consumers—be they domestic or foreign.

Fast track is merely a procedure under which the United States can more quickly integrate an cartelize government in order to entrench the interventionist mixed economy. In Europe, this process culminated in the Maastricht Treaty, the attempt to impose a single currency and central bank and force relatively free economies to ratchet up their regulatory and welfare states. In the United States, it has instead taken the form of transferring legislative and judicial authority from states and localities and to the executive branch of the federal government. Thus, agreements negotiated under fast track authority (like NAFTA) are, in essence, the same alluring means by which the socialistic Eurocrats have tried to get Europeans to surrender to the super-statism of the European Union. And just as Brussels has forced low-tax European countries to raise their taxes to the European average or to expand their respective welfare states in the name of ''fairness,'' a ''level playing field,'' and ''upward harmonization,'' so too will the international trade governors and commissions be empowered to ''upwardly harmonize,'' internationalize, and otherwise usurp laws of American state governments.

The harmonization language in the last Congress' Food and Drug Administration reform bill constitutes a perfect example. Harmonization language in this bill has the Health and Human Services Secretary negotiating multilateral and bilateral international agreements to unify regulations in this country with those of others. The bill removes from the state governments the right to exercise their police powers under the tenth amendment to the constitution and, at the same time, creates a corporatist power elite board of directors to review medical devices and drugs for approval. This board, of course, is to be made up of ''objective'' industry experts appointed by national governments. Instead of the ''national'' variety, known as the Interstate Commerce Act of 1887 (enacted for the ''good reason'' of protecting railroad consumers from exploitative railroad freight rates, only to be staffed by railroad attorneys who then used their positions to line the pockets of their respective railroads), we now have the same sham imposed upon worldwide consumers on an international scale soon to be staffed by heads of multinational pharmaceutical corporations.

The late economist Ludwig von Mises argued there is a choice of only two economic systems—capitalism or socialism. Intervention, he would say, always begets more interventionism to address the negative consequences of the prior intervention: thus, necessarily leading to yet further intervention until complete socialism is the only possible outcome. This principle remains true even in the case of intervention and free trade.

To the extent America is non-competitive, it is not because of a lack of innovation, ingenuity, or work ethic. Rather, it is largely a function of the overburdening of business and industry with excessive taxation and regulation. Large corporations, of course, greatly favor such regulation because it disadvantages their smaller competitors who either are not in a position to maintain the regulatory compliance department due to their limited size or, equally important, unable to ''capture'' the federal regulatory agencies whose regulation will be written to favor the politically adept and disfavor the truly productive. The rub comes when other governments engage in more laissez faire approaches thus allowing firms operating within those jurisdictions to become more competitive. It will be the products of these less-taxed, less-regulated firms which will be the consumers' only hope to maintain their standard of living in a climate of domestic production burdened by regulation and taxation. The consumers' after-tax income becomes lower and lower while relative prices of domestic goods become higher and higher. Free trade which provides the poor consumer an escape hatch, of course, is not the particular brand of ''free trade'' espoused by the international trade organizations whose purpose it is to exclude the more efficient competitors internationally in the same way federal regulatory agencies have been created and captured to do the equivalent task domestically.

Until policy makers can learn enough about trade and voluntary exchange to distinguish them from taxpayer-funded aid to bolster corporate revenues, OPIC, Export-Import funding, Market Access Program, and other forms of market intervention (each of which are quite the opposite of genuine free trade), the free trade discussion will remain at worst, a delusional discussion, and, at best, a hollow one.

For these reasons and others, I oppose the so-called free-trade-enhancing Africa Growth and Opportunity Act.

Mrs. CHRISTENSEN. Mr. Chairman, I rise to support this amendment.

It has been a priority of mine and the rest of the Congressional Black Caucus to bring some of the many resources of this country and of the profits of our corporations to help fight the scourge of HIV/AIDS in Africa.

In this regard I applaud my colleagues, Mrs. JACKSON-LEE and also Mr. OLVER for their amendments. I would be remiss not to also recognize our former distinguished colleague, Mr. Dellums for his leadership in this arena.

Mr. Chairman, to date AIDS has killed more than 11 million people and continues to infect over 22 million of our brothers and sisters in sub-Saharan Africa. Millions of children are orphaned and countless families are destroyed.

In supporting this amendment, and asking for its passage, I take this opportunity to call on the administration, this Congress and our corporations to not only reach for our better selves, but into our very full pockets to help our fellow human beings who are in such great need.

Mr. LEWIS of Georgia. Mr. Chairman, I would like to begin by commending Mr. OLVER for initiating this important and timely amendment.

Africa is in crisis. The continent is home to one out of every ten people on the planet. Yet more than eight out of every ten deaths from AIDS have occurred in Africa. Health officials in Zimbabwe report over 3,000 AIDS deaths each week. This is a country that has a population roughly the size of the State of Ohio. In Kenya, 200,000 people will die from AIDS in 1999.

AIDS is destroying not only individual lives, but the social, political and economic fabric of the nations of Africa. In Zambia, more than half of the country's children have lost at least one parent to AIDS. How will these children survive? Africans between the ages of 15 and 40 have the highest AIDS infection rate. Who will remain to support Africa's families and grow Africa's economies? Right now, AIDS is reported to be rampant in the militaries of Zimbabwe and other Southern African countries. How will the political stability of Africa be secured?

This crisis demands the attention of the United States Congress. As we debate a bill that intends to strengthen our economic ties with the African continent, this is the right time and the right place for us to begin to think about the impact of AIDS on both the African people and our mutual long term interests.

The African Growth and Opportunity Act requires a lot of African countries. We need to hold up our end of the bargain. It is our responsibility to shine a spotlight on the issue of AIDS in Africa and to demonstrate our interest, not only in trade but in the long term stability of the nations of Africa and the health of her people.

By making it a Sense of Congress that addressing the AIDS crisis be a central component of our foreign policy in Africa; by recognizing the importance of AIDS prevention and treatment to our long term trade relationship with Africa; and by acknowledging that the African AIDS crisis merits expanded efforts by both public and private institutions as well as Congress to address the issue, this amendment represents an important step.

I urge my colleagues to vote for the amendment.

Ms. DELAURO. Mr. Chairman, I rise in strong support of the Olver-Pelosi-Foley Amendment to express the sense of Congress

that addressing the AIDS crisis in sub-Sahara Africa must be a central component of U.S. foreign policy.

Throughout Africa, AIDS is destroying entire families and communities. It is tearing apart the social, and economic foundations of the continent.

In May, USA Today dedicated a series of articles focusing on the human face of this devastation—outcast children, dying infants, destroyed families. And the statistics alone are numbing. In all, 11.5 million people have died in sub-Saharan Africa since the disease emerged in the early 1980's and 22.5 million now living with the HIV virus are expected to die in the next ten years. By the end of 1997, at least 7.8 million children in this area of Africa alone were left orphans by the age of 14 due to AIDS.

This amendment addresses the tragedy and the urgency of this crisis and affirms that addressing the HIV/AIDs epidemic must be a central part of our foreign policy now and in the next century. We cannot expect to make progress on economic development in Africa unless our policies sufficiently address the catastrophe of AIDS. I strongly urge my colleagues to vote for the Olver-Pelosi-Foley Amendment.

Mr. THOMPSON of Mississippi. Mr. Chairman, at this point, whether U.S. intervention in helping to rebuild the economy of the African continent is important is moot. Every thinking person recognizes the historic significance of rebuilding Europe and Japan after World War II. No one can or will dispute the prescience of the many plans currently on the table to rebuild war torn Yugoslavia. During the debate on NAFTA, member after member came down to the well of this body and sang the praises of strengthening the economies of our neighbors to our North and South.

The intentions behind H.R. 434, the African Growth and Opportunity Act are altruistic and well within the spirit of fostering growth and development among our international neighbors in the emerging global economy. However, as is the case in many situations, the road to hell is paved with good intentions, and H.R. 434 is simply another cobblestone on that ill-fated pathway.

This legislation is fraught with missteps and although it is heralded as a new, innovative approach to bringing Africa, economically, onto a level playing field in the twentieth century, it clearly builds on many of the same blunders that have haunted U.S. trade policies in the past. This bill has been called the ''African Recolonization Act,'' ''NAFTA for Africa,'' and it is opposed by former South African President, Nelson Mandela. President Mandela even went so far as to say, that the bill is ''not acceptable to us.''

With all of these red flags waving around, how can Congress forge ahead full speed with this legislation and with blatant disregard for people of Africa and the additional Americans who will lose their jobs as a result of this legislation? Jobs in the textile and apparel industry have been hit especially hard by failed American trade policies. Since 1981, almost 700,000 jobs in the textile and apparel industry have been lost to foreign countries; 118,000 in the last 12 months alone.

The majority of these textile workers, who currently find themselves unemployed are women and minorities. With that in mind, another situation that confuses me about this debate is why so many women and minority members have come down to the floor in support of this legislation.

Africa is the cradle of human civilization—the birthplace for the entire world. For too long we have allowed this continent to be raped and plundered by the world's various interests, but finally the time has come to help our shared motherland stand on her own feet. The unfortunate truth about the time we have wasted debating this legislation today is that it will not do any of the things that need to be done in order to achieve the tasks so desperately needed to revitalize Africa.

I challenge the members of this body to bring substantive legislation to the floor that will seriously address the problems facing Africa and restore the nobility and dignity of this magnificent continent.

Mr. BERRY. Mr. Chairman, once again I have to vote against this bill despite the fact that I support its premise. Just last year Congress made almost the same mistakes on this important legislation that we are making this year. The result of the mistakes the House of Representatives made resulted in stalemate and the loss of an opportunity to benefit the people of Africa.

I always prefer giving someone a hand up, rater than a hand-out. This is the point of this legislation. However, as this bill is written, I cannot vote for it. I will gladly vote for a motion to send it back to the committee of jurisdiction to amend it, because I know that there are simple ways for it to be improved.

It is important that we do what we can to help these desperately poor nations develop economically. By helping them create industry and develop into mature trading partners, we would like reduce the overall need for direct foreign aid. The authors of this bill have chosen to ignore the very real problem of transshipment of goods produced outside Africa. There is ample evidence that certain countries and companies around the world will exploit the ability to ship goods through the Africa continent to avoid duties and quotas that they would otherwise face. This is not fair, and I want to ensure that we address the issue in a way that protects our industries and workers. Not only is it unfair to our workers, it is unfair to the very countries this bill hopes to assist. Their domestic industries would not develop if other nations are using the provisions of this bill to circumvent internationally recognized rules of fair trade.

I hope that the Senate will generate a similar bill—but take the needed steps to safeguard the intent of the Africa Growth and Opportunity Act.

Mrs. CLAYTON. Mr. Chairman, I rise to oppose this Bill, because, I believe, we can help people abroad without hurting people at home.

This bill will hurt people at home.

I want to commend our colleagues who offer this legislation, for seeking to provide economic growth and development in Sub-Saharan Africa. I support that.

But, this Bill does not do that.

It is important to establish factories in Africa, to train its workers, to initiate production there.

But, this Bill does not do that.

It is equally important to save factories in America, to retrain our workers and to continue production here.

This Bill does not do that.

The economy in America is booming, but textile and apparel production is slumping.

No other industry is suffering like the textile and apparel industry.

Some 700,000 jobs have been lost since 1981; 118,000 have been lost in the past 12 months alone.

And, while this Bill could cause the further loss of jobs, it will not result in the gain of jobs to Africa.

What it will do is make it easier and cheaper for other nations to conduct illegal transshipments through Africa.

And, that will hurt Africa and hurt America.

Our colleague, Mr. BISHOP, proposed perfecting language to this Bill, but the Rule offered and passed does not permit its consideration.

Mr. Chairman, let's help workers in Africa.

But, in so doing, let's not hurt workers in America.

Oppose this Bill.

It has the right aim, but the wrong focus.

Mr. EVERETT. Mr. Chairman, I rise in strong opposition to this misguided bill and ask for my friends and colleagues to really consider what we are doing here. Once again I find myself having to protect my cotton farmers and textile workers against trade policies that have left many in my district with their heads spinning from the loss of jobs.

I do support fostering economic development in Africa and crating an economic partnership between those nations, but not at the expense of American cotton farmers and textile workers. The textile and apparel provisions of this bill will not promote jobs and economic growth in Africa; they will instead promote massive transshipments from China into this country. The bill will unnecessarily cost thousands of U.S. jobs in the cotton and textile industries while providing limited incentive for increased manufacturing capacity in the Sub-Saharan.

The bill, as is, opens the door for Asian textile and apparel manufacturers to use Africa merely as an export platform for sending their own textile and apparel products to the U.S. Incredibly, only 35 percent of the value must be added on the ground in Africa to qualify for quota free and duty free access. That doesn't sound like its going to benefit Africa, but China instead. When you remove tariffs on these imported products, you exponentially increase the incentive for both illegal and legal transshipment. Under this legislation, it would be totally legal for the Chinese to use their own yarn, fabric and possibly even imported Chinese labor to comply with 35 percent final value threshold. Once again, good for China, bad for American workers and Africa.

What makes me angry though is that we had a way of making this bill acceptable for those who want to promote Africa's growth, and for those of us who want to protect our textile workers and farmers, but that was denied by the Rules Committee. This legislation will create a trade policy that's going to hurt my cotton farmers and my textile workers so the Chinese can import more goods through Africa into the U.S. I urge all members to vote no on this misguided legislation.

Mr. BLUMENAUER. Mr. Chairman, I rise today to support H.R. 434, the African Growth and Opportunity Act. This measure is long overdue, and will help strengthen the economies of the world's poorest continent. This bill presents very little threat to American industries in the short run, and holds a huge upside potential for American jobs and profits to increase in the long run.

The most important part of this bill is that it will make a huge difference for the countries of Sub-Saharan Africa by giving them tariff reductions under the Generalized System of Preferences (GSP), as long as they are cooperating with international labor and transshipment standards.

At a time when military action is something to be avoided and there are real questions about what economic assistance we should provide around the world, this bill allows us to directly participate with and help strengthen other countries through global trade. I believe it will ultimately be the best long-term investment for the American taxpayer.

Mr. MANZULLO. Mr. Chairman, this legislation will for the first time focus the attention of the U.S. government on a comprehensive trade strategy towards Africa. We have neglected this continent too long only to the benefit of their former European colonial powers. With the anemic growth in our exports because of the economic crisis affecting Asia, Russia, and Brazil, the U.S. needs to look at every possible market opportunity to improve trade relations.

Many may be surprised to learn that U.S. exports to Africa have been growing at a steady rate. Exports from Illinois to South Africa grew from $269 million in 1995 to $413 million in 1998—a 54 percent increase? Illinois exports more to South Africa than it does to Spain or India.

The specific African trade picture for Rockford is even better. Exports from Rockford to all of Africa more than doubled, going from $2.9 million in 1995 to $6.2 million in 1997. Some of these exports came from companies like Etnyree of Oregon, which sold asphalt making equipment to the Ivory Coast and Kenya; Newell's International Division in Rockford, which sold office and home products to Zimbabwe and South Africa; Wahl Clipper of Sterling, which sold barbershop hair clippers to South Africa and Nigeria; and Taylor of Rockton, which sold soft ice cream machines to South Africa and Nigeria.

African trade also extends to McHenry County—RITA Chemical of Woodstock sold industrial inorganic chemicals for the cosmetic industry in South Africa and Motorola of Harvard, a manufacturer of cellular phones that are used even in the remotest parts of Africa.

This represents the tip of the iceberg of what can happen if we build better trade relationships with the 48 countries of sub-Saharan Africa. All these companies agree that if there is a more active effort on the part of the U.S. government to help develop and open the markets in Africa, they would benefit through increased sales.

While this bill is not a cure-all for our trade deficit or for solving all of Africa's problems, it represents one beginning step in the right direction. It has the support of our exporting community. It has the support of all—I repeat—all of the sub-Saharan African countries. It's a win-win for all sides. I urge you to join them in supporting this legislation.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, it shall be in order to consider the amendment in the nature of a substitute consisting of the text of H.R. 2489 as an original bill for the purpose of amendment under the 5-minute rule which, without objection, is considered read.

There was no objection.

The text of the amendment in the nature of a substitute is as follows:

H.R. 2489

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 ''African Growth and Opportunity Act''.

SEC. 2. FINDINGS.

The Congress finds that it is in the mutual economic interest of the United States and sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa and that sustained economic growth in sub-Saharan Africa depends in large measure upon the development of a receptive environment for trade and investment. To that end, the United States seeks to facilitate market-led economic growth in, and thereby the social and economic development of, the countries of sub-Saharan Africa. In particular, the United States seeks to assist sub-Saharan African countries, and the private sector in those countries, to achieve economic self-reliance by—

(1) strengthening and expanding the private sector in sub-Saharan Africa, especially women-owned businesses;

(2) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(3) reducing tariff and nontariff barriers and other trade obstacles;

(4) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(5) negotiating free trade areas;

(6) establishing a United States-Sub-Saharan Africa Trade and Investment Partnership;

(7) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;

(8) establishing a United States-Sub-Saharan Africa Economic Cooperation Forum; and

(9) continuing to support development assistance for those countries in sub-Saharan Africa attempting to build civil societies.

SEC. 3. STATEMENT OF POLICY.

The Congress supports economic self-reliance for sub-Saharan African countries, particularly those committed to—

(1) economic and political reform;

(2) market incentives and private sector growth;

(3) the eradication of poverty; and

(4) the importance of women to economic growth and development.

SEC. 4. ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—A sub-Saharan African country shall be eligible to participate in programs, projects, or activities, or receive assistance or other benefits under this Act if the President determines that the country does not engage in gross violations of internationally recognized human rights and has established, or is making continual progress toward establishing, a market-based economy, such as the establishment and enforcement of appropriate policies relating to—

(1) promoting free movement of goods and services between the United States and sub-Saharan Africa and among countries in sub-Saharan Africa;

(2) promoting the expansion of the production base and the transformation of commodities and nontraditional products for exports through joint venture projects between African and foreign investors;

(3) trade issues, such as protection of intellectual property rights, improvements in standards, testing, labeling and certification, and government procurement;

(4) the protection of property rights, such as protection against expropriation and a functioning and fair judicial system;

(5) the protection of internationally recognized worker rights, including the right of association, the right to organize and bargain collectively, a prohibition on the use of any form of forced or compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

(6) appropriate fiscal systems, such as reducing high import and corporate taxes, controlling government consumption, participation in bilateral investment treaties, and the harmonization of such treaties to avoid double taxation;

(7) foreign investment issues, such as the provision of national treatment for foreign investors, removing restrictions on investment, and other measures to create an environment conducive to domestic and foreign investment;

(8) supporting the growth of regional markets within a free trade area framework;

(9) governance issues, such as eliminating government corruption, minimizing government intervention in the market such as price controls and subsidies, and streamlining the business license process;

(10) supporting the growth of the private sector, in particular by promoting the emergence of a new generation of African entrepreneurs;

(11) encouraging the private ownership of government-controlled economic enterprises through divestiture programs; and

(12) observing the rule of law, including equal protection under the law and the right to due process and a fair trial.

(b) ADDITIONAL FACTORS.—In determining whether a sub-Saharan African country is eligible under subsection (a), the President shall take into account the following factors:

(1) An expression by such country of its desire to be an eligible country under subsection (a).

(2) The extent to which such country has made substantial progress toward—

(A) reducing tariff levels;

(B) binding its tariffs in the World Trade Organization and assuming meaningful binding obligations in other sectors of trade; and

(C) eliminating nontariff barriers to trade.

(3) Whether such country, if not already a member of the World Trade Organization, is actively pursuing membership in that Organization.

(4) The extent to which such country has a recognizable commitment to reducing poverty, increasing the availability of health care and educational opportunities, the expansion of physical infrastructure in a manner designed to maximize accessibility, increased access to market and credit facilities for small farmers and producers, and improved economic opportunities for women as entrepreneurs and employees, and promoting and enabling the formation of capital to support the establishment and operation of micro-enterprises.

(5) Whether or not such country engages in activities that undermine United States national security or foreign policy interests.

(c) CONTINUING COMPLIANCE.—

(1) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of sub-Saharan African countries in order to determine their current or potential eligibility under subsection (a). Such determinations shall be based on quantitative factors to the fullest extent possible and shall be included in the annual report required by section 15.

(2) INELIGIBILITY OF CERTAIN COUNTRIES.—A sub-Saharan African country described in paragraph (1) that has not made continual

progress in meeting the requirements with which it is not in compliance shall be ineligible to participate in programs, projects, or activities, or receive assistance or other benefits, under this Act.

SEC. 5. UNITED STATES-SUB-SAHARAN AFRICA TRADE AND ECONOMIC COOPERATION FORUM.

(a) DECLARATION OF POLICY.—The President shall convene annual high-level meetings between appropriate officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of the enactment of this Act, the President, after consulting with Congress and the governments concerned, shall establish a United States-Sub-Saharan Africa Trade and Economic Cooperation Forum (hereafter in this section referred to as the ''Forum'').

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to host the first annual meeting with the counterparts of such Secretaries from the governments of sub-Saharan African countries eligible under section 4, the Secretary General of the Organization of African Unity, and government officials from other appropriate countries in Africa, to discuss expanding trade and investment relations between the United States and sub-Saharan Africa and the implementation of this Act including encouraging joint ventures between small and large businesses.

(2)(A) The President, in consultation with the Congress, shall encourage United States nongovernmental organizations to host annual meetings with nongovernmental organizations from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) The President, in consultation with the Congress, shall encourage United States representatives of the private sector to host annual meetings with representatives of the private sector from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) The President shall, to the extent practicable, meet with the heads of governments of sub-Saharan African countries eligible under section 4 not less than once every two years for the purpose of discussing the issues described in paragraph (1). The first such meeting should take place not later than twelve months after the date of the enactment of this Act.

(d) DISSEMINATION OF INFORMATION BY USIA.—In order to assist in carrying out the purposes of the Forum, the United States Information Agency shall disseminate regularly, through multiple media, economic information in support of the free market economic reforms described in this Act.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(f) LIMITATION ON USE OF FUNDS.—None of the funds authorized under this section may be used to create or support any nongovernmental organization for the purpose of expanding or facilitating trade between the United States and sub-Saharan Africa.

SEC. 6. UNITED STATES–SUB-SAHARAN AFRICA FREE TRADE AREA.

(a) DECLARATION OF POLICY.—The Congress declares that a United States–Sub-Saharan Africa Free Trade Area should be established, or free trade agreements should be entered into, in order to serve as the catalyst for increasing trade between the United States and sub-Saharan Africa and increasing private sector development in sub-Saharan Africa.

(b) PLAN REQUIREMENT.—

(1) IN GENERAL.—The President, taking into account the provisions of the treaty establishing the African Economic Community and the willingness of the governments of sub-Saharan African countries to engage in negotiations to enter into free trade agreements, shall develop a plan for the purpose of entering into one or more trade agreements with sub-Saharan African countries eligible under section 4 in order to establish a United States–Sub-Saharan Africa Free Trade Area (hereafter in this section referred to as the ''Free Trade Area'').

(2) ELEMENTS OF PLAN.—The plan shall include the following:

(A) The specific objectives of the United States with respect to the establishment of the Free Trade Area and a suggested timetable for achieving those objectives.

(B) The benefits to both the United States and sub-Saharan Africa with respect to the Free Trade Area.

(C) A mutually agreed-upon timetable for establishing the Free Trade Area.

(D) The implications for and the role of regional and sub-regional organizations in sub-Saharan Africa with respect to the Free Trade Area.

(E) Subject matter anticipated to be covered by the agreement for establishing the Free Trade Area and United States laws, programs, and policies, as well as the laws of participating eligible African countries and existing bilateral and multilateral and economic cooperation and trade agreements, that may be affected by the agreement or agreements.

(F) Procedures to ensure the following:

(i) Adequate consultation with the Congress and the private sector during the negotiation of the agreement or agreements for establishing the Free Trade Area.

(ii) Consultation with the Congress regarding all matters relating to implementation of the agreement or agreements.

(iii) Approval by the Congress of the agreement or agreements.

(iv) Adequate consultations with the relevant African governments and African regional and subregional intergovernmental organizations during the negotiations of the agreement or agreements.

(c) REPORTING REQUIREMENT.—Not later than 12 months after the date of the enactment of this Act, the President shall prepare and transmit to the Congress a report containing the plan developed pursuant to subsection (b).

SEC. 7. ELIMINATING TRADE BARRIERS AND ENCOURAGING EXPORTS.

(a) FINDINGS.—The Congress makes the following findings:

(1) The lack of competitiveness of sub-Saharan Africa in the global market, especially in the manufacturing sector, make it a limited threat to market disruption and no threat to United States jobs.

(2) Annual textile and apparel exports to the United States from sub-Saharan Africa represent less than 1 percent of all textile and apparel exports to the United States, which totaled $54,001,863,000 in 1997.

(3) Sub-Saharan Africa has limited textile manufacturing capacity. During 1999 and the succeeding 4 years, this limited capacity to manufacture textiles and apparel is projected to grow at a modest rate. Given this limited capacity to export textiles and apparel, it will be very difficult for these exports from sub-Saharan Africa, during 1999 and the succeeding 9 years, to exceed 3 percent annually of total imports of textile and apparel to the United States. If these exports from sub-Saharan Africa remain around 3 percent of total imports, they will not represent a threat to United States workers, consumers, or manufacturers.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) it would be to the mutual benefit of the countries in sub-Saharan Africa and the United States to ensure that the commitments of the World Trade Organization and associated agreements are faithfully implemented in each of the member countries, so as to lay the groundwork for sustained growth in textile and apparel exports and trade under agreed rules and disciplines;

(2) reform of trade policies in sub-Saharan Africa with the objective of removing structural impediments to trade, consistent with obligations under the World Trade Organization, can assist the countries of the region in achieving greater and greater diversification of textile and apparel export commodities and products and export markets; and

(3) the President should support textile and apparel trade reform in sub-Saharan Africa by, among other measures, providing technical assistance, sharing of information to expand basic knowledge of how to trade with the United States, and encouraging business-to-business contacts with the region.

(c) TREATMENT OF QUOTAS.—

(1) KENYA AND MAURITIUS.—Pursuant to the Agreement on Textiles and Clothing, the United States shall eliminate the existing quotas on textile and apparel exports to the United States—

(A) from Kenya within 30 days after that country adopts an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(B) from Mauritius within 30 days after that country adopts such a visa system.

The Customs Service shall provide the necessary technical assistance to Kenya and Mauritius in the development and implementation of those visa systems.

(2) OTHER SUB-SAHARAN COUNTRIES.—The President shall continue the existing no quota policy for countries in sub-Saharan Africa. The President shall submit to the Congress, not later than March 31 of each year, a report on the growth in textiles and apparel exports to the United States from countries in sub-Saharan Africa in order to protect United States consumers, workers, and textile manufacturers from economic injury on account of the no quota policy.

(d) CUSTOMS PROCEDURES AND ENFORCEMENT.—

(1) ACTIONS BY COUNTRIES AGAINST TRANSSHIPMENT AND CIRCUMVENTION.—The President should ensure that any country in sub-Saharan Africa that intends to export textile and apparel goods to the United States—

(A) has in place a functioning and effective visa system and domestic laws and enforcement procedures to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(B) will cooperate fully with the United States to address and take action necessary to prevent circumvention, as provided in Article 5 of the Agreement on Textiles and Clothing.

(2) PENALTIES AGAINST EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has willfully falsified information regarding the country of origin, manufacture, processing, or assembly of a textile or apparel article for which duty-free treatment under section 503(a)(1)(C) of the Trade Act of 1974 is claimed, then the President shall deny to such exporter, and

any successors of such exporter, for a period of 2 years, duty-free treatment under such section for textile and apparel articles.

(3) APPLICABILITY OF UNITED STATES LAWS AND PROCEDURES.—All provisions of the laws, regulations, and procedures of the United States relating to the denial of entry of articles or penalties against individuals or entities for engaging in illegal transshipment, fraud, or other violations of the customs laws shall apply to imports from Sub-Saharan countries.

(4) MONITORING AND REPORTS TO CONGRESS.—The Customs Service shall monitor and the Commissioner of Customs shall submit to the Congress, not later than March 31 of each year, a report on the effectiveness of the visa systems described in subsection (c)(1) and paragraph (1) of this subsection and on measures taken by countries in Sub-Saharan Africa which export textiles or apparel to the United States to prevent circumvention as described in Article 5 of the Agreement on Textiles and Clothing.

(e) DEFINITION.—For purposes of this section, the term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

SEC. 8. GENERALIZED SYSTEM OF PREFERENCES.

(a) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—Section 503(a)(1) of the Trade Act of 1974 (19 U.S.C. 2463(a)(1)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following:

''(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—The President may provide duty-free treatment for any article set forth in paragraph (1) of subsection (b) that is the growth, product, or manufacture of an eligible country in sub-Saharan Africa that is a beneficiary developing country, if, after receiving the advice of the International Trade Commission in accordance with subsection (e), the President determines that such article is not import-sensitive in the context of imports from eligible countries in sub-Saharan Africa. This subparagraph shall not affect the designation of eligible articles under subparagraph (B).''.

(b) RULES OF ORIGIN.—Section 503(a)(2) of the Trade Act of 1974 (19 U.S.C. 2463(a)(2)) is amended by adding at the end the following:

''(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—For purposes of determining the percentage referred to in subparagraph (A) in the case of an article of an eligible country in sub-Saharan Africa that is a beneficiary developing country—

''(i) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A); and

''(ii) the cost or value of the materials included with respect to that article that are produced in any beneficiary developing country that is an eligible country in sub-Saharan Africa shall be applied in determining such percentage.''.

(c) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any eligible country in sub-Saharan Africa.''.

(d) EXTENSION OF PROGRAM.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended to read as follows:

''SEC. 505. DATE OF TERMINATION.

''(a) COUNTRIES IN SUB-SAHARAN AFRICA.—No duty-free treatment provided under this title shall remain in effect after June 30, 2009, with respect to beneficiary developing countries that are eligible countries in sub-Saharan Africa.

''(b) OTHER COUNTRIES.—No duty-free treatment provided under this title shall remain in effect after June 30, 1999, with respect to beneficiary developing countries other than those provided for in subsection (a).''.

(e) DEFINITION.—Section 507 of the Trade Act of 1974 (19 U.S.C. 2467) is amended by adding at the end the following:

''(6) ELIGIBLE COUNTRY IN SUB-SAHARAN AFRICA.—The terms 'eligible country in sub-Saharan Africa' and 'eligible countries in sub-Saharan Africa' mean a country or countries that the President has determined to be eligible under section 4 of the African Growth and Opportunity Act.''.

(f) EFFECTIVE DATE.—The amendments made by this section take effect on July 1, 1999.

SEC. 9. INTERNATIONAL FINANCIAL INSTITUTIONS AND DEBT REDUCTION.

(a) BETTER MECHANISMS TO FURTHER GOALS FOR SUB-SAHARAN AFRICA.—It is the sense of the Congress that the Secretary of the Treasury should instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Monetary Fund, and the African Development Bank to use the voice and votes of the Executive Directors to encourage vigorously their respective institutions to develop enhanced mechanisms which further the following goals in eligible countries in sub-Saharan Africa:

(1) Strengthening and expanding the private sector, especially among women-owned businesses.

(2) Reducing tariffs, nontariff barriers, and other trade obstacles, and increasing economic integration.

(3) Supporting countries committed to accountable government, economic reform, the eradication of poverty, and the building of civil societies.

(4) Supporting deep debt reduction at the earliest possible date with the greatest amount of relief for eligible poorest countries under the ''Heavily Indebted Poor Countries'' (HIPC) debt initiative.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that relief provided to countries in sub-Saharan Africa which qualify for the Heavily Indebted Poor Countries debt initiative should primarily be made through grants rather than through extended-term debt, and that interim relief or interim financing should be provided for eligible countries that establish a strong record of macroeconomic reform.

SEC. 10. EXECUTIVE BRANCH INITIATIVES.

(a) STATEMENT OF CONGRESS.—The Congress recognizes that the stated policy of the executive branch in 1997, the ''Partnership for Growth and Opportunity in Africa'' initiative, is a step toward the establishment of a comprehensive trade and development policy for sub-Saharan Africa. It is the sense of the Congress that this Partnership is a companion to the policy goals set forth in this Act.

(b) TECHNICAL ASSISTANCE TO PROMOTE ECONOMIC REFORMS AND DEVELOPMENT.—In addition to continuing bilateral and multilateral economic and development assistance, the President shall target technical assistance toward—

(1) developing relationships between United States firms and firms in sub-Saharan Africa through a variety of business associations and networks;

(2) providing assistance to the governments of sub-Saharan African countries to—

(A) liberalize trade and promote exports;

(B) bring their legal regimes into compliance with the standards of the World Trade Organization in conjunction with membership in that Organization;

(C) make financial and fiscal reforms; and

(D) promote greater agribusiness linkages;

(3) addressing such critical agricultural policy issues as market liberalization, agricultural export development, and agribusiness investment in processing and transporting agricultural commodities;

(4) increasing the number of reverse trade missions to growth-oriented countries in sub-Saharan Africa;

(5) increasing trade in services; and

(6) encouraging greater sub-Saharan participation in future negotiations in the World Trade Organization on services and making further commitments in their schedules to the General Agreement on Trade in Services in order to encourage the removal of tariff and nontariff barriers.

SEC. 11. SUB-SAHARAN AFRICA INFRASTRUCTURE FUND.

(a) INITIATION OF FUNDS.—It is the sense of the Congress that the Overseas Private Investment Corporation should exercise the authorities it has to initiate an equity fund or equity funds in support of projects in the countries in sub-Saharan Africa, in addition to the existing equity fund for sub-Saharan Africa created by the Corporation.

(b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) should be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) CAPITALIZATION.—Each fund should be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guaranties.

(3) INFRASTRUCTURE FUND.—One or more of the funds, with combined assets of up to $500,000,000, should be used in support of infrastructure projects in countries of sub-Saharan Africa.

(4) EMPHASIS.—The Corporation shall ensure that the funds are used to provide support in particular to women entrepreneurs and to innovative investments that expand opportunities for women and maximize employment opportunities for poor individuals.

SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—

(1) ADVISORY COMMITTEE.—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

''(e) ADVISORY COMMITTEE.—The Board shall take prompt measures to increase the loan, guarantee, and insurance programs, and financial commitments, of the Corporation in sub-Saharan Africa, including through the use of an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa. In addition, the advisory committee shall make recommendations to the Board on how the Corporation can facilitate greater support by the United States for trade and investment with and in sub-Saharan Africa. The advisory committee shall terminate 4 years after the date of the enactment of this subsection.''.

(2) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the

Overseas Private Investment Corporation shall submit to the Congress a report on the steps that the Board has taken to implement section 233(e) of the Foreign Assistance Act of 1961 (as added by paragraph (1)) and any recommendations of the advisory board established pursuant to such section.

(b) EXPORT-IMPORT BANK.—

(1) ADVISORY COMMITTEE FOR SUB-SAHARAN AFRICA.—Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by inserting after paragraph (12) the following:

''(13)(A) The Board of Directors of the Bank shall take prompt measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank's financial commitments in sub-Saharan Africa under the loan, guarantee, and insurance programs of the Bank.

''(B)(i) The Board of Directors shall establish and use an advisory committee to advise the Board of Directors on the development and implementation of policies and programs designed to support the expansion described in subparagraph (A).

''(ii) The advisory committee shall make recommendations to the Board of Directors on how the Bank can facilitate greater support by United States commercial banks for trade with sub-Saharan Africa.

''(iii) The advisory committee shall terminate 4 years after the date of the enactment of this subparagraph.''.

(2) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Export-Import Bank of the United States shall submit to the Congress a report on the steps that the Board has taken to implement section 2(b)(13)(B) of the Export-Import Bank Act of 1945 (as added by paragraph (1)) and any recommendations of the advisory committee established pursuant to such section.

SEC. 13. ASSISTANT UNITED STATES TRADE REPRESENTATIVE FOR SUB-SAHARAN AFRICA.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that the position of Assistant United States Trade Representative for African Affairs is integral to the United States commitment to increasing United States—sub-Saharan African trade and investment.

(b) MAINTENANCE OF POSITION.—The President shall maintain a position of Assistant United States Trade Representative for African Affairs within the Office of the United States Trade Representative to direct and coordinate interagency activities on United States-Africa trade policy and investment matters and serve as—

(1) a primary point of contact in the executive branch for those persons engaged in trade between the United States and sub-Saharan Africa; and

(2) the chief advisor to the United States Trade Representative on issues of trade with Africa.

(c) FUNDING AND STAFF.—The President shall ensure that the Assistant United States Trade Representative for African Affairs has adequate funding and staff to carry out the duties described in subsection (b), subject to the availability of appropriations.

SEC. 14. EXPANSION OF THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE IN SUB-SAHARAN AFRICA.

(a) FINDINGS.—The Congress makes the following findings:

(1) The United States and Foreign Commercial Service (hereafter in this section referred to as the ''Commercial Service'') plays an important role in helping United States businesses identify export opportunities and develop reliable sources of information on commercial prospects in foreign countries.

(2) During the 1980s, the presence of the Commercial Service in sub-Saharan Africa consisted of 14 professionals providing services in eight countries. By early 1997, that presence had been reduced by half to seven, in only four countries.

(3) Since 1997, the Department of Commerce has slowly begun to increase the presence of the Commercial Service in sub-Saharan Africa, adding five full-time officers to established posts.

(4) Although the Commercial Service Officers in these countries have regional responsibilities, this kind of coverage does not adequately service the needs of United States businesses attempting to do business in sub-Saharan Africa.

(5) The Congress has, on several occasions, encouraged the Commercial Service to focus its resources and efforts in countries or regions in Europe or Asia to promote greater United States export activity in those markets.

(6) Because market information is not widely available in many sub-Saharan African countries, the presence of additional Commercial Service Officers and resources can play a significant role in assisting United States businesses in markets in those countries.

(b) APPOINTMENTS.—Subject to the availability of appropriations, by not later than December 31, 2000, the Secretary of Commerce, acting through the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, shall take steps to ensure that—

(1) at least 20 full-time Commercial Service employees are stationed in sub-Saharan Africa; and

(2) full-time Commercial Service employees are stationed in not less than ten different sub-Saharan African countries.

(c) COMMERCIAL SERVICE INITIATIVE FOR SUB-SAHARAN AFRICA.—In order to encourage the export of United States goods and services to sub-Saharan African countries, the Commercial Service shall make a special effort to—

(1) identify United States goods and services which are not being exported to sub-Saharan African countries but which are being exported to those countries by competitor nations;

(2) identify, where appropriate, trade barriers and noncompetitive actions, including violations of intellectual property rights, that are preventing or hindering sales of United States goods and services to, or the operation of United States companies in, sub-Saharan Africa;

(3) present, periodically, a list of the goods and services identified under paragraph (1), and any trade barriers or noncompetitive actions identified under paragraph (2), to appropriate authorities in sub-Saharan African countries with a view to securing increased market access for United States exporters of goods and services;

(4) facilitate the entrance by United States businesses into the markets identified under paragraphs (1) and (2); and

(5) monitor and evaluate the results of efforts to increase the sales of goods and services in such markets.

(d) REPORTS TO CONGRESS.—Not later than one year after the date of the enactment of this Act, and each year thereafter for five years, the Secretary of Commerce, in consultation with the Secretary of State, shall report to the Congress on actions taken to carry out subsections (b) and (c). Each report shall specify—

(1) in what countries full-time Commercial Service Officers are stationed, and the number of such officers placed in each such country;

(2) the effectiveness of the presence of the additional Commercial Service Officers in increasing United States exports to sub-Saharan African countries; and

(3) the specific actions taken by Commercial Service Officers, both in sub-Saharan African countries and in the United States, to carry out subsection (c), including identifying a list of targeted export sectors and countries.

SEC. 15. REPORTING REQUIREMENT.

The President shall submit to the Congress, not later than 1 year after the date of the enactment of this Act, and not later than the end of each of the next 6 1-year periods thereafter, a comprehensive report on the trade and investment policy of the United States for sub-Saharan Africa, and on the implementation of this Act. The last report required by section 134(b) of the Uruguay Round Agreements Act (19 U.S.C. 3554(b)) shall be consolidated and submitted with the first report required by this section.

SEC. 16. DONATION OF AIR TRAFFIC CONTROL EQUIPMENT TO ELIGIBLE SUB-SAHARAN AFRICAN COUNTRIES.

It is the sense of the Congress that, to the extent appropriate, the United States Government should make every effort to donate to governments of sub-Saharan African countries (determined to be eligible under section 4 of this Act) air traffic control equipment that is no longer in use, including appropriate related reimbursable technical assistance.

SEC. 17. ADDITIONAL AUTHORITIES AND INCREASED FLEXIBILITY TO PROVIDE ASSISTANCE UNDER THE DEVELOPMENT FUND FOR AFRICA.

(a) USE OF SUSTAINABLE DEVELOPMENT ASSISTANCE TO SUPPORT FURTHER ECONOMIC GROWTH.—It is the sense of the Congress that sustained economic growth in sub-Saharan Africa depends in large measure upon the development of a receptive environment for trade and investment, and that to achieve this objective the United States Agency for International Development should continue to support programs which help to create this environment. Investments in human resources, development, and implementation of free market policies, including policies to liberalize agricultural markets and improve food security, and the support for the rule of law and democratic governance should continue to be encouraged and enhanced on a bilateral and regional basis.

(b) DECLARATIONS OF POLICY.—The Congress makes the following declarations:

(1) The Development Fund for Africa established under chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.) has been an effective tool in providing development assistance to sub-Saharan Africa since 1988.

(2) The Development Fund for Africa will complement the other provisions of this Act and lay a foundation for increased trade and investment opportunities between the United States and sub-Saharan Africa.

(3) Assistance provided through the Development Fund for Africa will continue to support programs and activities that promote the long term economic development of sub-Saharan Africa, such as programs and activities relating to the following:

(A) Strengthening primary and vocational education systems, especially the acquisition of middle-level technical skills for operating modern private businesses and the introduction of college level business education, including the study of international business, finance, and stock exchanges.

(B) Strengthening health care systems.

(C) Supporting democratization, good governance and civil society and conflict resolution efforts.

(D) Increasing food security by promoting the expansion of agricultural and agriculture-based industrial production and productivity and increasing real incomes for poor individuals.

(E) Promoting an enabling environment for private sector-led growth through sustained economic reform, privatization programs, and market-led economic activities.

(F) Promoting decentralization and local participation in the development process, especially linking the rural production sectors and the industrial and market centers throughout Africa.

(G) Increasing the technical and managerial capacity of sub-Saharan African individuals to manage the economy of sub-Saharan Africa.

(H) Ensuring sustainable economic growth through environmental protection.

(4) The African Development Foundation has a unique congressional mandate to empower the poor to participate fully in development and to increase opportunities for gainful employment, poverty alleviation, and more equitable income distribution in sub-Saharan Africa. The African Development Foundation has worked successfully to enhance the role of women as agents of change, strengthen the informal sector with an emphasis on supporting micro and small sized enterprises, indigenous technologies, and mobilizing local financing. The African Development Foundation should develop and implement strategies for promoting participation in the socioeconomic development process of grassroots and informal sector groups such as nongovernmental organizations, cooperatives, artisans, and traders into the programs and initiatives established under this Act.

(c) ADDITIONAL AUTHORITIES.—

(1) IN GENERAL.—Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

''(3) DEMOCRATIZATION AND CONFLICT RESOLUTION CAPABILITIES.—Assistance under this section may also include program assistance—

''(A) to promote democratization, good governance, and strong civil societies in sub-Saharan Africa; and

''(B) to strengthen conflict resolution capabilities of governmental, intergovernmental, and nongovernmental entities in sub-Saharan Africa.''.

(2) CONFORMING AMENDMENT.—Section 496(h)(4) of such Act, as amended by paragraph (1), is further amended by striking ''paragraphs (1) and (2)'' in the first sentence and inserting ''paragraphs (1), (2), and (3)''.

SEC. 18. SUB-SAHARAN AFRICA DEFINED.

For purposes of this Act, the terms ''sub-Saharan Africa'', ''sub-Saharan African country'', ''country in sub-Saharan Africa'', and ''countries in sub-Saharan Africa'' refer to the following or any successor political entities:

Republic of Angola (Angola)
Republic of Botswana (Botswana)
Republic of Burundi (Burundi)
Republic of Cape Verde (Cape Verde)
Republic of Chad (Chad)
Democratic Republic of Congo
Republic of the Congo (Congo)
Republic of Djibouti (Djibouti)
State of Eritrea (Eritrea)
Gabonese Republic (Gabon)
Republic of Ghana (Ghana)
Republic of Guinea-Bissau (Guinea-Bissau)
Kingdom of Lesotho (Lesotho)
Republic of Madagascar (Madagascar)
Republic of Mali (Mali)
Republic of Mauritius (Mauritius)
Republic of Namibia (Namibia)
Federal Republic of Nigeria (Nigeria)
Democratic Republic of Sao Tomé and Principe (Sao Tomé and Principe)
Republic of Sierra Leone (Sierra Leone)
Somalia
Kingdom of Swaziland (Swaziland)
Republic of Togo (Togo)
Republic of Zimbabwe (Zimbabwe)
Republic of Benin (Benin)
Burkina Faso (Burkina)
Republic of Cameroon (Cameroon)
Central African Republic
Federal Islamic Republic of the Comoros (Comoros)
Republic of Côte d'Ivoire (Côte d'Ivoire)
Republic of Equatorial Guinea (Equatorial Guinea)
Ethiopia
Republic of the Gambia (Gambia)
Republic of Guinea (Guinea)
Republic of Kenya (Kenya)
Republic of Liberia (Liberia)
Republic of Malawi (Malawi)
Islamic Republic of Mauritania (Mauritania)
Republic of Mozambique (Mozambique)
Republic of Niger (Niger)
Republic of Rwanda (Rwanda)
Republic of Senegal (Senegal)
Republic of Seychelles (Seychelles)
Republic of South Africa (South Africa)
Republic of Sudan (Sudan)
United Republic of Tanzania (Tanzania)
Republic of Uganda (Uganda)
Republic of Zambia (Zambia)

SEC. 19. LIMITATION ON USE OF NON-ACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting ''in fields described in paragraph (2)(A)'' after ''services by such person'', and

(2) by inserting ''CERTAIN PERSONAL'' before ''SERVICES'' in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 20. INCLUSION OF CERTAIN VACCINES AGAINST STREPTOCOCCUS PNEUMONIAE TO LIST OF TAXABLE VACCINES.

(a) IN GENERAL.—Section 4132(a)(1) of the Internal Revenue Code of 1986 (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

''(L) Any conjugate vaccine against streptococcus pneumoniae.''

(b) EFFECTIVE DATE.—

(1) SALES.—The amendment made by this section shall apply to vaccine sales beginning on the day after the date on which the Centers for Disease Control makes a final recommendation for routine administration to children of any conjugate vaccine against streptococcus pneumoniae.

(2) DELIVERIES.—For purposes of paragraph (1), in the case of sales on or before the date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

(c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall prepare and submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the operation of the Vaccine Injury Compensation Trust Fund and on the adequacy of such Fund to meet future claims made under the Vaccine Injury Compensation Program.

The CHAIRMAN. No amendment to that amendment shall be in order except those printed in House Report 106–236. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider amendment No. 1 printed in House Report 106–236.

AMENDMENT NO. 1 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Ms. JACKSON-LEE of Texas:

Page 3, line 5, strike ''and''.

Page 3, line 8, strike the period and insert ''; and''.

Page 3, after line 8, add the following:

(10) encouraging the establishment and development of small businesses in sub-Saharan Africa and encouraging trade between United States small businesses and these newly-established small businesses in sub-Saharan Africa.

The CHAIRMAN. Pursuant to House Resolution 250, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. GILMAN. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from New York, the distinguished chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, the vast majority of economic activity in Africa comes from small entrepreneurs. I just wanted to express my support for the thoughtful amendment offered by the gentlewoman because it recognizes that fact and encourages trade between small businesses.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, let me say that small businesses are the backbone of America. As we hold up a map of the United States, I am very proud to say that we are noting that 15 States export at least $100 million or did export it in sub-Saharan Africa in 1998. But if we look at this colorful map, we will see that America does business with sub-Saharan Africa.

What I want to have happen today is a vote on an amendment that says small businesses will do business with sub-Saharan Africa and, as our amendment said, to encourage the creation and development of small businesses in sub-Saharan Africa for them to likewise do business with our business community. The language is an attempt to eliminate, or at least minimize, the intimidation that typically goes along with the business of international trade.

Succinctly, the bill helps gun-shy businesses make overseas ventures that will grow our economy well into the next millennium. This amendment will assist in our ensuring that all viable businesses may access the tremendous trade opportunity created by this bill. Specifically, it will target small businesses that up until now have little incentive to go abroad in their search for steady streams of income.

Mr. Chairman, what it says to all the advocates of this bill is that we have an extra responsibility with the larger corporate community to insist on the participation of the small businesses; we have the responsibility to promote in the Department of Commerce the Ron Brown Center in South Africa that works very hard to put American businesses together with African businesses. This amendment is to emphasize that importance.

For those unconvinced that small businesses drive our economy, I would like to share with them some statistics. Small businesses in the United States represent 99.7 percent of all employers, a truly dramatic number. Fifty-three percent of the private workforce in the United States is employed by small business.

For those unwilling to concede that small businesses must play a role in our trade overseas, please take note that small businesses represent fully 96 percent of all exporters.

Mr. Chairman, I have in my hand about 10 pages that show how many different cities do business with sub-Saharan Africa: Gary, Indiana; Green Bay, Wisconsin; Harrisburg, Lebanon, Carlysle, Pennsylvania; Hickory, Morgantown, North Carolina; Honolulu, Hawaii; Houston, Texas; Jackson, Mississippi; Kansas City, Missouri; Knoxville, Tennessee. Incorporated in all these cities, of course, are small businesses.

There are a great number of Africans that want to help themselves. I have met with them. I have met with the ambassador core. I have seen the small businesses in Africa. They are ready and waiting. I have seen the flour packing factory. I have seen the fish packing factory. These employees in Africa want to work, and more of them want to access capital to ensure that they can provide and have the opportunity to construct their businesses.

Small businesses in the United States are a principal source of our new domestic jobs. I want to see small businesses in sub-Saharan Africa being the principal source of jobs as well in sub-Saharan Africa.

Small firms hire a larger proportion of employees who are younger workers, older workers, women workers; and that is what we expect in sub-Saharan Africa with the African Growth and Opportunity Act.

Let me also acknowledge, Mr. Chairman, that OPIC is committed to helping small business. OPIC has indicated that 1999 is the year of small businesses at OPIC, the Overseas Private Investment Corporation. This represents dollars for small businesses.

With that, Mr. Chairman, let me simply say I hope my colleagues will vote for this amendment. How can we turn our backs on small businesses when we are opening the opportunity and the doors for trade with Africa?

Mr. Chairman, today, I rise to offer an amendment to H.R. 434, the African Growth and Opportunity Act of 1999. This amendment encourages and recognizes the need for U.S. and African small business opportunities and investments in Sub-Saharan Africa through the mechanisms provided by the Africa Growth and Opportunity Act.

H.R. 434 is embedded with clearly written language in an effort to restore stability and promote trade between the United States and Sub-Saharan Africa. That language is an attempt to eliminate, or at least minimize, the intimidation that typically goes along with the business of international trade. Succinctly said, the bill helps gun-shy businesses make overseas ventures that will grow our economy well into the next millennium.

This amendment will assist in our ensuring that all viable businesses may access the tremendous trade opportunities created by this bill. Specifically, it targets small businesses that up until now, have had little incentive to go abroad in their search for steady streams of income. As a result, the amendment ensures that the gains brought about by this bill are spread generously to all segments of our economy—and the economy of Sub-Saharan Africa as well.

For those unconvinced that small business drives our economy, I would like to share with you some statistics. Small businesses in the United States represent 99.7 percent of all employers—a truly dramatic number. Fifty-three (53) percent of the private work force in the U.S. is employed by small business. For those unwilling to concede that small businesses must play a role in our trade overseas, please take note that small businesses represent fully 96 percent of all U.S. exporters. Furthermore, I have little doubt that our encouragement of the development and enhancement of African small businesses can yield similar economic statistics within Sub-Sahara Africa. They need that growth, and frankly, so do we if we are to expand and diversify our economy.

There are a great number of Africans that want to help themselves, and we would be remiss if they would be locked-out of the benefits of increased trade with the United States. Countries like Botswana, Nigeria and South Africa have experienced a great deal of success fostering small businesses within their bounds, and they do so partly because it benefits their economy. In light of this fact, we must realize that the best way to assist these countries is to encourage them to continue with these successful practices.

The Africa Growth and Opportunity Act must make clear: our U.S. small businesses are welcomed and indeed encouraged to participate in trade with Africa—and specifically, in trade with South African small businesses.

Small businesses in the United States are our principal source of new domestic jobs. Because there are approximately 23 million small businesses in the U.S. they are able to provide virtually all of the new jobs added to the economy. In 1997, the U.S. economy created nearly 3 million new jobs. Six our of ten of the industries adding those new jobs were small business dominated industries. Being an integral part of the African trade relationship will ensure small businesses continue to play a vital role in the economics of the United States.

Small firms hire a larger proportion of employees who are younger workers, older workers, women or workers who prefer to work part time. They provide nearly 55 percent of the innovations that drive our economy. These businesses are an asset to our country, and we cannot leave them out of the fold with this bill!

It makes good business sense to ensure that our small businesses have no doubt that they are welcomed and encouraged to seek the opportunities created by the African Growth and Opportunity Act. They must take advantage of the provisions giving them access to the Overseas Private Investment Corporation (OPIC). They must know about lowered tariffs on goods. These are things to be taken advantage of for the betterment of our economy, let us make sure that everyone, therefore, can take advantage of them.

This amendment is but a start, I will admit. And we must follow up on this issue if we are to ensure that our goal will be achieved. We must ask the Department of Commerce to emphasize and utilize the newly opened Ron Brown Investment Center located in Johannesburg, South Africa.

We must ask trade associations that represent small businesses to establish and encourage foreign investment through use of this bill. Those associations should additionally assist and provide technical assistance for those small businesses that seek the aid of OPIC, the Department of Commerce, and the Small Business Administration so that they can enter into ventures overseas easily and successfully.

I truly believe that we will be making history today. Let us make sure that when that history

is reviewed, that small businesses can be found in the main body of the text, and not in a footnote. I therefore respectfully urge you to vote aye on this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. ROYCE. Mr. Chairman, I ask unanimous consent to control the time in opposition to the amendment, although I support it.

The CHAIRMAN. Without objection, the gentleman from California will control the time in opposition.

There was no objection.

Mr. ROYCE. Mr. Chairman, I yield myself such time as I may consume, and I rise in support of the amendment.

Mr. Chairman, this is a good amendment. It will encourage the development of small business in Africa. It reiterates what this bill is trying to accomplish by promoting trade and investment.

I have had the opportunity to travel to Africa with the gentlewoman from Texas (Ms. JACKSON-LEE). We together had the opportunity to see small businesses across the continent at work. Small businesses in Africa are thriving. And we are building partnerships with small businesses in the United States. And this bill, improved with this amendment, will advance these goals.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia (Ms. MCKINNEY), a very distinguished member of the Committee on International Relations.

Ms. MCKINNEY. Mr. Chairman, I am disturbed that some U.S. corporations trading in Africa have blood on their hands.

On May 27, a group of Nigerian citizens filed an action against Chevron in a U.S. District Court. They accuse Chevron of assisting Nigerian security forces to commit murder, injure protesters, and ransack and burn villages of the indigenous Nigerians. These protesters were objecting to the destruction of their environment and the plundering of their resources.

Unfortunately, evidence gathered by a number of highly respected international human rights and environmental groups support these claims.

These types of allegations are a part of a growing list of crimes being committed against the underprivileged peoples of the world.

The most serious offenders are the giant oil companies who are hungry to take advantage of the rich oil and mineral resources in Africa. Incredibly, these corporations now deny responsibility for their actions.

Our corporations should be required to conduct themselves according to a strict corporate code of conduct that ensures our U.S. corporations become good corporate citizens of the world.

I support this amendment because it encourages the development of small business opportunity in Africa and, therefore, protects Africa from the bad elements of corporate America.

Mr. ROYCE. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. PAYNE).

Mr. PAYNE. Mr. Chairman, I thank the gentleman from California for yielding me the time.

Let me say that I think that small business, whether it is here or abroad, is really the wave of the future. In this Nation, small business comprises 85 percent of employment in this country.

Most of the new jobs created today are small business. Whether they are high-tech, whether they deal with intellectual properties, most of these are done with small businesses. And so, in order to move this Nation, this continent, forward in the area of entrepreneurship, small business is where it ought to be.

We also should support the micro-economics, some of the very, very small businesses that women in Africa are in charge of. Women are the main driving force in many villages, as they are the barterers and they are the deal makers. And so, it is keenly important that we not only connect small business people on the Continent of Africa but in this Nation of small business people, minority women, minority-owned businesses.

I think this is a great connection. I think that the Continent of Africa is looking for partnerships or looking for people to work as equals together.

I believe that the historic 12-day, 6-country tour that President Clinton made last year sent a message that the U.S. is ready to stand up, stand forward to create the climate that is necessary to see this continent finally in the new millennium take its rightful place in the world.

I am very encouraged by this amendment. I think we should all urge the House to adopt this amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I am delighted to yield 30 seconds to the gentleman from New York (Mr. RANGEL), the distinguished ranking member of the Committee on Ways and Means, on the small business amendment.

□ 1300

Mr. RANGEL. Mr. Chairman, let me take this opportunity to publicly thank the gentlewoman from Texas for all of the work that she has done for the people on the continent of Africa as well as to improve the economy of those of us in the United States of America. She not only has worked hard in the committee and in the subcommittees to make certain that small businesses were the beneficiaries but she has actually gone around the world, especially on the continent, to get a better understanding of the problems and then be able to come forth with the solution to those problems. She has gained the support and the friendship of the people of both sides of the aisle. She is to be congratulated. I support the amendment.

Mr. ROYCE. Mr. Chairman, I yield the balance of my time to the gentlewoman from Texas (Ms. JACKSON-LEE) and ask unanimous consent that she be permitted to control that time.

The CHAIRMAN. Without objection, the gentlewoman from Texas is recognized for 2½ minutes.

There was no objection.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 30 seconds to the distinguished gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I would first like to congratulate the outstanding leadership that the gentlewoman from Texas is providing for not only the women here in America but for the women of Africa. It is so important that we have the nexus between the businesses here and businesses in Africa. We recognize that women make up the majority of businesses, especially microenterprises in Africa, and it is indeed important that we begin to move the agenda for those women so that they can provide the type of support for their families.

I am excited to be here as the ranking member on the Subcommittee on Empowerment of the Committee on Small Business to support this amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume. First let me thank the chairman of the Subcommittee on Africa of the Committee on International Relations for yielding me the time.

I want to remind those individuals who have listened to this debate, my colleagues, that we would not let this bill proceed without embracing the backbone of America. As I indicated, 99.7 percent of the new jobs and jobs created in America in this very good economy have been created by small businesses. I think it is important to note that there is not one State in the United States that does not have a coloration to indicate that they are not doing business in Africa. I think it is also important when we begin to analyze this bill that we see Africa in multicolors. It would almost be like taking a portrait that our very esteemed African-American artist John Biggers paints, he paints with a lot of colors, going in and looking at the painting and saying, ''It looks like there is all blue.''

We realize that there is poverty in Africa, that there is need for education, health care, running water and electricity. When we speak to the heads of government, they are prepared to engage internationally to secure those particular needs of their people. Why can we not as we recognize how much we do with Africa provide the forum and the vehicle for not only the large corporations but our small businesses? I hope that the large corporations, I hope that OPIC, the Department of Commerce, the Small Business Administration, are listening. Just for information, let me note that OPIC has a small business advocacy team, a small business hotline, a web page, how-to materials only for small businesses to do business in Africa.

I believe that if we really pay attention to what is going on, we will see the numbers of pages of the many cities throughout America that are reflected in this map that shows that there is not one country left out. Let us not take a second step to Europe. I would ask that we pass this amendment and support the idea of small businesses having a piece of the pie of the African Growth and Opportunity Act.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 106–236.

AMENDMENT NO. 2 OFFERED BY MR. JACKSON OF ILLINOIS

Mr. JACKSON of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. JACKSON of Illinois:

Page 24, strike line 13 and all that follows through line 18 on page 25 and insert the following:

SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUCTURE FUNDS.

(a) INITIATION OF FUNDS.—The Overseas Private Investment Corporation shall, not later than 12 months after the date of the enactment of this Act, exercise the authorities it has to initiate 1 or more equity funds in support of projects in the countries in sub-Saharan Africa, in addition to any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act.

(b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) shall be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) CAPITALIZATION.—Each fund shall be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guaranties.

(3) TYPES OF FUNDS.—One or more of the funds, with combined assets of up to $500,000,000, shall be used in support of infrastructure projects in countries of sub-Saharan Africa, including basic health services (including AIDS prevention and treatment), including hospitals, potable water, sanitation, schools, electrification of rural areas, and publicly-accessible transportation in sub-Saharan African countries.

(c) ADDITIONAL REQUIREMENTS.—The Corporation shall ensure that—

(1) not less than 70 percent of trade financing and investment insurance provided through the equity funds established under subsection (a), and through any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act, are allocated to small, women- and minority-owned businesses—

(A) of which not less than 60 percent of the ownership is comprised of citizens of sub-Saharan African countries and 40 percent of the ownership is comprised of citizens of the United States; and

(B) that have assets of not more than $1,000,000; and

(2) not less than 50 percent of the funds allocated to energy projects are used for renewal or alternative energy projects.

Page 25, strike line 19 and all that follows through line 6 on page 28 and insert the following:

SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

''(e) ADVISORY COMMITTEE.—

''(1) ESTABLISHMENT.—The Board shall establish and work with an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa, including with respect to equity and infrastructure funds established under section 11 of the African Growth and Opportunity Act.

''(2) MEMBERSHIP.—

''(A) IN GENERAL.—The advisory committee established under paragraph (1) shall consist of 15 members, of which 7 members shall be employees of the United States Government and 8 members shall be representatives of the private sector.

''(B) APPOINTMENT.—The members of the advisory committee shall be appointed as follows:

''(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an employee of the United States Government.

''(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are employees of the United States Government.

''(C) ADDITIONAL REQUIREMENTS.—Of the 8 members of advisory committee who are representatives of the private sector—

''(i) at least 4 members shall be representatives of not-for-profit public interest organizations;

''(ii) at least 1 member shall be a representative of an organization with expertise in development issues;

''(iii) at least 1 member shall be a representative of an organization with expertise in human rights issues;

''(iv) at least 1 member shall be a representative of an organization with expertise in environmental issues; and

''(v) at least 1 member shall be a representative of an organization with expertise in international labor rights.

''(D) TERMS.—Each member of the advisory committee shall be appointed for a term of 2 years.

''(3) MEETINGS.—

''(A) OPEN TO PUBLIC.—Meetings of the advisory committee shall be open to the public.

''(B) ADVANCE NOTICE.—The advisory committee shall provide advance notice in the Federal Register of any meeting of the committee, shall provide notice of all proposals or projects to be considered by the committee at the meeting, and shall solicit written comments from the public relating to such proposals or projects.

''(C) DECISIONS.—Any decision of the advisory committee relating to a proposal or project shall be published in the Federal Register with an explanation of the extent to which the committee considered public comments received with respect to the proposal or project, if any.

''(4) ENVIRONMENTAL IMPACT ASSESSMENTS.—The Corporation shall carry out environmental impact assessments with respect to any proposal or project not later than 120 days before the advisory committee, or the Board, considers such proposal or project, whichever occurs earlier.''.

(b) EXPORT-IMPORT BANK INITIATIVE.—Section 2(b)(9) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)) is amended to read as follows:

''(9) For purposes of the funds allocated by the Bank for projects in countries in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act):

''(A) The Bank shall establish an advisory committee to work with and assist the Board in developing and implementing policies, programs, and financial instruments with respect to such countries.

''(B) The members of the advisory committee shall be appointed as follows:

''(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an officer or employee of the Federal Government.

''(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are officers or employees of the Federal Government.

''(C)(i) At least half of the members of the advisory committee who are representatives of the private sector shall be representatives of not-for-profit public interest organizations.

''(ii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in development issues.

''(iii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in human rights.

''(iv) At least 1 of such private sector representatives shall be a representative of an organization with expertise in environmental issues.

''(v) At least 1 of such private sector representatives shall have expertise in international labor rights.

''(D) Each member of the advisory committee shall serve for a term of 2 years.

''(E)(i) Members of the advisory committee who are representatives of the private sector shall not receive compensation by reason of their service on the advisory committee.

''(ii) Members of the advisory committee who are officers or employees of the Federal Government may not receive additional pay, allowances, or benefits by reason of their service on the advisory committee.

''(F) Meetings of the advisory committee shall be open to the public.

''(G) The advisory committee shall give timely advance notice of each meeting of the advisory committee, including a description of any matters to be considered at the meeting, shall establish a public docket, shall solicit written comments in advance on each proposal, and shall make each decision in writing with an explanation of disposition of the public comments.

''(H) The Bank shall complete and release to the public an environmental impact assessment with respect to a proposal or project with potential environmental effects, not later than 120 days before the advisory committee, or the Board, considers the proposal or project, whichever occurs earlier.

''(I) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the advisory committee.''.

The CHAIRMAN. Pursuant to House Resolution 250, the gentleman from Illinois (Mr. JACKSON) and the gentleman from California (Mr. ROYCE) each will control 5 minutes.

The Chair recognizes the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, one of the primary barriers to investment in Africa is the lack of physical infrastructure; unnavigable roads, lack of electricity and no access to hospitals. These are just some of the examples of underdevelopment that make Africa less welcoming to investors. Support for investment projects in Africa must grapple with these fundamental barriers.

The African Growth and Opportunity Act includes Overseas Private Investment Corporation financing in the amount of $500 million for projects in sub-Saharan Africa. However, there is no guarantee that this money will be used for projects that improve the standard of living for Africans in ways such as increased access to education, health care facilities, potable water and sanitation services. There is also no guarantee that African firms themselves will benefit from the financing. The fact that the gentlewoman from Texas had to offer an amendment for small firms is a good indication of where the present emphasis of the bill is left out and who is not included.

I, therefore, offer this amendment to improve the OPIC provisions in the African Growth and Opportunity Act. It authorizes the same amount for OPIC funds, $500 million, but ensures that this financing benefits partnerships. The amendment would also target the financing and insurance to small firms. Multinational corporations do not need another handout. This amendment would make OPIC relevant to smaller firms in the U.S. and Africa that really need the investment support.

The amendment would also ensure that projects supported by OPIC respect the environment and the local community. In the past, foreign investment in Africa has often led to development projects that drive people off their land and destroy the environment and the livelihoods of local residents. The African Growth and Opportunity Act should shoot higher for Africa. Infrastructure should be targeted for existing initiatives aimed at increasing citizens' access to schools, hospitals, electricity and potable water. This amendment will thus change the structure of OPIC and Export-Import Bank advisory boards to make OPIC funding accountable to these goals. The advisory boards will include experts in human rights, the environment, labor rights and development issues. This oversight will increase the likelihood that U.S. support for investment overseas will contribute to overall development objectives, facilitate business development in Africa, be responsive to local communities and respect the environment.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me this time. I commend the gentleman from Illinois (Mr. JACKSON) for his concern for enhancing the infrastructure for sub-Saharan Africa, but I do regret that I must oppose his amendment. It would impose unrealistic, unworkable requirements on the OPIC investment fund that would be the centerpiece of U.S. efforts to help the African private sector and would encourage free market economies.

This amendment imposes specific quotas for U.S.-led investment and restrictions on the types of investment. It would prevent African entrepreneurs from making their own decisions about how best to utilize the investment encouraged by H.R. 434.

In addition, the Jackson amendment imposes additional, burdensome requirements on the creation of new advisory panels to OPIC and to the Export-Import Bank. The Congress and our Committee on International Relations as well as other committees already have adequate tools for proper oversight of these institutions. The proposed additional requirements would ultimately reduce their proven effectiveness.

Although I do not question the good intentions of the gentleman from Illinois in presenting this amendment, I must vigorously oppose its passage and urge my colleagues to do the same.

Mr. JACKSON of Illinois. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the Jackson amendment which promotes small business development and protects affirmative action by providing that 70 percent of trade financing and investment insurance provided by OPIC be allocated to small women and minority-owned businesses having at least 60 percent African ownership. This amendment would ensure that, at the very least, a majority of our OPIC funds in Africa would be used for the benefit of the African people.

I commend the gentleman for this amendment and urge its adoption.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JACKSON of Illinois. Mr. Chairman, I yield 20 seconds to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JEFFERSON. Mr. Chairman, I rise in opposition to the Jackson amendment because it is unrealistic in the light of how OPIC funds work and in the light of what we are trying to do here with this $500 million infrastructure fund.

The expectation is that there will be large amounts of investments, perhaps $35 million each at a minimum, to invest in telecommunications, in banking, in transport infrastructure, in large infrastructure projects. There is no reason to tie the hands of these private fund managers as they try and bring Africa to the global economy in these areas which require huge investments. Frankly, the $500 million investment figure for this fund is fairly modest considering the investment needs of Africa and the lack of investment capital flowing into the country. So to say that this must be undertaken by small businesses only and undertaken by minority businesses only is to put Africa at a disadvantage in trying to develop its economy.

In so many cases the gentleman from Illinois has said that the bill is too modest and understates its promises to Africa. In this case his amendment is too modest. It takes into account things that cannot work in Africa because they are too small-minded to work under the situation where we are looking for capital investment in major investment projects, in infrastructure. It limits the Africans too much. I really think that he has not thought it through well enough. I therefore oppose the amendment.

Mr. JACKSON of Illinois. Mr. Chairman, if the gentleman will yield, can he can respond to any provision in the bill that specifically facilitates with economic incentives small business investment or participation in partnerships in sub-Saharan Africa?

Mr. JEFFERSON. OPIC itself as the gentlewoman from Texas just talked about at some great length is focused on small business investment and development. It has not done that before. It is focused on it now to a great extent. The bill calls for women-owned businesses to be enhanced. In fact, that is where most of the empowerment provisions are. So I do not think that is a problem.

Mr. JACKSON of Illinois. The gentleman is referring to sense of Congress provisions in the bill that have no binding implication.

Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, this is really where the rubber hits the road. Whenever we talk about real dollars and real investment, everybody can find reasons why it cannot be done. A sense of Congress is not an amendment. It is not something that has any teeth. We tried on this bill before as we wished to have done in the Committee on Rules to have some substantive amendments that would ensure that there would be business opportunities not only for Africans but for those small businesspersons who want to couple with Africans as we move forward to trade.

Here as we look at this amendment and we talk about and direct ways by which we can help the infrastructure and AIDS, not a sense of Congress on AIDS but real money that could be

used to deal with AIDS, again we find reasons why it cannot be done.

I want to tell my colleagues, no matter what happens with this bill, I want the same Members, particularly on that side of the aisle, to help me make aid for Africa a line item in the budget of the United States of America and increase the aid to Africa that they care so much about.

I rise in support of this amendment and I think everybody should support it.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. MANZULLO), chairman of the Small Business Subcommittee on Tax, Finance, and Exports.

Mr. MANZULLO. Mr. Chairman, I rise in opposition to the Jackson amendment propounded by my good friend from Illinois. The problem with the Jackson amendment is that it does not understand or address the true nature of what OPIC is. OPIC is not foreign aid. It is not government money. It is American money as to which there is a guarantee, and insurance premiums are paid for that guarantee. That is the very nature of it.

□ 1315

Mr. Chairman, because it is private money, if we have all the strings that the gentleman from Illinois (Mr. JACKSON) wants to attach to it, we will not have any investors, and therefore the very countries in Africa that Mr. JACKSON is trying to help, he will end up hindering.

Now what does it do on small businesses? In Illinois, for example, in the district I represent there is Ed Myers, there is Wall Clipper Sterling, there is Taylor of Rockton, Rita Chemicals of McHenry. These are all small to medium sized companies in Illinois that are being directly impacted by OPIC guarantees to Africa, and I would encourage the Members to vote against the amendment offered by the gentleman from Illinois (Mr. JACKSON).

Mr. Chairman, I urge my colleagues to oppose the Jackson amendment. While well-intended, it imposes a quota system on OPIC projects in Africa.

Seventy percent of the investments made by OPIC's Africa fund must go to small, women- and minority-owned businesses. In addition, 60 percent of such investments must go to businesses owned by Africans. Finally, all such businesses must not have assets greater than $1 million.

In the opinion of OPIC, it is impossible to dictate ownership requirements on a privately managed fund. It would also be impossible to raise $500 million in capital for a fund that makes investments in companies with no more than $1 million in assets.

If the Jackson quota amendment is adopted, there will be no private sector interest in OPIC's Africa fund. Without private sector partnership, this amendment simply means: no new U.S. jobs, no new U.S. exports to Africa, no new African jobs and expose OPIC and the taxpayer to potential lawsuits.

Support the underlying bill that encourages the existing OPIC Africa development fund that will: create 1,000 U.S. jobs, increase U.S. exports to Africa by $500 million over five years, create 9,700 Africa jobs; and operate at no cost to the U.S. taxpayer.

Defeat the Jackson amendment.

Mr. JACKSON of Illinois. Mr. Chairman, I yield myself as much time as I might consume.

The CHAIRMAN. The gentleman from Illinois is recognized for 40 seconds.

Mr. JACKSON of Illinois. Mr. Chairman, the biggest criticism of the Export-Import Bank and the Overseas Private Investment Corporation is that overwhelmingly these loans, as well as the insurance that is provided by the Overseas Private Investment Corporation only goes to very large multi national conglomerates in the United States. The Jackson amendment specifically makes it possible for Ex-Im to lend money to small businesses under $1 million and ensures the minority part of a partnership with Overseas Private Investment Corporation funds in order of establishment of a partnership between sub-Saharan Africans and Americans might indeed be initiated, and so the use of Ex-Im and OPIC in this particular instance is appropriate.

I would like, Mr. Chairman, just to add that I did because I find it somewhat humorous that the many amendments that I offered, the only amendment that I offered to this was accepted was this particular amendment, and I received a letter early this morning as well as a phone call.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. JACKSON of Illinois. May I have an additional 15 seconds? This is actually in support of the gentleman's point.

The CHAIRMAN. The time is controlled.

Mr. JACKSON of Illinois. I ask unanimous consent, Mr. Chairman, for an additional 15 seconds on both sides.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for 15 seconds.

Mr. JACKSON of Illinois. Mr. Chairman, I received a letter very early this morning from the Vice President of Congressional Affairs at the Export-Import Bank who indicated in her letter that Ex-Im Bank is officially opposed to the Jackson amendment, and I just take great umbrage with that particular letter because the Vice President of Congressional Affairs just happens to be my wife, Sandy, and so when I go home this evening as a result of the vote on this amendment, one Jackson is going to be extremely proud and one is going to be extremely sad.

So I want all of my colleagues to know they will not disappoint me one way or the other.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. JACKSON) has expired, and the gentleman from California (Mr. ROYCE) has 1¾ minutes remaining.

Mr. ROYCE. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Chairman, I reluctantly rise to comment on the amendment of my friend, and I much admire him, and I do not like to get in between him and his wife, but his wife, I think, is right on this one, and let me express why.

When I was in the foreign aid agency in the Carter years, an assistant administrator, we wrestled with this issue of how to make real these, not these, but the AID projects in Africa and other places and not have them simply go for a lot of infrastructure that was unrelated to the basic needs of the people in the country, and I think that is what the gentleman from Illinois is trying to say here. The problem is that the way OPIC is structured this would not work, and also I think, and we need to work on this, is restructure these amendments. We have to be sure that we are not taking away the prerogatives of the country in whose domain the project is.

Now a lot of these infrastructure projects that are insured through OPIC have to get the permits, the approvals, in one form or another from within the country, and I think the impact of the gentleman's amendment really is for us to dictate further than we want to what African nations think is something useful for themselves.

Also, these 40 percent, and I will not call them quotas; I think what the gentleman is trying to do is to get it down to the grass roots. I think it is a good purpose, but with these stringent numbers and percentages I think we are going to tie up investments the gentleman would not. So I think the better course is not to pass this amendment, but to work together to try to make sure OPIC funds go where they should.

Mr. ROYCE. Mr. Chairman, I yield back the balance of our time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Illinois (Mr. JACKSON).

The amendment was rejected.

The CHAIRMAN. It is now in order to consider Amendment No. 3 printed in House Report 106–236.

AMENDMENT NO. 3 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Ms. JACKSON-LEE of Texas:

Page 38, after line 7, insert the following (and redesignate subsequent sections accordingly):

SEC. 18. ASSISTANCE FROM UNITED STATES PRIVATE SECTOR TO PREVENT AND REDUCE HIV/AIDS IN SUB-SAHARAN AFRICA.

It is the sense of the Congress that United States businesses should be encouraged to

provide assistance to sub-Saharan African countries to prevent and reduce the incidence of HIV/AIDS in sub-Saharan Africa. In providing such assistance, United States businesses should be encourage to consider the establishment of an HIV/AIDS Response Fund in order to provide for coordination among such businesses in the collection and distribution of the assistance to sub-Saharan African countries.

The CHAIRMAN. Pursuant to House Resolution 250, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I started out in debate earlier this morning acknowledging how much I appreciated the fact that we are debating Africa on the floor of the House in the context of what Africa has to offer and what it has to offer its people, in particular, sub-Sahara Africa, and I might just draw the attention of my colleagues to the face of Africa, a young child, young and bright and energetic and ready to be educated, to have potable water, to have electricity, to be able to have access to capitol, to grow up and to be able to be part of a thriving economy in the 48 States, 48 nations, that comprise sub-Sahara Africa.

But juxtaposed against that face is a startling number, that by the start of 1998 8.2 million children had lost their mothers to AIDS, and many had lost their fathers as well, more than 9 out of 10 children often by AIDS or in sub-Sahara Africa where the burden of care is straining extended families and communities to breaking point in many places.

We must declare a war on HIV AIDS.

I am very delighted to have had the opportunity to join the esteemed Member from Michigan (Ms. KILPATRICK) and the esteemed Member/colleague from California (Ms. LEE) on a presidential mission solely dedicated to studying and determining what we could do about HIV AIDS in sub-Sahara Africa.

This amendment does as much as I believe in a trade bill we can stretch on the question of HIV AIDS.

Mr. Chairman, I have said I am a supporter of debt relief, the E–8 is a supporter of debt relief. We hope the IMF will come to its senses and be a supporter of debt relief because we cannot take the money that is being used to subsidize to bring down or to service debt and not be able to shift it to more important resources and needs.

But this amendment speaks to the African Growth and Opportunity Act for what it is, a trade bill with major multi nationals who will be engaged in trade in Africa, and it calls upon the establishment of a HIV response fund, the collaboration of resources with the multi nationals to be able to shift those particular resources over to the need for fighting AIDS. This is an HIV AIDS response which will allow moneys from creditors to be able to use along with the corporate community. In particular this is dealing with the corporate community to supplement or to be able to utilize for prevention and treatment and other desires of the sovereign nation as it relates to treating HIV AIDS.

It is important to note, Mr. Chairman, that we can team up with already the leadership in sub-Sahara Africa on the question of HIV AIDS. We can team up with Uganda, team up with Zimbabwe, we can work with South Africa and Zambia, and now we know we can work even more because the New York Times has said we have found a $4 treatment for AIDS that can be given to the woman to prevent the transmission of such to the child.

We have a light at the end of the tunnel, and I would hope my colleagues would support this amendment for what it is. It is an acknowledgment and a recognition that we can do more than just talk about AIDS, but we can begin to put the structures in place to take private sector dollars to help us with a response fund that will fight fight fight and win the war against AIDS.

Mr. Chairman, today I rise to offer an amendment to H.R. 434, the African Growth and Opportunity Act of 1999. This amendment expresses the sense of Congress that the HIV/AIDS epidemic is a threat to the success of this trade bill and that there must be a concerted effort in order to properly and sufficiently address this threat.

My amendment encourages U.S. business to assist sub-Saharan Africa with the HIV/AIDS problem and consider the establishment of a HIV/AIDS Response Fund to coordinate and fund those assistance efforts.

HIV/AIDS is a global problem touching virtually every country and every family around the world. More than 95 percent of the people with HIV live in the developing world. It is estimated that by the year 2020, HIV/AIDS will be responsible for 37 percent of all adult deaths form infectious diseases in the developing world.

There are 33 million cases of HIV/AIDS infections worldwide. Of those, over 22 million of them or 66 percent, occur in sub-Saharan Africa. As we debate trade and economic development for Africa, we must acknowledge the fact that unless there are serious efforts to contain the AIDS epidemic, and to reduce the number of those newly infected in Africa, the development goals we seek for Sub-Saharan Africa will not and cannot become reality.

AIDS is wiping out decades of progress on a variety of development fronts in sub-Saharan Africa. In Tanzania, the World Bank predicts that its gross national product (GNP) will be 15 to 25 percent lower as a result of AIDS. South Africa alone estimates that AIDS will cost the country 1 percent of its GNP each year.

Professionals are being particularly hard hit in Sub-Saharan Africa as 34 percent of those with post-secondary education having been diagnosed as HIV positive. As a comparison, those holding elementary-level educations comprise but 18 percent of the HIV infected population.

Business entities, critical to a successful trade policy, also are witnesses to the devastation of HIV/AIDS. Uganda Railways has lost 5,600 employees to AIDS and has a labor turn over rate of 15 percent annually, simply due to AIDS. Barclay Bank is now hiring two employees for every one skilled job, assuming that one of those employees will die of AIDS.

Economic growth can not happen without human resources. The sub-Saharan workforce is being quietly eroded due to the rapid spread of HIV/AIDS and its crippling effects. In 1994, the Indeni Petroleum Refinery in Zambia spent more on AIDS-related costs than it declared in profits. A study in South Africa found that at current levels of benefits per employee, the total costs of benefits would rise from 7 percent of salaries in 1995 to 19 percent by 2005, once again, simply due to AIDS.

HIV/AIDS is now threatening development gains that local and donor governments, citizens, NGOs and international agencies have worked for decades to achieve. By the year 2010, life expectancy in some sub-Saharan countries could decrease by 30 years or more. True economic development can not survive such a statistic.

The African Growth and Opportunity Act is a bill designed to quickly bring sub-Saharan Africa into the global marketplace. U.S. business will be primary benefactors of the rewards from this bill. However, HIV/AIDS, if not handled correctly, will be an unexpected barrier to growth and opportunity. U.S. business must be encouraged to recognize the problem and join us in addressing it.

We have federal agencies now addressing the HIV/AIDS issue internationally. The Department of State, Agency for International Development, U.S. Information Agency, the U.S. Peace Corps, the Department of Health and Human Services, the FDA, the Department of Commerce, and the Defense Department each has addressed a component of the HIV/AIDS problems of sub-Saharan Africa. But they cannot do it alone.

There are some corporate and international efforts to tackle this problem. They are good efforts. But we need our business community to also recognize this issue and join us as partner in the war on HIV/AIDS in sub-Saharan Africa. They must realize that they cannot gain the full benefit of this bill unless Africa is strong.

We need those corporations who will benefit the most from the passage of this bill to ante up. Corporations like Chevron, Mobil, Bank of America, Oracle, SBC Communications, Eastman Kodak, Ford and Boeing—all of whom support the passage of this bill, to do something for the benefit of those upon whose shoulders they will find growth. I would, like my amendment denotes, encourage them, together, to establish a Reponse Fund. I would encourage them to work with African authorities to educate their workforce and their children about the dangers of HIV.

Simply said, the onus of the responsibility should be on those who will bear the fruit of this bill. Corporate America—I call you by-

name. McDonalds, Motorola, Enron, General Electric—we need you to band together, to use your resources to cement Africa's greatest resource, it's people. Many corporate groups interested in this bill, like the Constituency for Africa and the Africa Trade Council, list HIV/AIDS as one of their top agenda items. That is encouraging, but we want more than a list. We want a response—a Response Fund.

Mr. Chairman, we have before us a tremendous opportunity to work with the private sector to harvest immediate and substantial resources to aid those who are fighting HIV or AIDS. Let us not waste it. Let us pass this amendment. I ask you each for your support on this issue, and for your support in passing this Act.

Mr. Chairman, I submit the following news article for printing in the RECORD:

[From the New York Times, July 15, 1999]

NEW MEANS FOUND FOR REDUCING H.I.V. PASSED TO CHILD

(By Lawrence K. Altman)

In an advancement that promises to significantly reduce the incidence of AIDS in children in developing countries, American and Ugandan scientists have found a simple new way to prevent mother-to child transmission of the AIDS virus that also is less costly and markedly more effective than the standard therapy in the third world.

The more practical therapy comes from substituting one marketed drug, nevirapine, for the standard drug, AZT. The cost for the two doses of nevirapine was $4, compared with $268 for the AZT regimen now used in developing countries and $815 for the much longer and more complicated course used in the United States and other developed countries, Federal health officials said in releasing the finding yesterday.

The new treatment calls for both a mother and her infant to take nevirapine just one time—a mother takes a pill once during labor, and her baby is fed the drug as a syrup once during the first three days of life.

Nevirapine, a drug used in combination ''cocktail'' treatments, has been marketed since 1996 in the United States for treatment of H.I.V., the AIDS virus, and it was remarkably safe in the study that was conducted by American and Ugandan researchers. As babies reached 3 months of age, nevirapine had cut the risk of mother-to-child transmission of H.I.V. to 13 percent from the 25 percent for the standard course of AZT in developing countries, or a reduction of 47 percent, United States and Ugandan health officials said.

Monitoring will continue for 18 months to determine adverse effects that might show up later in infancy. The monitoring will also help to determine how many babies will still become infected through breast-feeding in the first months of life, when such transmission is highest.

H.I.V. can be transmitted during pregnancy or during delivery when bleeding occurs. Nevirapine is believed to be able to block transmission of H.I.V. during the delivery, and further studies will be needed to determine if transmission can be stopped during breast-feeding.

Nevirapine targets the same enzyme in H.I.V. as AZT, but it is a different class of drug.

The low cost of nevirapine makes it feasible or wide-scale use in many developing countries, Dr. Anthony S. Fauci, who heads the National Institute of Allergy and Infectious Diseases, predicted in an interview. His Federal Agency paid for the study.

Dr. Peter Piot, who heads the United Nations AIDS program in Geneva, said the nevirapine study was ''a major gain'' because it ''approaches ideal prevention therapy'' for developing countries, where 95 percent of the H.I.V.-infected people live.

But Dr. Piot said it was ''unrealistic to introduce it on a large scale in developing countries without first using pilot programs'' because drug therapy is only one part of a complex effort to prevent H.I.V. Such pilot studies will begin soon in developing countries, he said.

Most women in developing countries do not know that they are H.I.V.-infected because testing programs are scarce. ''It is still a logistical, economic and cultural challenge to develop programs to encourage H.I.V. testing, counseling and baby formula as a substitute for breast-feeding for infected mothers,'' Dr. Piot said in an interview.

American and Ugandan scientists plan another study to see if it would be more effective to give nevirapine to mother and infant for longer periods. Also, a continuing study in the United States and Europe aims to determine if adding nevirapine to standard regimens will further lower the transmission rate of H.I.V. from mother to child. Dr. Fauci said there was no need to change the United States recommendations until more studies are completed.

The United Nations AIDS group estimates that 1,800 babies are born H.I.V.-infected every day in developing countries where most women do not receive prenatal care. In some areas of Africa, up to 40 percent of pregnant women are H.I.V. infected, and from 25 percent to 35 percent of their infants will be born infected if therapy is not provided.

Wide-scale use of nevirapine in developing countries ''could potentially prevent 300,000 to 400,000 newborns each year from beginning life infected with H.I.V.,'' Dr. Fauci said.

AZT and other anti-H.I.V. drugs have drastically reduced mother-to-child transmission of the infection in the United States since 1994, when a federally sponsored study showed that AZT, taken for several weeks, could stop mother-to-child transmission of H.I.V. The American regimen calls for the pregnant woman to take AZT five times a day beginning as early as the 14th week of pregnancy and continuing until labor, when an intravenous injection of AZT is given. At birth, the baby takes AZT four times a day for six weeks.

Because the American regimen was impractical and too costly for third world countries, scientists sought a more affordable therapy.

Researchers initially intended to enroll 1,500 women in the study, conducted at Mulago Hospital and Makerere University in Kampala, Uganda, beginning in November 1997. One part of the study was dropped in February 1998 after another United States-financed study conducted in Thailand found that AZT used for a shorter period than in the United States was effective in preventing mother-to-child transmission of H.I.V.

The Ugandan study then involved 618 women in their ninth month of pregnancy who had not taken anti-H.I.V. drugs and their 631 infants. Of the 618 women, 308 took AZT and 310 took nevirapine. Enrollment stopped at the end of last April.

The women agreed to accept by random selection either of two drug regimens. One regimen was single dose nevirapine therapy for mother and infant. The other regimen involved taking two AZT pills at the onset of labor and then one pill every three hours until delivery. Infants born to mothers who took AZT were given AZT twice a day during the first week of life.

After two months, 59 infants born to mothers who took AZT and 35 infants born to mothers took nevirapine were infected. Statistical tests projected the 25 percent and 13 percent infection rates, respectively.

The three deaths that occurred among mothers who took AZT were due to AIDS and not the drug, the researchers said. No deaths occurred among the mothers who took nevirapine.

Infection was the most common cause of adverse effects and death among the infants whose mothers took the two drugs. The adverse effects and deaths were not deemed drug related.

Scientists learned the findings on Monday at a meeting of a committee that oversees the safety and effectiveness of such studies.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member rise in opposition?

Ms. WATERS. Yes, Mr. Chairman.

The CHAIRMAN. The gentlewoman from California (MS. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is extremely important for us to understand what we do when we talk about a sense of Congress as opposed to actions that are actually taken that would create public policy or appropriate money. It is a good thing to be able to have language that says something nice, and we do that from time to time. But I want to make sure that everybody understands that this sense of Congress neither appropriates money nor does it create public policy. We cannot play around with this AIDS problem in Africa.

Since 1983, 85 percent of all of the debts in sub-Saharan Africa is related to AIDS. We have only seen 1 percent of the medicine that they need in this area. Seven out of 10 in sub-Saharan Africa, infected with HIV or AIDS.

So I think it is nice to at least mention it in this trade bill, but my colleagues have got to understand it means nothing to talk about trade. Where are the workers going to come from if we do not have the medicine, if we do not have the resources, if we do not have a real commitment by this country to deal with AIDS?

I know the pharmaceuticals, the companies are all up in arms because they do not want their patent stolen. They do not want people replicating without their permission. They do not want them purchasing. We see that fight going on now, and it is a fight that must go on.

But the fact of the matter is while colleagues are focused, while colleagues are focused and we are saying nice things, we are sitting over in the Committee on Banking and Financial Services, and I as the ranking member of the Subcommittee on Domestic and International Monetary Policy in the Committee on Banking and Financial Services, we are trying to fashion AIDS as a factor in debt relief. We do debt relief. We are going to get some debt relief for Africa this year. It will not be done in anyplace else other than the Committee on Banking and Financial Services. We do not want to send a message that we are taking care of

AIDS in the trade bill and not get the opportunity to leverage what we are doing so that we can truly do something about AIDS; so, know it for what it is, and again, it is all right to say something nice and to try and encourage people, but when I come back to my colleagues with the gentleman from Iowa (Mr. LEACH) and others on debt relief where we are factoring in AIDS in order to increase debt relief, and they are going to be those who will be opposed to it, I do not want them to forget and think, oh, we have already done something because my colleagues do nothing today when they support this sense of Congress.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut (Mr. GEJDENSON), the distinguished ranking member of the Committee on International Relations.

Mr. GEJDENSON. Mr. Chairman, I do not think any of us are deceiving ourselves that we are dealing with the AIDS crisis in this legislation. I also think there is nothing wrong with reminding the corporate world they have got a responsibility.

□ 1330

Bristol-Myers Squibb has committed $100 million to Africa. That is an important start. It is a significant action. Other companies ought to take the same kinds of action.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I am very proud to yield 30 seconds to the gentleman from New Jersey (Mr. PAYNE), the distinguished ranking member on the Subcommittee on Africa of the Committee on International Relations.

Mr. PAYNE. Mr. Chairman, let me commend the gentlewoman from Texas (Ms. JACKSON-LEE) for bringing this amendment up. I think the more we talk about AIDS, whether it is here or in sub-Saharan Africa, is positive. I cannot believe that we would say that a sense of the Congress, saying that we need to do something about it, is not the first step.

Ten years ago we could not get a leader in Africa to admit that AIDS was a problem. I have met with presidents and they said no, we do not have that problem. I think we have to start with education. Just to mention the word AIDS in some of these circles is a step in the right direction. I compliment the gentlewoman and urge Members to support this resolution.

Ms. WATERS. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, this bill is titled the Africa Growth and Opportunity Act, but the single largest barrier to growth and opportunity on the continent of Africa is the overwhelming AIDS epidemic that the U.S. Surgeon General has compared to the plague of the 14th century.

Wherever Members are on the Africa Growth and Opportunity Act, passing or not passing, and all of us have various positions with respect to this bill, including the process this bill has gone through for amendments, we had an amendment before the Committee on Rules that specifically prohibited the United States government from bringing action against sub-Saharan countries that are attempting to buy drugs cheaper or even produce generic drugs.

That amendment was rejected by the Committee on Rules, apparently overwhelmingly, but what was accepted was another AIDS amendment that gives a sense of the Congress that we want to do something about it; just a sense of the Congress, nothing binding, no appropriation, no money.

Certainly there is going to be a problem for any U.S. investment in sub-Saharan Africa that does not provide for relief in terms of pharmaceuticals and drugs for sub-Saharan people. Again, regardless of Members' position on the Africa Growth and Opportunity Act, we need a commitment from the majority to advance the debt relief bills of the gentlewoman from California (Ms. WATERS) and the gentleman from Iowa (Mr. LEACH). It helps towards the AIDS crisis.

We need a commitment on more appropriations to make more funding available to address the continent's most devastating disease. We need a commitment toward AIDS education on the continent. With more than 1,500 languages, it is difficult to explain to many different people in many different languages how devastating the disease is.

In Durbin, South Africa, Mr. Chairman, we just received a newspaper article about a horrible rumor, a horrible rumor that if you have sex with a virgin, that is the cure to AIDS. We have to fight this kind of ignorance on the continent, and that will only come from more money, more money and more appropriations.

I want to thank the gentlewoman for having the guts, really, to stand up today and claim opposition to this amendment.

[From CNN Interactive, May 19, 1999]

IN SOUTH AFRICA, DOCTORS, COURTS FIGHT BRUTAL AIDS ''CURE''

(By Charlayne Hunter-Gault)

DURBAN, SOUTH AFRICA (CNN)—South Africa's northeastern province of Kwazulu-Natal is blessed with a lush landscape—and cursed with the country's highest AIDS rate.

The rolling hills and fertile valleys in the province of 8.5 million have spawned a myth of a terrible folk ''cure''—a story that says having sex with a virgin will rid sufferers of the disease. The widespread belief has left parents, children, doctors and the courts struggling with a wave of rapes, frequently of young girls.

Skhumbuza Mthembu, a 15-year-old peer counselor at a village primary school in Mpophomeni, says he has heard of the so-called cure from local men and boys. And he often hears firsthand about the results.

Those who have been victims tell horror stories about being raped by a teacher, or a brother, an uncle or even a father. They tell of being assaulted in restrooms, in the forest or the bush, or in bed while they were sleeping.

More and more stories like this are being told by younger and younger children across this province and elsewhere. But many, many more stories are not being told until it's too late.

Dr. Gillian Key treats sexually abused children at the Addington Children's Hospital in Durban, the harbor port of Kwazulu-Natal.

''Unless you see the children within an hour or one or two days, you're unlikely to find anything,'' Key said. ''It's a pitiful thing.''

Some of the children receive good news—that they test negative for HIV. For another family, the news wasn't good.

One such child key treated was raped when she was 2: She tested HIV-positive and now is developing full-blown AIDS.

''It's hard every day,'' said her mother, who asked that her family remain anonymous our of fear that her daughter would be stigmatized. ''It's hard not knowing that one day she might not grow up.''

In Durban, authorities have set up a special court to deal with child abuse cases. It's difficult to establish which rapes are connected to the cure myth, but prosecutors and other say the abuse of younger children since it began circulating has ''skyrocketed.''

Court officials try to ease the process for young victims who must testify. They provide separate rooms for them to testify on videotape so they don't have to face their abusers. But the fact that there are so many of them, coupled with their increasingly younger ages, makes it difficult to obtain convictions.

''The youngest we can put a child on the stand is three years and if we look for an actual trial date, it will be something like six months away,'' said Durban prosecutor Val Melis. ''You can't count on a child to remember details like that that far down the line.''

Meanwhile, back in Mpophomeni, teen counselor Mtembu holds another session to help youngsters cope with the trauma of rape—and to teach them ways they can protect themselves.

But when asked what about that, one young girl answered: ''We just have to cry loudly and hope someone will hear us.''

Ms. JACKSON-LEE of Texas. Mr. Chairman, I am delighted to yield 30 seconds to the distinguished gentlewoman from Detroit, Michigan (Ms. KILPATRICK), a member of the Committee on Appropriations.

(Ms. KILPATRICK asked and was given permission to revise and extend her remarks.)

Ms. KILPATRICK. Mr. Chairman, I strongly stand here to support the amendment of the gentlewoman from Texas (Ms. JACKSON-LEE). A sense of the Congress is just that, that we sense that we ought to take an action. As a member of the Committee on Appropriations, I want to report that our subcommittee, under the leadership of the gentleman from Alabama (Mr. CALLAHAN), recognizes this, and we are going to and have on the subcommittee the appropriations for HIV-AIDS in Africa.

It is a tremendous problem, but we are working on it. The sense of the Congress is the first step. The action to get it done is the next, and we are moving on that.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield?

Ms. KILPATRICK. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me clarify for a moment that this is a sense of Congress that brings about a rapid response fund that will be contributed to by corporations involved in the African Growth and Opportunity Act, private sector investment.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the Jackson-Lee amendment encouraging assistance of the American Business Community to deal with the HIV/AIDS problem in Sub-Saharan Africa and to consider the establishment of an HIV/AIDS response fund.

Anyone familiar with the HIV/AIDS problem knows of its tremendously negative impact on life in Sub-Saharan Africa and how it is rampaging throughout the area bringing death and destruction. Mr. Chairman, I've been told that those to whom much is given, much is expected in return. Therefore, many of our businesses and pharmaceutical companies are in a great position to provide help and resources to those with the greatest need in our world.

This is a great opportunity to give the greatest of all gifts, the gift of life.

I thank the gentlewoman from Texas for introducing this amendment and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 106–236.

AMENDMENT NO. 4 OFFERED BY MR. OLVER

Mr. OLVER. Mr. Chairman, I offer an amendment made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 printed in House Report 106–236 offered by Mr. Olver:

Page 38, after line 7, insert the following (and redesignate the subsequent sections accordingly):

SEC. 18. SENSE OF THE CONGRESS RELATING TO HIV/AIDS CRISIS IN SUB-SAHARAN AFRICA.

(a) FINDINGS.—The Congress finds the following:

(1) Sustained economic development in sub-Saharan Africa depends in large measure upon successful trade with and foreign assistance to the countries of sub-Saharan Africa.

(2) The HIV/AIDS crisis has reached epidemic proportions in sub-Saharan Africa, where more than 21,000,000 men, women, and children are infected with HIV.

(3) 83 percent of the estimated 11,700,000 deaths from HIV/AIDS worldwide have been in sub-Saharan Africa.

(4) The HIV/AIDS crisis in sub-Saharan Africa is weakening the structure of families and societies.

(5)(A) The HIV/AIDS crisis threatens the future of the workforce in sub-Saharan Africa.

(B) Studies show that HIV/AIDS in sub-Saharan Africa most severely affects individuals between the ages of 15 and 49—the age group that provides the most support for the economies of sub-Saharan Africa countries.

(6) Clear evidence demonstrates that HIV/AIDS is destructive to the economies of sub-Saharan Africa countries.

(7) Sustained economic development is critical to creating the public and private sector resources in sub-Saharan Africa necessary to fight the HIV/AIDS epidemic.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) addressing the HIV/AIDS crisis in sub-Saharan Africa should be a central component of United States foreign policy with respect to sub-Saharan Africa;

(2) significant progress needs to be made in preventing and treating HIV/AIDS in sub-Saharan Africa in order to sustain a mutually beneficial trade relationship between the United States and sub-Saharan Africa countries; and

(3) the HIV/AIDS crisis in sub-Saharan Africa is a global threat that merits further attention through greatly expanded public, private, and joint public-private efforts, and through appropriate United States legislation.

The CHAIRMAN. Pursuant to House Resolution 250, the gentleman from Massachusetts (Mr. OLVER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, sustained economic growth is desperately needed throughout Africa. Expanded trade between African nations and the United States, which is the goal of the legislation before us today, must be a major part of sustained economic growth.

But sub-Saharan Africa is under siege from the HIV–AIDS epidemic. Twelve million people have already died, and 20-plus million are HIV–AIDS infected. I would just ask Members to look at this quickly, at these maps, and imagine first that in 1977 a map like this up here shows not a single case of AIDS identified in the continent of Africa.

In this map for 1987 we can see the growth of AIDS, and for 1997 we can see the further growth, with a group of countries in the very dark red where the average AIDS infection rate for people in the working force, between 15 and 49, is average 25 percent, and for all these dark orange countries it is in the range of 15 percent.

Mr. Chairman, if we think of that map, that is the very age group that is necessary to build any economy anywhere in this world. So the sense of Congress in our amendment simply states that solving the AIDS crisis should be central to our foreign policy in sub-Saharan Africa; number two, that this crisis is a global threat that warrants greatly expanded effort at all levels, government, private, private-public partnerships, including appropriate legislation by this Congress; and number 3, that progress must be made on prevention and treatment for HIV–AIDS if there is to be any real hope for sustained economic growth or any mutually beneficial trading relationship with the nations in sub-Saharan Africa.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member rise in opposition to the amendment?

Mr. ROYCE. Mr. Chairman, although I support the amendment, I will claim the time in opposition.

The CHAIRMAN. Without objection, the gentleman from California will be recognized for 5 minutes.

There was no objection.

Mr. ROYCE. Mr. Chairman, I yield 4 minutes to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I thank the gentleman for yielding time to me. I would like to urge my colleagues to support the Olver-Foley-Pelosi-Horn-Lewis amendment to H.R. 434.

I am a cosponsor of H.R. 434, and I appreciate the hard work of the bill's chief cosponsors, the gentleman from Illinois (Mr. CRANE) and the gentleman from New York (Mr. RANGEL). Both of my colleagues have worked diligently to create a balance on a very difficult issue, laying the groundwork for much needed trade policy with Africa.

This amendment is very relevant to the future success of our trade in the sub-Saharan Africa and to economic growth in that region.

Like many of my colleagues, I am concerned about HIV and AIDS in Africa. Twelve million Africans have perished from HIV–AIDS, and 22.5 million are currently living with HIV. At this rate, the HIV–AIDS epidemic will leave a path of destruction in sub-Saharan Africa, destroying families, societies, and economies.

Individuals between the ages of 15 and 40 are hit hardest by HIV and AIDS. That is the cross-section of the population responsible for supporting the economy. As a member of the International AIDS Task Force, I believe this epidemic is too powerful to ignore if we are serious about expanding economic opportunity in Africa.

This is a nonbinding sense of the Congress amendment. I think it is an essential part of the trade policy we are developing. I pledge my support for H.R. 434, and think we can make this an even better piece of legislation by passing this amendment to show the Congress recognizes the force of HIV and AIDS to Africa.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, I rise in strong support of this amendment. AIDS is an affliction which has had a fundamental and far-reaching effect on the well-being of many nations, and I think this amendment signifies the importance of our strong national commitment in combatting this disease,

not only for this Nation's benefit, but for the benefit of all humanity.

Though we continue to struggle in our efforts to understand AIDS and to cure it, it seems to me entirely consistent with this Nation's character, which teaches us to reach out to the weak and the sick, to engage in this dilemma in an active and direct manner.

This amendment is reflective of this sort of approach, and it is my hope that it will serve as a stepping stone for future congressional action.

Mr. ROYCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a severe problem, as has been pointed out. This costs millions of lives. AIDS has cost millions of lives in Africa. It does threaten economic development of the continent. Members of the House, including the coauthors of this particular amendment, are working on this problem. I support this amendment. This amendment will bolster our efforts on AIDS in Africa.

Let me also point out that the underlying bill will support sub-Saharan nations' efforts to strengthen their economies, to promote their strong growth, to promote job creation, and improve the standards of living there. In these ways, the bill will strengthen the ability of sub-Saharan countries to fight AIDS.

Already growth and economic reforms have helped to generate resources for drug access programs. For example, Cote d'Ivoire has established a $1 million solidarity fund from corporate contributions and nonprofit insurance systems.

But this amendment will help us do more. I thank the authors for offering this amendment, which we will support.

Mr. OLVER. Mr. Chairman, I am happy to yield 1 minute to the distinguished gentlewoman from California (Ms. PELOSI), who is also the ranking member of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding time to me, and thank him for his leadership in bringing this amendment to the floor. I am pleased to join him as a cosponsor.

Mr. Chairman, I want to borrow his chart to show the tragedy of the spread of AIDS from 1987 to 1997. Much of this could have been prevented. We cannot talk about commerce and the economic situation in Africa without talking about HIV and AIDS.

As the ranking member on the Subcommittee on Foreign Operations, Export Financing and Related Programs for years I have urged the administration to address the issue of AIDS in the developing world.

I thank gentlewoman from California (Ms. WATERS), who has worked on this issue from the perspective of the Committee on Banking and Financial Services to make the AIDS issue a top item on the G–7 and G–8 agenda. If they are dealing with the economies of the developing world, they must deal with the issue of AIDS.

There have been success stories in Africa. Uganda is one of them. So we must cooperate with Africa on the AIDS issue. We will do so in the spirit of this sense of the Congress. I wish this could be a stronger amendment and have the power of law. We must make it have the force of law. I urge my colleagues to support this amendment.

Mr. OLVER. Mr. Chairman, I am happy to yield 30 seconds to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Chairman, I want to thank the gentleman for yielding time to me.

Mr. Chairman, I simply want to add my voice to those who are seeking to find a solution, those who are seeking to bring resources, seeking to bring progress to one of the greatest needs that exists on the face of this Earth.

□ 1345

We can give to Sub-Saharan Africa because we can give the greatest gift of all, and that is the gift of life. We can do it through sound trade policy, and we can do it through direct aid.

Mr. OLVER. Mr. Chairman, I yield 30 seconds to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, let me say any U.S. policy toward Africa must recognize that not only is HIV and AIDS a health issue, but it is an epidemic of enormous social and economic dimensions. Not only are there humanitarian concerns which we must morally embrace, we must attack this disease on a global basis, just as we did with polio and smallpox. It is in our national interest to do so. Diseases know no boundaries. This sense of the Congress resolution is an excellent first start, but we must put our money where our mouth is.

Mr. OLVER. Mr. Chairman, I yield 30 seconds to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I certainly thank the gentleman from Massachusetts (Mr. OLVER) for his leadership on this issue.

Mr. Chairman, I rise in support of the Olver amendment addressing the HIV/AIDS crisis. Addressing this crisis should be a central component of America's policy with respect to Sub-Saharan Africa, if we are going to have significant trade relations. This amendment speaks specifically to the needs of African women who are the epicenter of the worldwide AIDS epidemic. African women are the backbone of the vital informal and microenterprise sectors that make up so much of African economies.

Mr. Chairman, this epidemic is decimating the pool of skilled workers. I express my support to further bring attention to this crisis.

Mr. OLVER. Mr. Chairman, I ask unanimous consent that each side be granted 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts (Mr. OLVER) and the gentleman from California (Mr. ROYCE) will each control 1 additional minute.

The Chair recognizes the gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York (Mr. RANGEL), the ranking member.

Mr. RANGEL. Mr. Chairman, I just want to say that I thank the gentleman from Massachusetts (Mr. OLVER) for the work he has done on this amendment. It has taken a lot of hard work, and I rise in support of it.

Mr. OLVER. Mr. Chairman, I yield 30 seconds to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Chairman, I rise to support this amendment brought by the gentleman from Massachusetts (Mr. OLVER) which focuses on what poses the biggest threat to what we are trying to do through H.R. 434. HIV/AIDS has killed more than 11 million people and continues to infect more than 22 million people in Sub-Saharan Africa.

Today, while we try to meet our obligation to help Africa economically, we must not lose sight of this pandemic which is killing and affecting individuals in the prime of their life. I urge passage of this amendment.

Mrs. MORELLA. Mr. Chairman, I rise in strong support of the Olver-Foley-Pelosi amendment. This amendment simply expresses the sense of the Congress that addressing HIV/AIDS should be a central component of our policy in sub-Saharan Africa.

There are approximately 750 million people in sub-Saharan Africa—almost 500 million more people than live in the United States. It is critical that the legislation we are considering, the Africa Growth and Opportunity Act includes language dealing with HIV/AIDS which are now rampant throughout sub-Saharan Africa. Southern Africa is facing an unprecedented emergency as the numbers of people becoming infected with HIV continue to climb at alarming rates in many countries of the region. This year, 1.4 million people between the ages of 15 and 49 were infected in nine countries of southern Africa.

In the four worst-affected countries of the region—Botswana, Namibia, Swaziland and Zimbabwe—between 20% and 26% of adults in this age group are now estimated to be living with HIV or AIDS, and other countries are catching up fast. Zimbabwe is especially hard-hit. In 23 HIV surveillance sites out of a total of 25, between 25% and 50% of all pregnant women were found to be infected with HIV. At least a third are likely to pass the infection on to their babies.

Dr. Peter Piot, Executive Director of the Joint United National Programme on HIV/AIDS has said that "we now know that despite these

already very high levels of HIV infection the worst is still to come in southern Africa. The region is facing human disaster on a scale it has never seen before.''

Mr. Chairman, the wealthiest of nations would be financially overwhelmed by the prospect of dealing with an AIDS crisis of this magnitude. For sub-Saharan African nations, many with per capita incomes of less than $500 per year and crushing debt service payments monopolizing their budgets, the likelihood that they will be able to provide adequate treatment to the exploding number of AIDS patients is bleak. Without international cooperation in providing overall AIDS education, prevention and treatment, future generations in sub-Saharan Africa will face short, often agonizing lives.

The impact on society of this type of epidemic is so obvious. How can we even think of passing legislation to increase trade and investment in Sub-Saharan Africa without including this sense of the Congress amendment that acknowledges the impact that HIV/AIDS has on establishing stable trade and true economic growth? This amendment should be an integral part of any equation when dealing with the overall economic policy of this region. This amendment takes the first step in acknowledging and expressing concern about the criticality of treating and preventing the HIV/AIDS pandemic.

I urge support for this amendment.

Ms. JACKSON-LEE of Texas, Mr. Chairman, I rise to support our amendment to recognize the HIV/AIDS dilemma in Africa. This amendment does not interfere with the trade provisions of the bill. It is bipartisan and sensible. While this amendment is limited to nonbinding ''sense of the Congress'' language, I think it is an essential part of the trade policy we are constructing in this bill.

It is time to develop a new trade relationship with Africa. For U.S. businesses and for the countries of sub-Saharan Africa, the passage of the African Growth and Opportunity Act will provide the safeguards and incentives required for meaningful investments and partnerships. The bill is good for America and Africa. However, something is lacking in this legislation. Over 12 million Africans have died from AIDS and currently over 22 million in sub-Saharan Africa are living with HIV. Over 50% of the new HIV infections in Africa occur in women. Women also carry the main burden of care of family members with HIV/AIDS. Approximately 6 million women in sub-Saharan Africa are HIV positive. Our Growth and Opportunity trade bill seeks to uplift the women entrepreneurs and provide business and employment opportunities that will guarantee a better quality of life. HIV/AIDS is a barrier to our goals.

In 1998, sub-Saharan African experienced four million new HIV infections. AIDS death tolls are rapidly rising. Sub-Saharan Africa experiences an estimated 5,500 funerals per day.

The HIV/AIDS epidemic is leaving a path of destruction in sub-Saharan African that is impacting all aspects of life. This is why it is important as we consider the African Growth and Opportunity Act, we include our concern about the HIV/AIDS pandemic in sub-Saharan Africa. This region can not achieve economic prosperity or fully meet the objectives of our bill, if the population is dying. The workforce will not be available to staff the many new and developing businesses. The cost of employee benefits will off set corporate profits and make any economic growth less than stellar.

This amendment gives members the opportunity to voice their concerns about HIV/AIDS and it calls upon the House to consider future legislation addressing the HIV/AIDS crisis. I am pleased to offer this amendment with my colleagues, Mr. OLVER of Massachusetts, Mr. FOLEY of Florida, Ms. PELOSI of California, Mr. HORN of California, and Mr. LEWIS of Georgia.

I know that the African Growth and Opportunity Act will be a better bill with inclusion of this amendment, because this amendment will help to ensure that the goals of the bill are achieved. The HIV/AIDS epidemic is too threatening to ignore if we are serious about expanding economic opportunity in Africa.

Mr. ROYCE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts (Mr. OLVER).

So the amendment was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SHIMKUS) having assumed the chair, Mr. EWING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 434) to authorize a new trade and investment policy for Sub-Saharan Africa, pursuant to House Resolution 250, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

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

MOTION TO RECOMMIT OFFERED BY MR. BISHOP

Mr. BISHOP. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BISHOP. Yes, I am, Mr. Speaker, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BISHOP moves to recommit the bill H.R. 434 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Strike section 7 and insert the following:

SEC. 7. SPECIAL ACCESS PROGRAM FOR APPAREL ARTICLES FROM ELIGIBLE COUNTRIES.

(a) SPECIAL ACCESS PROGRAM.—

(1) ESTABLISHMENT.—The President, in consultation with representatives of the domestic textile and apparel industry and with representatives of countries in sub-Saharan Africa that are eligible under section 4 and after providing an opportunity for public comment, shall establish a special access program for imports of eligible apparel articles from such eligible countries in sub-Saharan Africa under which imports of such eligible apparel articles are not subject to duties or quotas.

(2) PROGRAM MODELED ON EXISTING PROGRAM.—The program under paragraph (1) should be modeled on the existing program providing for preferential tariff and quota treatment on apparel articles originating in Mexico, consistent with the international obligations of the United States under the Agreement on Textiles and Clothing and other trade agreements.

(b) ELIGIBLE GOODS.—

(1) IN GENERAL.—Apparel articles are eligible for the special access program established under subsection (a) only if the articles are—

(A) apparel articles classified under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States that are assembled in an eligible sub-Saharan African country from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, and sewn with thread formed in the United States, whether or not such articles were subjected to stone-washing, enzyme-washing, acid-washing, permapressing, oven-baking, bleaching, garment-dyeing, embroidery, or other similar processes; or

(B) handloomed, handmade, or folklore articles of an eligible sub-Saharan African country that are identified under paragraph (2) and are certified as such by the competent authority of that country.

(2) DETERMINATION OF HANDLOOMED, HANDMADE, OR FOLKLORE GOODS.—For purposes of paragraph (1)(B), the President, after consultation with the eligible sub-Saharan African country concerned, shall determine which, if any, particular apparel goods of the country shall be treated as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) or Appendix 3.1.B.11 of Annex 300–B of the North American Free Trade Agreement.

(3) ACTIONS BY PRESIDENT TO PREVENT MARKET DISRUPTION.—The President may impose the normal trade relations rates of duty, restrict the quantity of imports, or both, with respect to imports of eligible goods under this subsection from any eligible sub-Saharan African country if the President determines that such action is necessary to prevent market disruption or the threat thereof.

(c) REPORT.—The President shall include as part of the first annual report under section 16 a report on the establishment of the special access program under subsection (a) and shall report to the Congress annually thereafter on the implementation of the program and its effect on the textile and apparel industry in the United States.

(d) DEFINITION.—For purposes of this section, the term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

SEC. 8. PENALTIES FOR VIOLATIONS OF CUSTOMS LAWS INVOLVING APPAREL GOODS.

(a) PENALTIES.—Section 592 of the Tariff Act of 1930 (19 U.S.C. 1592) is amended by adding at the end the following:

''(g) PENALTIES INVOLVING APPAREL GOODS.—

''(1) FRAUD.—Notwithstanding subsection (c), the civil penalty for a fraudulent violation of subsection (a) based on a claim that apparel goods are eligible products of countries in sub-Saharan Africa—

''(A) shall, subject to subparagraph (B), be double the amount that would otherwise apply under subsection (c)(1); and

''(B) shall be an amount not to exceed 300 percent of the declared value in the United States of the merchandise if the violation has the effect of circumventing any quota on apparel goods.

''(2) GROSS NEGLIGENCE.—Notwithstanding subsection (c), the civil penalty for a grossly negligent violation of subsection (a) based on a claim that apparel goods are eligible products of countries in sub-Saharan Africa—

''(A) shall, subject to subparagraphs (B) and (C), be double the amount that would otherwise apply under subsection (c)(2);

''(B) shall, if the violation has the effect of circumventing any quota of the United States on apparel goods, and subject to subparagraph (C), be 200 percent of the declared value of the merchandise; and

''(C) shall, if the violation is a third or subsequent offense occurring within 3 years, be the penalty for a fraudulent violation under paragraph (1) (A) or (B), whichever is applicable.

''(3) NEGLIGENCE.—Notwithstanding subsection (c), the civil penalty for a negligent violation of subsection (a) based on a claim that apparel goods are eligible products of countries in sub-Saharan Africa—

''(A) shall, subject to subparagraphs (B) and (C), be double the amount that would otherwise apply under subsection (a)(3);

''(B) shall, if the violation has the effect of circumventing any quota of the United States on apparel goods, and subject to subparagraph (C), be 100 percent of the declared value of the merchandise; and

''(C) shall, if the violation is a third or subsequent offense occurring within 3 years, be the penalty for a grossly negligent violation under paragraph (2) (A) or (B), whichever is applicable.''.

(b) MITIGATION.—Section 618 of the Tariff Act of 1930 (19 U.S.C. 1618) is amended—

(1) by striking ''Whenever'' and inserting ''(a) IN GENERAL.—Whenever'', and

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

''(b) MITIGATION RULES RELATING TO APPAREL GOODS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of law, the Secretary of the Treasury may remit or mitigate any fine or penalty imposed pursuant to section 592 based on a claim that apparel goods are eligible products of countries in sub-Saharan Africa only if—

''(A) in the case of a first offense, the violation is due to either negligence or gross negligence; and

''(B) in the case of a second or subsequent offense, prior disclosure (as defined in section 592(c)(4)) is made within 180 days after the entry of the goods.

''(2) SPECIAL RULE FOR PRIOR DISCLOSURES AFTER 180 DAYS.—In the case of a second or subsequent offense where prior disclosure (as defined in section 592(c)(4)) is made after 180 days after the entry of the goods, the Secretary of the Treasury may remit or mitigate not more than 50 percent of such fines or penalties.''.

(c) SEIZURE AND FORFEITURE.—Section 596(c)(2) of the Tariff Act of 1930 (19 U.S.C. 1595a(c)(2)) is amended—

(1) in subparagraph (E), by striking ''or'' after the semicolon;

(2) in subparagraph (F), by striking the period and inserting ''; or''; and

(3) by inserting after subparagraph (F) the following:

''(G) it consists of apparel goods that are claimed to be eligible products of countries in sub-Saharan Africa introduced into the United States for entry, transit, or exportation, and

''(i) the merchandise or its container bears false or fraudulent markings with respect to the country of origin, unless the importer of the merchandise demonstrates that the markings were made in order to comply with the rules of origin of the country that is the final destination of the merchandise, or

''(ii) the merchandise or its container is introduced or attempted to be introduced into the United States by means of, or such introduction or attempt is aided or facilitated by means of, a material false statement, act, or omission with the intention or effect of—

''(I) circumventing any quota that applies to the merchandise, or

''(II) undervaluing the merchandise.''.

(d) CERTIFICATES OF ORIGIN.—Notwithstanding any other provision of law, all importations of apparel goods that are claimed to be eligible products of countries in sub-Saharan Africa shall be accompanied by—

(1)(A) the name and address of the manufacturer or producer of the goods, and any other information with respect to the manufacturer or producer that the Customs Service may require; and

(B) if there is more than one manufacturer or producer, or there is a contractor or subcontractor of the manufacturer or producer with respect to the manufacture or production of the goods, the information required under subparagraph (A) with respect to each such manufacturer, producer, contractor, or subcontractor, including a description of the process performed by each such entity;

(2) a certification by the importer that the importer has exercised reasonable care to ascertain the true country of origin of the apparel goods and the accuracy of all other information provided on the documentation accompanying the imported goods, as well as a certification of the specific action taken by the importer to ensure reasonable care for purposes of this paragraph; and

(3) a certification by the importer that the goods being entered do not violate applicable trademark, copyright, or patent laws.

Information provided under this subsection shall be sufficient to demonstrate compliance with the United States rules of origin for textile and apparel goods.

Redesignate succeeding sections, and references thereto, accordingly.

Page 18, line 19, insert after ''(b)'' the following: ''(other than apparel articles described in paragraph (1)(A) of subsection (b))''.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. BISHOP) is recognized for 5 minutes.

Mr. BISHOP. Mr. Speaker, I move to recommit. I want this House to know that I would like to see us pass an Africa trade bill. I want everyone to know that we believe that we ought to pass an Africa trade bill, but it ought to be a good Africa trade bill, and it ought to promote economic growth and the well-being of the people of Sub-Saharan Africa, but not at expense of the people of America.

I am offering this motion to recommit so that we can send this bill back to the committee and perfect it and do in the House what we expect the Senate is going to do when it sees this bill. This bill will not offer labor protections, it will not protect us against transshipped textiles from China, it will not protect American jobs. Mr. Speaker, we ought to do for Africa what we did for Europe. We need an African Marshall Plan.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. HAYES).

(Mr. HAYES asked and was given permission to revise and extend his remarks.)

Mr. HAYES. Mr. Speaker, we are from Congress, we are here to help. That is great. Let us help the American textile worker and family for a change. Help Africa, of course, but not at the expense of American men and women who depend on textiles for their livelihood.

For those who believe that the Sub-Saharan trade bill represents free and fair trade, I invite them down to the 8th District of North Carolina. I invite them to meet the most decent and hard-working people in this great Nation. And I invite them to stand at the mill gate and explain to them how wonderful this legislation will make their lives. They have heard it before. They remember clearly the promises made to them during negotiations of NAFTA and GATT, and they now know these promises were hollow.

Mr. Speaker, we in rural, textile-rich America no longer have faith in trade agreements which so obviously disregard the health of our proud industry. We can fix this. All we have to do is vote to recommit and support the Bishop-Myrick amendment.

Mr. Speaker, as it is now written, without a textile provision, no one in Africa is helped by the massive transshipment industry created for the Chinese. The gentleman from California (Mr. HUNTER) read their press release, their game plan. Their plan is clear as a bell. Let the transshipments begin. The only person helped may be someone selling aviation fuel for the planes which will bring the foreign goods to bury our textile industry and the men and women who depend on it. My colleagues will complete the destruction of this industry, its jobs and especially its people by allowing this bill to pass without the Bishop-Myrick amendment.

Mr. Speaker, we saw fit to acknowledge the crisis in our steel industry. I supported this measure. I did not support it because I have a lot of steel manufacturers in my district, I supported it because it was the right thing to do.

While the plight of the steel industry is serious, the plight of the textile industry has been nothing short of tragic. While the steel industry lost 17,000 jobs, the textile industry has lost 180,000 during the same time.

Mr. Speaker, I urge my colleagues to support American people, support a true American industry, vote to recommit and fix this bill which, in its present form, only serves to hurt African-Americans and others in the U.S.A., taking their jobs. Help Africa, but help America first.

Mr. BISHOP. Mr. Speaker, I yield to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS. Mr. Speaker, I thank the gentleman from Georgia (Mr. BISHOP) for yielding.

Mr. Speaker, the Bureau of Labor Statistics reports that, since 1995, over 375,000 American textile and apparel workers have lost their jobs. Many of these workers have been from the State of Georgia, a number of them from the Third District of Georgia.

In June of 1999, headlines in the Third District newspapers read, and I quote: ''Thomaston Mills Drops Bombshell: Textile Firm will Close Local Plant, Leaving 145 Jobless.'' That may not seem like many jobs, but that is the second largest employer in this particular community, which was big to them.

And another headline: ''Closing will Affect All Taxpayers,'' meaning a loss to the property digest in this county which is a great loss. In addition to closing this plant, Thomaston Mills simultaneously shut down factories in other neighboring counties and also offices in Los Angeles and New York costing another 555 jobs.

Workers, their families, and the communities of the Third District of Georgia are not ready to accept another trade deal that exports jobs rather than goods, so I urge my colleagues, vote for the motion to recommit.

Mr. BISHOP. Mr. Speaker, reclaiming my time, I would like to close this out by simply saying that if we recommit, if we pass this motion to recommit, we will then be in a position to perfect this bill and to truly have a bill that would be beneficial for the people in Africa and for the people in America, workers in the United States.

If we fail to pass this motion to recommit, then we will have to depend upon the other body to do what we should have done ourselves here in this body. It will not pass on the other side without the provisions that we are trying to get in to protect both Africa and American workers.

Mr. CRANE. Mr. Speaker, I rise to claim the time in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, I yield to the gentleman from New York (Mr. RANGEL), our distinguished ranking minority member on the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I rise in opposition to the motion to recommit. It does not say that the African countries cannot export any clothing to the United States. It does not say that. It merely says that the clothing has to be assembled only with United States of America fabric, only with United States of America yarn and only with United States of America thread.

I really think that this is repugnant to everything that we think of when we talk about trade. So manufacturers of clothes ship it across the Atlantic, let them stitch up our fabric and yarn and thread, and they will ship it back and try to sell it for a profit.

Mr. CRANE. Mr. Speaker, reclaiming my time, transportation costs involved with shipping fabric from the U.S. to Africa are prohibitively high, and shippers rarely service African ports. Even if a U.S. fabric requirement were economically feasible, it would discourage investment in African fabric production which would prohibit Africa from ever being able to compete in that sector. A U.S. fabric requirement is a gutting proposal which will stifle African economic growth and discourage job creation in America, and I urge my colleagues to vote ''no'' on the motion to recommit.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. TRAFICANT. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

Mr. TRAFICANT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 234, nays 163, not voting 37, as follows:

[Roll No. 307]

YEAS—234

Ackerman
Allen
Archer
Armey
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Biggert
Bilbray
Bliley
Blumenauer
Boehlert
Bono
Borski
Brady (TX)
Brown (FL)
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Clay
Clement
Cook
Cox
Coyne
Crane
Cummings
Cunningham
Davis (FL)
Davis (VA)
DeGette
DeLay
Deutsch
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Ewing
Farr
Fattah
Fletcher
Foley
Ford
Fossella
Franks (NJ)
Frelinghuysen
Gallegly
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Goss
Granger
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hastert
Hastings (WA)
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilliard
Hinchey
Hinojosa
Hoeffel
Hoekstra
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inslee
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kasich
Kelly
Kilpatrick
Kind (WI)
King (NY)
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Larson
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Manzullo
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McIntosh
McKeon
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, Gary
Minge
Mink
Moore
Moran (VA)
Morella
Neal
Northup
Nussle
Oberstar
Olver
Ose
Owens
Oxley
Packard
Payne
Pease
Pelosi
Petri
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reyes
Reynolds
Rivers
Roemer
Rogan
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Scott
Sensenbrenner
Sessions
Shaw
Shays
Shimkus
Shuster
Simpson
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Snyder
Stabenow
Sununu
Tancredo
Tauscher
Terry
Thomas
Thune
Tiahrt
Toomey
Towns
Turner
Upton
Vitter
Walsh
Watkins
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weller
Wexler
Whitfield
Wilson
Wolf
Wu
Wynn

NAYS—163

Abercrombie
Aderholt
Andrews
Bachus
Baldacci
Ballenger
Barcia
Barr
Bartlett
Berry
Bishop
Blagojevich
Bonilla
Bonior
Boyd
Brady (PA)
Brown (OH)
Bryant
Burr
Buyer
Callahan
Capuano
Carson
Chambliss
Clayton
Clyburn
Collins
Combest
Condit
Conyers
Costello
Cramer
Crowley
Cubin
Danner
Davis (IL)
Deal
DeFazio
Delahunt
DeLauro
DeMint
Diaz-Balart
Dingell
Doyle
Duncan
Emerson
Etheridge
Evans
Everett
Filner
Forbes
Fowler
Frank (MA)
Gibbons
Goode
Goodlatte
Graham
Green (TX)
Gutierrez
Hall (TX)
Hayes
Hilleary
Holden
Holt
Hostettler
Hunter
Isakson
Jackson (IL)
Jenkins
Jones (NC)
Kanjorski
Kaptur
Kennedy
Kildee
Kingston
Kleczka
Klink
Kucinich
Lantos
Lee
Lewis (GA)
Lipinski
LoBiondo
Lucas (OK)
Maloney (CT)
Markey
Mascara
McGovern
McHugh
McIntyre
McKinney
Menendez
Metcalf
Mica
Miller, George
Moakley
Mollohan
Moran (KS)
Murtha
Myrick
Nadler
Napolitano
Ney
Norwood
Obey
Pallone
Pascrell
Pastor
Paul
Peterson (MN)
Phelps
Pickering
Price (NC)
Rahall
Riley
Rodriguez
Rogers
Rohrabacher
Roybal-Allard
Rush
Sanders
Sanford
Schakowsky
Serrano
Sherman
Sherwood
Shows
Sisisky
Skeen
Slaughter
Smith (NJ)
Souder
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sweeney
Talent
Tanner
Taylor (MS)
Taylor (NC)

Thompson (CA)	Velazquez	Weldon (PA)
Thompson (MS)	Vento	Weygand
Thornberry	Visclosky	Wise
Tierney	Walden	Woolsey
Traficant	Wamp	Young (AK)
Udall (CO)	Waters	
Udall (NM)	Watt (NC)	

NOT VOTING—37

Baird	Frost	McNulty
Baker	Ganske	Miller (FL)
Baldwin	Gordon	Nethercutt
Bilirakis	Hansen	Ortiz
Blunt	Hastings (FL)	Peterson (PA)
Boehner	Hefley	Shadegg
Boswell	Hobson	Stark
Boucher	Istook	Tauzin
Burton	John	Thurman
Chenoweth	Largent	Wicker
Coble	Latham	Young (FL)
Coburn	McDermott	
Cooksey	McInnis	

□ 1419

Mr. CUNNINGHAM changed his vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BAIRD. Mr. Speaker, on rollcall No 307, I was unavoidably detained, by traffic. Had I been present, I would have voted ''yea''.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 434, the bill just passed.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

INFORMING MEMBERSHIP OF THE PASSING OF THE HONORABLE GEORGE E. BROWN, JR., MEMBER OF CONGRESS

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, it is my sad duty to inform the Members that we have lost this morning our dear friend from California, GEORGE BROWN, who died in Washington, D.C.

Our prayers and our thoughts are with his family and his friends and neighbors and constituents. He has been a constant friend to all of us on both sides of the aisle. He has been a dedicated public servant and he gave a great, great deal of his life to this body and to his constituents.

I would like to ask us now to rise and have a moment of silence in his memory.

Mr. FARR of California. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from California.

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding to me, and I rise as chair of the California Democratic delegation, and I am sure my colleague, the gentleman from California (Mr. LEWIS) will also ask to be recognized as the Chair of the Republican delegation.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, I appreciate the gentleman yielding to me, and I appreciate the words of our colleague, the gentleman from Missouri (Mr. GEPHARDT), on behalf of GEORGE BROWN.

I wish to announce to the Members that in the days ahead we will be reserving an appropriate time for a memorial discussion on the floor recognizing the many, many years of service of our colleague GEORGE BROWN, and in turn we will be continuing to communicate closely with his family in order to get information to the Members regarding memorial services that are appropriate in California. Those notifications will come to Members very soon.

Further than that, Mr. Speaker, I would urge that we adjourn today in GEORGE BROWN's memory by way of the full membership of the House.

EXPRESSING SORROW OF THE HOUSE AT THE DEATH OF THE HONORABLE GEORGE E. BROWN, JR., MEMBER OF CONGRESS FROM THE STATE OF CALIFORNIA

Mr. FARR of California. Mr. Speaker, I offer a privileged resolution (H. Res. 252) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 252

Resolved, That the House has heard with profound sorrow of the death of the Honorable George E. Brown, Jr., a Representative from the State of California.

Resolved, That a committee of such Members of the House as the Speaker may designate, together with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That when the House adjourns today, it adjourn as a further mark of respect to the memory of the deceased.

The SPEAKER pro tempore. The gentleman from California (Mr. FARR) is recognized for 1 hour.

Mr. FARR of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, maybe other Members of the California delegation would like to speak, but we will set a special time for that. I just want to thank the leadership, the Speaker of the House, and the President of the Senate for already lowering the flags on the Hill on all of our Federal buildings out of respect for the memory of GEORGE BROWN. We will dearly miss him.

We will appoint at the appropriate time a memorial service here on the floor.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I have been a Member of this House now for 11 years, and I have to say that I have never met a man more principled and more honest and more open than GEORGE BROWN.

I loved GEORGE BROWN dearly, and I think I am talking for the rest of us, certainly on our side of the aisle, and I know many others will come up, but GEORGE BROWN was such a principled human being. And sometimes people who feel so strongly about their principles get caught up in bitterness and partisanship, but GEORGE BROWN had such a wonderful spirit and a happiness about him that he diffused tension with his principles and his spirit rather than creating tensions.

I just would like to add my words and to say that working under his leadership in the Committee on Science was a joy. And here we are at the 30th anniversary of our landing on the moon, and GEORGE BROWN certainly deserves such a great deal of credit for the leadership he provided over the years in this great achievement of our country.

GEORGE BROWN was an honest liberal, an honest man, a man with a dear heart, and we will miss him.

Mr. FARR of California. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, as my colleague indicated, we are going to schedule another time for a memorial service on the floor, rather than do that at this moment. I know Members want to think through all of their feelings about our colleague and I, frankly, want to make sure that Marta has an opportunity to share these moments with us. So we will work with the Speaker and the leadership to make sure an appropriate time is selected and go forward from there.

Mr. FARR of California. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, I rise to inquire of the gentleman from Texas (Mr. ARMEY) regarding next week's schedule.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Georgia. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, before I announce the next week's schedule, I would like to just take a moment on behalf of myself, and I daresay on behalf of all of us on this side of the aisle, to express our deep condolences to the family of GEORGE BROWN. He was, for us, a treasured colleague, a fine man, a gentleman, and a good legislator. The body was richer for his having been here, and the memories we have of our time in this body will be richer for our having had the privilege of serving with him.

Mr. Speaker, with respect to the schedule, the House has concluded legislative business for the week. I want to thank all the Members for their work this week. It was a difficult week, with three appropriations bills under the 5-minute rule, which kept us late. Very late.

And, incidentally, Mr. Speaker, I would like to thank the staff, the floor staff especially, for their long hours. Nevertheless, it allowed us to pass three appropriations bills, keeping us on track to get our key appropriations bills all passed before the August district work period, and that is the kind of progress we are all looking for. So I extend my personal appreciation to all the Members and all the staff for their good work, and especially to the appropriators for their hard work.

Mr. Speaker, next week the House will meet on Monday, July 19, at 12:30 p.m. for morning hour and 2 p.m. for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to all Members' offices this afternoon.

On Monday evening, after suspensions, we will take up H.R. 2415, the American Embassy Security Act. This bill will be considered under a structured rule which passed the House last night. The rule provides for substantial debate on many amendments, so we will complete this bill later in the week.

Members should note that we expect votes on suspension bills and amendments to the American Embassy Security Act after 6 p.m. on Monday evening, July 19.

On Tuesday, Wednesday, and Thursday of next week, the House will consider the following bills, all of which are subject to rules: H.R. 1995, the Teacher Empowerment Act; H.R. 2488, the Financial Freedom Act of 1999; The Department of Defense Appropriations Act; and H.R. 1074, the Regulatory Right to Know Act of 1999.

Also, Members should note that on Thursday, the House will not meet until 11 a.m. in order to allow Members to attend the ceremony commemorating the valiant service of Capitol Police Officers Chestnut and Gibson, who died 1 year ago while serving to defend this Capitol. I know that many of our Members will want to attend this.

As my colleagues can see, this will be another very busy week for the House. I am happy, however, to let Members know we will complete votes on Thursday, July 22, by 6 p.m. and that the House will not be in session on Friday, July 23.

□ 1430

I know that our Members will make good use of that time in their district for that 3-day weekend.

Mr. LEWIS of Georgia. Mr. Speaker, I yield to the gentleman from Illinois (Mr. HASTERT) the Speaker of the House.

The SPEAKER. Mr. Speaker, I thank the gentleman from Georgia for yielding.

Mr. Speaker, I just want to say that the House will do its very best to accommodate the family of the gentleman from California (Mr. BROWN) in the arrangements, and we look forward to seeing what those arrangements will be.

I just want to join all my colleagues in this House to pay our deepest respect to a very, very fine gentleman who represented his district, who represented the ideas that he felt were very, very important to him and this country, and who served on the Committee on Science.

I just want to say that we will look forward to see what those arrangements are and abide by what the wishes of the family will be.

Mr. LEWIS of Georgia. Mr. Speaker, reclaiming my time, I ask the gentleman from Texas (Mr. ARMEY), the majority leader, if he can tell us what day the tax bill will be on the floor of the House?

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Georgia. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I am happy to respond to the gentleman.

The tax bill should be expected to be on the floor on Wednesday. That is the day for which it is scheduled.

Mr. LEWIS of Georgia. Mr. Speaker, I ask the gentleman, what day will the teacher empowerment act be on the floor?

Mr. ARMEY. Mr. Speaker, if the gentleman would continue to yield, we expect to see the teacher empowerment bill on the floor on Tuesday.

Mr. LEWIS of Georgia. Mr. Speaker, I ask the gentleman, do we expect any late nights next week, any 11 o'clock and midnight nights?

Mr. ARMEY. Mr. Speaker, I thank the gentleman for asking. I am sure the entire body thanks the gentleman for asking.

We have only one appropriations bill scheduled during next week. It is under the 5-minute rule. With those bills, it becomes difficult to manage the time. So that, I think I can say with total confidence, certainly not like this week we have just endured. And I expect, frankly, no real serious late nights next week. I think our work will be managed in a much more comfortable time zone.

Mr. LEWIS of Georgia. Mr. Speaker, I am sure all of our colleagues will be very grateful and appreciative.

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, our colleagues and their families will; and we will work hard for that.

ADJOURNMENT TO MONDAY, JULY 19, 1999

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOSWELL (at the request of Mr. GEPHARDT) for today, after 11:30 a.m., on account of official business.

Mr. HASTINGS of Florida (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. ORTIZ (at the request of Mr. GEPHARDT) for today on account of medical reasons.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 775. To establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes.

ADJOURNMENT

Mrs. CAPPS. Mr. Speaker, pursuant to House Resolution 252, I move that the House do now adjourn in memory of the late Hon. GEORGE E. BROWN, Jr.

The motion was agreed to; accordingly (at 2 o'clock and 34 minutes p.m.), under its previous order, and pursuant to House Resolution 252, the House adjourned in memory of the late Hon. GEORGE E. BROWN, Jr. until Monday, July 19, 1999, at 12:30 p.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3061. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hexaconazole; Pesticide Tolerance [OPP–300871; FRL–6084–4] (RIN: 2070–AB78) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3062. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fludioxonil; Pesticide Tolerance for Emergency Exemption [OPP–300877; FRL–6086–4] (RIN: 2070–AB78) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3063. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Cyprodinil; Pesticide Tolerance for Emergency Exemption [OPP–300876; FRL–6086–3] (RIN: 2070–AB78) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3064. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Aspergillus flavus AF36; Exemption from Temporary Tolerance, Technical Amendment [OPP–300860A; FRL–6087–3] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3065. A communication from the President of the United States, transmitting his requests for FY 2000 budget amendments for the Departments of Energy and Labor, and the Corps of Engineers, pursuant to 31 U.S.C. 1107; (H. Doc. No. 106–95); to the Committee on Appropriations and ordered to be printed.

3066. A communication from the President of the United States, transmitting his request for transfers from the Information Technology Systems and Related Expenses account; (H. Doc. No. 106–96); to the Committee on Appropriations and ordered to be printed.

3067. A communication from the President of the United States, transmitting his request for emergency supplemental appropriations for the Department of Transportation to improve the Coast Guard's readiness and support peacekeeping operations in Kosovo; (H. Doc. No. 106–97); to the Committee on Appropriations and ordered to be printed.

3068. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Volatile Organic Compound Emission Standards for Architectural Coatings; Correction [AD–FRL–6368–7] (RIN: 2060–AE55) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3069. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans; Michigan [MI73–7281a; FRL–6366–5] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3070. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Arizona—Maricopa Nonattainment Area; PM–10 [AZ079–0014; FRL–6365–9] (RIN: 2060–A122) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3071. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Georgia: Approval of Revisions to the Georgia State Implementation Plan [GA–33–2–9926a; FRL–6368–6] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3072. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Modoc County Air Pollution Control District, Siskiyou County Air Pollution Control District, Tehama County Air Pollution Control District, and Tuolumne County Air Pollution Control District [CA 210–0103; FRL–6365–3] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3073. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; San Joaquin Valley Unified Air Pollution Control District [CA 009–130c; FRL–6368–4] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3074. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Tennessee; Revised Format for Materials Being Incorporated by Reference [TN–9922; FRL–6367–5] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3075. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Mississippi Update to Materials Incorporated by Reference [MS9921: FRL–6348–4] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3076. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans For Designated Facilities and Pollutants: Massachusetts; Plan for Controlling MWC Emissions From Existing MWC Plants [Docket No. MA–068–7203a; FRL–6377–1] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3077. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan; Illinois [IL186–1a; FRL–6374–1] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3078. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Belfield, North Dakota) [MM Docket No. 98–224 RM–9416] (Medina, North Dakota) [MM Docket No. 98–225 RM–9417] (Burlington, North Dakota) [MM Docket No. 98–226 RM–9415] (Hazelton, North Dakota) [MM Docket No. 98–230 RM–9422] (Gackle, North Dakota) [MM Docket No. 98–231 RM–9421] (New England, North Dakota) [MM Docket No. 98–232 RM–9420] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3079. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Palmer, AK [Airspace Docket No. 99–AAL–5] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3080. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Atqasuk, AK [Airspace Docket No. 99–AAL–3] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3081. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Adak, AK [Airspace Docket No. 98–AAL–9] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3082. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Yakutat, AK [Airspace Docket No. 99–AAL–2] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3083. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29616; Amt. No. 1937] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3084. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29617; Amdt. No. 1938] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3085. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 99–NM–112–AD; Amendment 39–11215; AD 99–08–02 R1] (RIN: 2120–AA64) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3086. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter Deutschland (Eurocopter) Model EC135 Helicopters [Docket No. 99–SW–38–AD; Amendment 39–11217; AD 99–12–01] (RIN: 2120–AA64) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3087. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Royal Handel Fireworks, Boston, MA [CGD01–99–102] (RIN: 2115–AA97) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3088. A letter from the Chief, Office of Regulations and Administrative, Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone:

Fenwick Fireworks Display, Long Island Sound [CGD01–99–095] (RIN: 2115–AA97) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3089. A letter from the Chief, Office of Regulations and Administrative Law, USGC, Department of Transportation, transmitting the Department's final rule—Safety Zone: Koechlin Wedding Fireworks, Western Long Island Sound, Rye, New York [CGD01–99030] (RIN: 2115–AA97) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3090. A letter from the Chief, Office of Regulations and Administrative Law, USGC, Department of Transportation, transmitting the Department's final rule—Safety Zone: Madison 4th of July Celebration, Long Island Sound [CGD01–99–092] (RIN: 2115–AA97) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3091. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Easy Referral of Issues to Appeals [Revenue Procedure 99–28] received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STUMP: Committee on Veterans' Affairs. H.R. 2116. A bill to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs; with an amendment (Rept. 106–237). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 2488. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes; with amendments (Rept. 106–238). Referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 850. Referral to the Committee on International Relations extended for a period ending not later than July 19, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CRAMER:

H.R. 2542. A bill to encourage the reduction of the costs of access to space for both the Federal Government and the private sector, thereby regaining recently lost market share of the United States commercial launch industry, improving the economic competitiveness of the United States in the world markets, and strengthening and maintaining the national security of the United States; to the Committee on Science.

By Mr. JONES of North Carolina:

H.R. 2543. A bill to make the Department of Defense anthrax vaccination immunization program voluntary for all members of the Armed Forces; to the Committee on Armed Services.

By Mr. METCALF:

H.R. 2544. A bill to amend the Fair Debt Collection Practices Act to reduce the cost of credit, and for other purposes; to the Committee on Banking and Financial Services.

By Ms. NORTON:

H.R. 2545. A bill to provide for nuclear disarmament and economic conversion in accordance with District of Columbia Initiative Measure Number 37 of 1992; to the Committee on Armed Services, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RILEY (for himself and Mr. ETHERIDGE):

H.R. 2546. A bill to amend title XVIII of the Social Security Act to provide more equitable payments to home health agencies under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. YOUNG of Alaska:

H.R. 2547. A bill to provide for the conveyance of lands interests to Chugach Alaska Corportion to fulfill the intent, purpose, and promise of the Alaska Native Claims Settlement Act; to the Committee on Resources.

By Mr. JACKSON of Illinois (for himself, Mr. LANTOS, Mr. GILMAN, Mr. DEFAZIO, Mr. SMITH of New Jersey, Mr. BROWN of Ohio, Mr. ROHRABACHER, Mr. KUCINICH, Mr. KING, Mr. DIXON, Mr. TANCREDO, Mr. HINCHEY, Ms. MCKINNEY, Mr. CUMMINGS, Mr. CAPUANO, Mr. PAYNE, Mr. GUTIERREZ, Ms. BALDWIN, Mr. STARK, Mr. WAXMAN, Mr. FILNER, Mr. ABERCROMBIE, Mr. DAVIS of Illinois, Mr. MCGOVERN, Mr. HILLIARD, and Ms. LEE):

H. Con. Res. 156. Concurrent resolution expressing the sense of Congress supporting World Tibet Day; to the Committee on Government Reform.

By Mr. GILMAN (for himself, Mr. LANTOS, Mr. SMITH of New Jersey, Mr. BROWN of Ohio, Mr. ROHRABACHER, and Mr. DELAY):

H. Con. Res. 157. Concurrent resolution concerning the accidental bombing of the Chinese embassy in Belgrade during Operation Allied Force and the subsequent demonstrations at the United States embassy and other facilities in China; to the Committee on International Relations.

By Mr. DELAY (for himself, Mr. MOAKLEY, Mr. HASTERT, Mr. GEPHARDT, Mr. ARMEY, Ms. DUNN, Mr. WYNN, Mr. DAVIS of Virginia, Mr. GEJDENSON, and Mr. BONIOR):

H. Con. Res. 158. Concurrent resolution Designating the Document Door of the United States Capitol as the ''Memorial Door''; to the Committee on Transportation and Infrastructure.

By Mr. FARR of California

H. Res. 252. A resolution expressing the condolences of the House on the death of the Honorable George E. Brown, Jr.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Ms. GRANGER and Mr. KOLBE.

H.R. 8: Ms. VELÁZQUEZ.

H.R. 73: Mr. SAM JOHNSON of Texas.

H.R. 175: Mr. GOODLATTE, Ms. GRANGER, Mr. OXLEY, Mr. HUTCHINSON, Mr. SMITH of Texas, Mr. DEUTSCH, Mr. TOOMEY, and Mr. BALLENGER.

H.R. 254: Mr. GOODLATTE and Mr. SHAW.

H.R. 348: Mr. WATTS of Oklahoma.

H.R. 425: Ms. KAPTUR, Mr. CLAY, Mr. BAIRD, and Mr. SMITH of Washington.

H.R. 486: Mr. GUTIERREZ, Mr. FORD, Mr. HERGER, and Mr. PICKERING.

H.R. 568: Mr. MCINTYRE.

H.R. 655: Mr. DELAHUNT and Mr. DAVIS of Illinois.

H.R. 670: Mr. PHELPS and Mr. LEWIS of Kentucky.

H.R. 721: Mr. PHELPS, Mr. OSE, and Mr. HASTINGS of Washington.

H.R. 730: Mr. SHOWS.

H.R. 797: Ms. SCHAKOWSKY, Mr. BRADY of Pennsylvania, Mr. TIERNEY, Mr. FRANK of Massachusetts, and Mr. GILCHREST.

H.R. 802: Ms. ESHOO, Mr. CONDIT, and Mr. LUCAS of Kentucky.

H.R. 810: Mr. RAHALL, Mr. MOLLOHAN, and Mr. REGULA.

H.R. 835: Mr. FORBES.

H.R. 838: Ms. BERKLEY and Mr. HOEFFEL.

H.R. 914: Mr. MARKEY.

H.R. 941: Mr. BRADY of Pennsylvania, Ms. LEE, Ms. JACKSON-LEE of Texas, and Ms. KAPTUR.

H.R. 957: Mr. PETERSON of Pennsylvania, Mr. SMITH of Texas, and Mr. STUPAK.

H.R. 980: Mr. HUTCHINSON, Mr. DEUTSCH, Mr. LUCAS of Oklahoma, and Mr. HASTINGS of Florida.

H.R. 1001: Mrs. FOWLER, Mr. BARTON of Texas, Mr. WEINER, Mr. BECERRA, Mr. JOHN, and Mr. ANDREWS.

H.R. 1012: Mr. COLLINS and Mr. BARTLETT of Maryland.

H.R. 1081: Mr. VENTO.

H.R. 1083: Mr. SHERWOOD.

H.R. 1091: Mr. MCINTOSH.

H.R. 1111: Mr. WATKINS.

H.R. 1119: Mrs. THURMAN.

H.R. 1138: Mr. WALSH.

H.R. 1168: Mr. GOODE, Mr. SKELTON, and Mr. SHERWOOD.

H.R. 1187: Ms. GRANGER, Mr. GILMAN, Ms. LEE, and Mr. CUMMINGS.

H.R. 1221: Mr. KILDEE.

H.R. 1237: Mr. ACKERMAN and Mr. LAZIO.

H.R. 1290: Mr. DOOLITTLE, Mr. ENGLISH, Mr. GUTKNECHT, and Mr. BRADY of Texas.

H.R. 1331: Ms. MILLENDER-MCDONALD.

H.R. 1349: Mr. BARR of Georgia.

H.R. 1338: Mr. OSE, Mr. FORBES, Mr. QUINN, Mr. KENNEDY of Rhode Island, Ms. ESHOO, Mr. TIERNEY, and Mr. LAHOOD.

H.R. 1402: Mr. EHRLICH, Mr. ORTIZ, and Mr. CUMMINGS.

H.R. 1477: Mr. MARKEY.

H.R. 1488: Mr. TRAFICANT, Mrs. NAPOLITANO, and Mr. FROST.

H.R. 1518: Mr. PAYNE, Ms. SLAUGHTER, Mr. SANDLIN, Mr. HINCHEY, Mr. RUSH, Ms. LEE, Mr. MCGOVERN, and Mr. GUTIERREZ.

H.R. 1579: Mr. ISAKSON, Mr. WYNN, Mrs. TAUSCHER, Mr. TALENT, Mr. HUTCHINSON, Ms. KAPTUR, and Mr. CONDIT.

H.R. 1634: Mr. HOUGHTON and Mr. MCINTYRE.

H.R. 1644: Mr. GANSKE.

H.R. 1731: Mr. PRICE of North Carolina.

H.R. 1736: Ms. SCHAKOWSKY and Mr. MCGOVERN.

H.R. 1760: Mr. HOUGHTON, Mr. LEACH, Mr. BOEHLERT, Mr. OWENS, and Mr. FORBES.

H.R. 1824: Mr. LATHAM.

H.R. 1837: Mr. JENKINS, Mr. KILDEE, Mr. SUNUNU, Ms. MILLENDER-MCDONALD, and Mr. POMEROY.

H.R. 1858: Mr. NEY.

H.R. 1861: Mr. BLUNT.

H.R. 1863: Mr. FOLEY.
H.R. 1869: Mrs. FOWLER.
H.R. 1875: Mr. GARY MILLER of California, Mr. GOSS, Mr. BARTLETT of Maryland, Mrs. BIGGERT, Mr. DAVIS of Virginia, and Mr. BACHUS.
H.R. 1899: Mr. MEEHAN, Mr. HOLT, Mr. CUMMINGS, Ms. SANCHEZ, Mr. MARKEY, and Ms. EDDIE BERNICE JOHNSON of Texas.
H.R. 1932: Mr. ROTHMAN and Mr. GEPHARDT.
H.R. 1967: Mr. BRADY of Pennsylvania and Mr. CONDIT.
H.R. 1975: Mr. CALVERT and Mr. PAUL.
H.R. 1990: Mr. COYNE, Mr. STRICKLAND, and Mr. LIPINSKI.
H.R. 1998: Mr. MATSUI, Mr. ISAKSON, and Mr. MARKEY.
H.R. 1999: Mr. DAVIS of Illinois.
H.R. 2004: Mr. CAPUANO and Mrs. CHRISTENSEN.
H.R. 2013: Mr. LAHOOD and Mr. HILLEARY.
H.R. 2020: Mr. FORBES.
H.R. 2030: Mr. FORD.
H.R. 2031: Mr. PETERSON of Pennsylvania and Mr. KENNEDY of Rhode Island.
H.R. 2106: Mr. RYAN of Wisconsin.
H.R. 2185: Mr. COYNE and Mr. MCDERMOTT.
H.R. 2231: Mr. MCDERMOTT.
H.R. 2241: Mr. ADERHOLT, Mr. PETERSON of Pennsylvania, Mr. BOUCHER, Mr. WHITFIELD, Mr. MCGOVERN, and Mr. STENHOLM.
H.R. 2247: Mr. ISAKSON, Mr. KNOLLENBERG, and Mr. BARR of Georgia.
H.R. 2337: Mr. HILLEARY.
H.R. 2388: Mr. OBERSTAR.
H.R. 2341: Mr. CALLAHAN, Mr. COSTELLO, Mr. WHITFIELD, Mr. MCDERMOTT, and Mr. OBERSTAR.
H.R. 2344: Mr. MALONEY of Connecticut.
H.R. 2400: Mr. WATKINS, Mr. FROST, Mr. ISAKSON, and Mr. BALLENGER.
H.R. 2409: Mrs. CHRISTENSEN, Mr. GONZALEZ, and Mr. GUTIERREZ.
H.R. 2446: Mr. LAFALCE, Mr. CROWLEY, Ms. LOFGREN, and Mr. CONYERS.
H.R. 2452: Mr. ARMEY.
H.R. 2458: Ms. STABENOW.
H.R. 2488: Mr. THOMAS, Mr. ISAKSON, Mr. SMITH of Texas, and Mr. FOLEY.
H.R. 2498: Mr. SERRANO, Mr. PETERSON of Pennsylvania, Mr. MCGOVERN, Mr. DOYLE, Ms. KAPTUR, Mr. BARTON of Texas, Mr. FILNER, and Ms. DUNN.
H.R. 2499: Mr. TOWNS and Mr. DINGELL.
H.R. 2515: Mrs. LOWEY and Mr. MALONEY of Connecticut.
H. Con. Res. 38: Mr. SCOTT and Mr. BISHOP.
H. Con. Res. 110: Mr. GREEN of Wisconsin, Mrs. MORELLA, Mr. HORN, Mr. LAMPSON, Mr. GOODE, Mr. COOKSEY, Mr. HOBSON, Mr. RAHALL, Mr. GREENWOOD, Mr. ORTIZ, Mr. FALEOMAVAEGA, Mr. RILEY, Mr. PETRI, Mr. DIXON, Mr. SHERMAN, Ms. SCHAKOWSKY, Mr. BACHUS, Mr. KNOLLENBERG, Mrs. CLAYTON, Mr. GONZALEZ, Ms. CARSON, Mr. FORBES, Mr. COOK, Mr. EHLERS, Mr. CLYBURN, Mr. GUTKNECHT, Mr. SKELTON, Ms. JACKSON-LEE of Texas, Mrs. MYRICK, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FILNER, Mr. PHELPS, Mr. OXLEY, Mr. NEAL of Massachusetts, Mr. HALL of Texas, Mr. MASCARA, Mr. BEREUTER, Mr. LUCAS of Oklahoma, and Ms. DANNER.
H. Con. Res. 113: Mr. MCINTYRE.
H. Con. Res. 120: Mr. BASS and Mr. BONIOR.
H. Con. Res. 137: Mr. BARR of Georgia.
H. Res. 169: Mr. SABO.
H. Res. 201: Mrs. NORTHUP, Mr. KENNEDY of Rhode Island, Mr. DEMINT, and Mr. BERMAN.

DISCHARGE PETITIONS

Under clause 2 of rule XV, the following discharge petitions were filed:

Petition 4, Thursday, July 15, 1999, by Ms. DEGETTE on House Resolution 192, was signed by the following Members: Diana DeGette, Carolyn McCarthy, Nita M. Lowey, Rosa L. DeLauro, Charles B. Rangel, Frank Pallone, Jr., Janice D. Schakowsky, Harold E. Ford, Jr., Louise McIntosh Slaughter, Stephanie Tubbs Jones, Jerrold Nadler, Mark Udall, James P. Moran, Zoe Lofgren, Nancy Pelosi, Maxine Waters, Lynn C. Woolsey, Sam Farr, Juanita Millender-McDonald, Barbara Lee, David E. Bonior, Xavier Becerra, William D. Delahunt, Anna G. Eshoo, Lois Capps, Tom Lantos, Robert T. Matsui, Lucille Roybal-Allard, Grace F. Napolitano, and Brad Sherman.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1995

OFFERED BY: MRS. MINK OF HAWAII

AMENDMENT NO. 1: Page 40, line 24, before the semicolon insert ''and redesignating part E as part D''.

Page 40, strike line 25 and insert the following:

(2) by inserting after section 2260 the following:

''PART C—USE OF SABBATICAL LEAVE FOR PROFESSIONAL DEVELOPMENT

''SEC. 2301. GRANTS FOR SALARY DURING SABBATICAL LEAVE.

''(a) PROGRAM AUTHORIZED.—The Secretary may make grants to State educational agencies and local educational agencies to pay such agencies for one-half of the amount of the salary that otherwise would be earned by an eligible teacher described in subsection (b), if, in lieu of fulfilling the teacher's ordinary teaching assignment, the teacher completes a course of study described in subsection (c) during a sabbatical term described in subsection (d).

''(b) ELIGIBLE TEACHERS.—An eligible teacher described in this subsection is a teacher who—

''(1) is employed by an agency receiving a grant under this section to provide classroom instruction to children at an elementary or secondary school that provides free public education;

''(2) has secured from such agency, and any other person or agency whose approval is required under State law, approval to take sabbatical leave for a sabbatical term described in subsection (d);

''(3) has submitted to the agency an application for a subgrant at such time, in such manner, and containing such information as the agency may require, including—

''(A) written proof—

''(i) of the approval described in paragraph (2); and

''(ii) of the teacher's having been accepted for enrollment in a course of study described in subsection (c); and

''(B) assurances that the teacher—

''(i) will notify the agency in writing within a reasonable time if the teacher terminates enrollment in the course of study described in subsection (c) for any reason;

''(ii) in the discretion of the agency, will reimburse to the agency some or all of the amount of the subgrant if the teacher fails to complete the course of study; and

''(iii) otherwise will provide the agency with proof of having completed such course of study not later than 60 days after such completion; and

''(4) has been selected by the agency to receive a subgrant based on the agency's plan for meeting its classroom needs.

''(c) COURSE OF STUDY.—A course of study described in this subsection is a course of study at an institution of higher education that—

''(1) requires not less than one academic semester and not more than one academic year to complete;

''(2) is open for enrollment for professional development purposes to an eligible teacher described in subsection (b); and

''(3) is designed to improve the classroom teaching of such teachers through academic and child development studies.

''(d) SABBATICAL TERM.—A sabbatical term described in this subsection is a leave of absence from teaching duties granted to an eligible teacher for not less than one academic semester and not more than one academic year, during which period the teacher receives—

''(1) one-half of the amount of the salary that otherwise would be earned by the teacher, if the teacher had not been granted a leave of absence, from State or local funds made available by a State educational agency or a local educational agency; and

''(2) one-half of such amount from Federal funds received by such agency through a grant under this section.

''(e) PAYMENTS.—

''(1) TO ELIGIBLE TEACHERS.—In making a subgrant to an eligible teacher under this section, a State educational agency or a local educational agency shall agree to pay the teacher, for tax and administrative purposes, as if the teacher's regular employment and teaching duties had not been suspended.

''(2) REPAYMENT OF SECRETARY.—A State educational agency or a local educational agency receiving a grant under this section shall agree to pay over to the Secretary the Federal share of any amount recovered by the agency pursuant to subsection (b)(3)(B)(ii).

''(f) FUNDING.—For the purpose of carrying out this section, there are authorized to be appropriated $200,000,000 for fiscal year 2000 and such sums as may be necessary for fiscal years 2001 through 2004.''; and

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, FRIDAY, JULY 16, 1999 No. 101

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Gracious Father, we begin this day with the amazing assurance of Your lovingkindness. We hear Your word to us through Jeremiah, ''I have loved you with an everlasting love; therefore with lovingkindness have I drawn you''.—Jeremiah 31:3.—We respond with the grateful words of the psalmist: ''How precious is Your lovingkindness, O God''.—Psalm 36:7. ''Because Your lovingkindness is better than life, my lips shall praise You.''—Psalm 63:3.

As Your lovingkindness captures our thinking, we feel Your acceptance, forgiveness, and compassion. There is nothing we can do that will make You stop loving us but there is something we can do to realize Your love for us. We can love ourselves as loved and forgiven by You, and we can dedicate this day to communicating Your lovingkindness to the people around us. Remind us that practical, positive acts of lovingkindness heal the one who does them and those who receive them. Alert us to people who need Your lovingkindness through us and make this a ''do it and say it'' kind of day. Through our Lord and Savior. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore. Senator ABRAHAM is designated to lead the Senate in the Pledge of Allegiance.

The Honorable SPENCER ABRAHAM, a Senator from the State of Michigan, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader, Senator ABRAHAM, is recognized.

SCHEDULE

Mr. ABRAHAM. Mr. President, today the Senate will immediately begin debate on cloture to the Social Security lockbox legislation for 1 hour, with a vote to occur at approximately 10:30 a.m. For the information of all Senators, that vote will be the only rollcall vote during today's session of the Senate.

Following the vote, Senator COVERDELL will be recognized for 1 hour of morning business. Senators KERREY and BREAUX will be in control of the second hour.

I thank my colleagues for their attention.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Michigan.

PRIVILEGE OF THE FLOOR

Mr. ABRAHAM. Mr. President, before we proceed, I ask unanimous consent that privileges of the floor be granted to Sandy Davis, a detailee from the Congressional Budget Office working with the staff of the Budget Committee, during consideration of S. 557.

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

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS—Resumed

The PRESIDING OFFICER. Under the previous order, there will now be 1 hour of debate evenly divided between the two leaders prior to the cloture vote on amendment No. 297 to the instructions to the motion to recommit the bill S. 557.

Pending:

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

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

Lott motion to recommit the bill to the Committee on Governmental Affairs, with instructions and report back forthwith.

Lott amendment No. 296 (to the instructions of the Lott motion to recommit), to provide for Social Security surplus preservation and debt reduction.

Lott amendment No. 297 (to amendment No. 296), in the nature of a substitute (Social Security Lockbox).

Mr. ABRAHAM. Mr. President, I yield myself such time as I might need.

We find ourselves once again on the Senate floor. As I said to the Senator from New Jersey, some years back there was a movie called ''Groundhog Day'' in which the main character in the movie kept waking up each day in the same exact setting in which he found himself the previous day. Somehow that movie's theme seems to be playing itself out in this debate about the lockbox. We are once again to have a cloture vote to simply try to obtain the opportunity to have a vote on the amendment which was offered by myself, along with Senator DOMENICI and Senator ASHCROFT, to the underlying legislation.

We have previously tried to accomplish this without success. It is very frustrating because if we obtain cloture today, we would get this vote, but this legislation would then be open to further amendment by any Senator who wished to change its composition.

So I start the debate by pointing out to all my colleagues that all we are

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

Printed on recycled paper.

asking for is a chance to have a vote on one amendment.

Now, this past 4 days we have been debating the Patients' Bill of Rights. I remember back a few weeks ago the entire Senate was virtually shut down so a group of Senators who wanted to have that issue considered could have the entire issue considered and a full range of amendments brought up and voted on, and we did that. Here all we are asking for is a chance to have a vote on one amendment to a broader bill. I hope we will get the chance to do so.

The reason for that is very simple. Across my State, and I think across this country, Americans continue to want to see their Social Security dollars protected. They want to make sure every single dollar they send to Washington in their payroll taxes for Social Security is preserved and not spent on other programs or used for tax cuts or for any other purpose but for their Social Security protection. They want to make sure today's beneficiaries are protected. They want to make sure future beneficiaries are protected. So do the advocates of this amendment. It is not just one side that advocates this, as far as I can tell, because just in the last few weeks we have heard from the White House that the President, too, shares our view that we ought to have a Social Security lockbox.

It does not seem to me very clear why, as a result of that, we cannot have a vote on this proposal. If others have additions or deletions or counterproposals, they will have their chance because the underlying bill will still be subject to further amendment. But those of us who think this is the right approach want to have a chance to have this approach ultimately debated and be voted on. We have been trying and trying without success. I hope today we can continue down the path we started just a few days ago when we ultimately obtained cloture on the motion to proceed.

As I open this debate, I implore Members on both sides of the aisle to give those of us who are advocating this amendment a chance to have a vote on it. If you have your own ideas, bring those, too, and once we have voted on this amendment, we will vote on yours. But let us at least get the ball rolling. If everybody is as strongly for a lockbox as they profess, then let us have a chance to start the debate, and let us start with this amendment which was the first one offered.

Mr. President, at this point I yield the floor.

The PRESIDING OFFICER (Mr. VOINOVICH). Who yields time? The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

As stated by our colleague and friend from the State of Michigan, we are kind of looking at the same thing again. He likened it to ''Groundhog Day.'' I would say it is ''deja vu all over again.'' That was said by a great philosopher in New Jersey, Yogi Berra.

What are we talking about? What we are discussing is whether or not the people on this side of the aisle and the people up there and the people out there will have a right to have their views included in this debate.

It is pretty simple. We are talking about a lockbox. A lockbox is a place where you can preserve treasure, where you can preserve family records, jewelry, et cetera. But I never heard of a lockbox where they put in one article of value and leave out the rest.

What we are hearing is that we are going to protect Social Security's surpluses, but we are not going to do anything, according to the majority, to extend the solvency of Social Security. We are not going to do anything to include Medicare's solvency. People do not get into these programs until they are 65 years old. At that time, do you want to have to worry about whether or not health insurance is going to be available? Do you want to worry whether that retirement fund is going to be there for your children who are now hard at work trying to take care of their needs while they also prepare for their retirement? The Republicans are saying: Leave it to us; we will figure out a way to take care of it some day off in Wonderland.

The fact of the matter is, yes, we want to engage in an honest debate about this. It is not just let us have our vote. Let them have their vote means that under the proposal they have offered, this side gets no votes and the people we represent across this country get no opinion expressed. Look at the polls and see what they think about who is going to do the best job to protect Social Security and Medicare. They are going to say the Democrats are the people who worry most about it.

We are beginning to look at an examination of process, a process that a lot of people do not understand, even some in this body, but certainly across the country people do not understand it: Cloture motions.

Amendments, allow us to discuss them. Pure and simple, that is the way the American people want us to talk to them. Will they allow us, the Democrats, to register our view of how this Social Security so-called lockbox is going to look? Does it do the job the American people want? Or are we using terminology that has a certain ring to it that has no value?

That is the question. I say to my friend from Michigan, let us have some amendments so that we do not have to, up or down, just take what the Republicans have offered. Let us debate it. It is a big enough proposal, I think.

Yes, it has reared its ugly head several times. The fact of the matter is, we have not yet gotten to see the whole body there. We do not understand all the ramifications. At least the public does not understand them.

Give us a chance to have some amendments. They are saying: No, the first thing we are going to do is move on to the Abraham-Domenici-Ashcroft proposal.

We do not want to do it that way. We are going to do our darndest to protect the American people. We are going to insist we have a lockbox that includes solvency for Medicare extended by 20 years, extend Social Security by 30 years or 40 years, and try during that period of time to work it out so it is extended for 75 years.

That is what our mission ought to be—look ahead and not simply try to shut things down and offer as a juicy incentive a tax cut that is best for the wealthiest in this country.

It is $1 trillion for the cost of the House Republican tax cut. Out of that, they take $55 billion away from Social Security to help it along. They take $964 billion of the surplus to help that tax cut along. The American people are more interested in putting food on the table, providing for their education, and protecting their parents' health care in the future than they are about that kind of tax cut.

We want to give a tax cut, too. Everybody loves tax cuts. The difference is, we love them for the majority of the people where it counts. We love them because we want people to receive adequate child care, and we want to know they can take care of the elderly when medical services are necessary. It is not just tax cuts for tax cuts. No, tax cuts for political purposes is what we are looking at—tax cuts for the wealthy.

This economy is boiling. You cannot get help to do this. You cannot get help to do that. You want to buy a house. The housing market is exploding. If you want to go into fancy items such as boats and airplanes, you have to wait 3 years to get delivery on them. I do not feel sorry for a guy who has to wait 3 years for a new airplane. The fact of the matter is, that is where that money will go with a tax cut, and not into the homes of people who worked all their lives to save a few bucks and provide for their retirement, as well as for their medical care needs.

That is what this debate is about, and I hope that our colleagues will stick together on this side and insist that we have a chance to offer people's amendments. That is what we are discussing. We are not discussing anything else. There is no trickery. Let us express a view that maybe, if people listen to it, they will consider it and, if not, then we have the votes. They are the majority. They are going to get their way; we know that, but I do not think that is a good way to serve the public.

Mr. President, I ask the distinguished Senator from Michigan, shall we switch sides?

Mr. ABRAHAM. That will be fine, back and forth.

Mr. LAUTENBERG. I yield the floor.

Mr. ABRAHAM. Mr. President, before I yield the floor, I, once again, for all Senators, make the following point: We are not seeking cloture on the underlying bill. It will still be subject to

amendments that I believe the Senator from New Jersey is referencing. I do not know what those amendment are. They can be brought up if we obtain cloture. All we get is a chance to vote on our amendment. I cannot figure out why we are not being allowed a chance to vote on our amendment. I will continue to make that point today.

I yield such time as he may need to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I thank the Senator. The Senator from New Jersey said, ''This side gets no votes.'' I wrote it down word for word. The Senator from New Jersey said, ''This side,'' meaning the Democratic side, ''gets no votes.'' Does the Senator from New Jersey realize that this is a cloture motion on the amendment? This is not a cloture motion on the bill. The cloture motion on the amendment simply says that we get a vote on our amendment. After the amendment is adopted or rejected, the bill is still there, and it is open for amendment. The amendment which we adopt, if we adopt it, will be open to amendment. The Senator can amend it. He can substitute it. He can eliminate it. He can do whatever he wants. He will get all the votes he wants.

The Senator from New Jersey said, ''Let us have some amendments.'' How many amendments does the Senator want? I will be happy to listen. How many amendments would the Senator from New Jersey like?

Mr. LAUTENBERG. I cannot speak for our leadership, but he has been waiting for a response from the majority leader as to whether or not amendments are going to be permitted. The Senator from Pennsylvania knows only too well that when we talk about this amendment, we are talking about the bill; we are talking about the issue. We are not talking about some abstract condition.

Mr. SANTORUM. Mr. President, reclaiming my time, the Senator knows, once we put the amendment in the underlying bill, it is then open and subject to amendment which the Senator can offer. In fact, he has an unlimited right in the Senate to offer amendments to the underlying amendment. All we are doing is asking to put in this budget bill an underlying amendment for the membership to then amend to its heart's content, vote as many times as the Senator from New Jersey wants to vote.

As we have seen in the last 4 days, we had multiple amendments. We had, what? We had an underlying bill. We had an underlying bill that was a Democratic bill and an underlying bill that was a Republican bill. All I am saying is let us put our underlying bill in place, and then my colleagues can have all the fun they want in trying to craft different amendments to that or substituting their own version of it.

The Senator from New Jersey said: All we want is an honest debate. We are trying to get an honest debate.

Let's put the measure in the underlying bill and have at it. Let's have a full and open debate. Maybe we can get a unanimous consent agreement to be on this for a couple of days and allow amendments on both sides. That is the way we do things in this body. All of us are willing to do that. I am certainly willing to do that. I am certainly willing to give the Democrats the opportunity to put forward their lockbox proposal and willing to put forward amendments to our lockbox proposal.

I welcome an open, honest, and fair debate, but we cannot get there, as the Senator from New Jersey knows, unless we have a bill with which to start. We cannot start amending nothing. We have to amend something. What we are trying to do is put something in place to start the ball rolling.

I understand the Senator would like to have a Democratic bill start the process. I understand that. As he knows, we have to start somewhere, and putting our bill up first, as the majority, is not an irrational thing to suggest as a starting point, as long as we give you the right to amend, which we do.

This vote does not limit your rights at all. It limits no rights on your side. You have all the full rights that a Senator has and that the minority has under the current set of rules. So this idea that this side has no votes or this side has no amendments is not factual. You have unlimited amendments and unlimited rights to amend this proposal.

This proposal simply says: Every dollar coming into Social Security should be used for Social Security. The Senator from New Jersey said: Well, the House tax cut uses Social Security money. If it does, guess what. We will have a vote right here on the Senate floor in which 60 Senators will have to say: We want to spend Social Security for that tax cut.

I do not think you will get 60 votes. I know you will not get 60 votes. This Senator will not vote for it. I know a lot of Senators over here who will not vote for using Social Security surplus funds for any tax relief.

I am perfectly willing—in fact, advocating—to use the onbudget surplus to give relief to the taxpayers of America. In fact, giving them that relief will help to buy the food and the medicines and other things the Senator just talked about. It is important to do that. We do not have to do everything for everybody. We can actually let people keep their own money and do it themselves. I think people would have the preference of doing it that way.

As to the idea that we have the power right now to stop raids on Social Security, we do not. We do not. We saw that last October. What happened last October was that the President got together with the leaders over there, and they raided the surplus, the Social Security surplus. We did not have the courage or the opportunity with a vote to stop it.

If we pass this lockbox proposal, any Senator has the right to ask for a vote, and 60 Senators would have to get up and say: I would rather spend that money on whatever program or spend that money, in a sense, on tax relief. And you need 60 votes. That is a real protection for Social Security.

I, for the life of me, cannot understand why the Senate Democrats are now the only group of people in Washington, DC—and I daresay the country—who are opposing this. You have the President of the United States, a Democrat, who wants this. You have 99 percent of the Democrats in the House of Representatives who voted for it. You have every Republican who is supporting it.

The only group of people in the country, that I can see, who are against having Social Security money for just Social Security are 45 Members on the other side of the aisle. I am not too sure they understand what the American public wants and what everybody else has figured out is the right policy for America.

So I encourage the Senator—maybe his staff did not give him the correct information—to look at what this cloture motion does. It limits no rights for the minorities—none. You have unlimited right of amendment after this cloture motion is agreed to and we vote on this amendment. Then we can have the full and fair debate.

I am sure our majority leader, who cares very deeply about this bill—Social Security is very important to him—would devote as much time as necessary on the Senate floor to have that kind of debate, to get the kind of measure that can pass and be signed by the President, and we can begin the process of protecting Social Security.

I reserve the remainder of our time.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Before recognizing the Senator from South Carolina, I will tell you, the Senator from Pennsylvania has been here long enough that he has knowledge of the process. I have been here longer. I, too, have a knowledge of the process.

No matter what you say, if you are going to shut down the amendment process—which the majority has successfully done—you are not going to get amendments. You can say, we will take all the amendments.

I just heard the Senator from Pennsylvania make a commitment, I assume for the Republican majority, when he said: I have no objection to any amendments you want to offer.

Did I mischaracterize the Senator from Mr. Pennsylvania?

Mr. SANTORUM. I would have no objection to any amendments you have with respect to the Social Security lockbox, absolutely. Let's have a debate on Social Security. Let's have a debate on the Social Security lockbox.

Mr. LAUTENBERG. I thank the Senator.

UNANIMOUS-CONSENT REQUEST

Mr. LAUTENBERG. I ask unanimous consent that the cloture vote be vitiated, that the motion to recommit and the amendments be withdrawn, and that the bill be considered under the following time limitations:

That there be up to a dozen amendments for each leader, or his designee; that the amendments deal with the subject of lockbox protections for Social Security and Medicare, budget reform, and the availability of prescription drugs for seniors; and that the amendments be subject to relevant second-degree amendments.

Mr. SANTORUM. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. SANTORUM. Reserving the right the object. That unanimous-consent request does not focus on the Social Security lockbox; it focuses on everything in the world; thereby, I would have to object because it is not about the Social Security lockbox. So I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LAUTENBERG. With all respect, then with the subject of lockbox protections for Social Security and Medicare reform—and we can leave it at that—that the amendments be subject to relevant second-degree amendments.

Mr. SANTORUM. Reserving the right to object, the Senator from New Jersey knows Medicare is not funded out of the Social Security trust fund.

Mr. LAUTENBERG. That is exactly the problem.

Mr. SANTORUM. So to expand the debate——

Mr. LAUTENBERG. I thank the Senator. That is exactly the problem.

The PRESIDING OFFICER. Is there objection?

Mr. SANTORUM. So I would have to object.

Mr. ASHCROFT. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LAUTENBERG. You heard it. Medicare is not included.

Finally, we have a frank admission on the floor of the Senate. Medicare is left out. So all of you who are like Senator HOLLINGS and I, with blonde hair up top, may not be concerned at all about where we go with our Medicare solvency—it may be too late for us—but there are other people in the line who may want to use it.

Mr. President, I yield 5 minutes to my friend from South Carolina.

Mr. HOLLINGS. Mr. President, you heard the objection. We asked for 12 amendments—just a dozen, not unlimited—and there was objection.

I have three amendments. One is a true lockbox. I made the motion back in 1990, as a member of the Budget Committee, for the lockbox. We reported it out 19 to 1. I then went on the other side of the aisle and got the late Senator John Heinz from Pennsylvania, and he and I joined together, and by 98 votes—when the present distinguished Senator from Pennsylvania said everybody, that was everybody then; all except 2—98 Senators voted for the lockbox, passed it, it passed the House, and it was signed on November 5, 1990, by President George Bush.

But they do not obey it; they do just as the Abraham amendment presently before the body. When you use that expression, ''paying down the debt,'' what they do is take the Social Security money and use it for any and every thing but Social Security. That is what is occurring.

We presently owe Social Security $857 billion. That is why I have three amendments.

The true lockbox is to keep a reserve, as we require under the 1994 Pension Reform Act for corporate America; I say we are going to do the same thing for Government America.

I have a second amendment with respect to actually getting a return since we are using Social Security money. We only get a 5-percent return on these special Treasury securities. Standard & Poor's shows from 1990 to 1998 the real return on private securities is 14 percent and the nominal return is 18 percent.

Since we passed this in 1926, over the 72-year period, including the Depression, we have a 10.9-percent return on average.

So I think if you are going to use our money, do not use it on the cheap, do not get a free ride. Pay in the 10.9 percent rather than the 5.6 percent, and we begin to rejuvenate Social Security rather than drain it. Otherwise, I want to cut out the monkeyshines of the chairman of the Budget Committee, calling over to the Congressional Budget Office and saying: Give me $10 billion more. How does he do it? He uses different economic assumptions.

Under the law, under section 301(g) of the Budget Act, they are required to use the same economic assumptions as contained in the budget resolution. But rather than maintaining those particular assumptions, they just make new assumptions. We had nothing to do with it. I am on the Budget Committee. We were never called or notified or anything else of the kind. All of a sudden we find out there is $10 billion left for defense. There is another $3 billion for transportation, another $1 billion. Already we have busted the caps, just by a telephone call, $14 billion.

I have three amendments. I am ready to offer them, but they won't let us offer them. That is why I am not voting for cloture. Everybody ought to understand what is going on. They won't let it be treated as an unlimited measure, as we always have had discourse in the Senate in my almost 33 years, until this kind of control. We had to fight to get up the Patients' Bill of Rights. We had to hold up all the appropriations bills. Now we can't even get an objective discussion of Social Security because they know how to gear it. They have it geared where they are going to pay down the debt, always talking lockbox, lockbox, lockbox.

They are in violation right now of the 13301 lockbox, and they will continue to do so. It is all politics, election 2000.

I thank my distinguished colleague. I yield the floor and reserve the remainder of our time.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, before I yield to the Senator from Missouri, one of the sponsors of this legislation, I remind the Senator from New Jersey and the Senator from South Carolina, the President spoke in favor of the Social Security lockbox. He said he wanted a Social Security lockbox, period. He didn't talk about Medicare.

Nobody is talking about Medicare. No one in this town has talked about commingling two separate trust funds. I don't know what kind of great admission the Senator from Pennsylvania supposedly made. It is something that is obvious to every taxpayer. There are two separate trust funds, one for Medicare and one for Social Security.

To suggest that we should commingle those funds is a very dangerous suggestion. I think that is what the Senator from New Jersey is intimating. That is not what the President wants. That is not what the House wants, Democrats and Republicans. It is certainly not what we want.

If the Senator from New Jersey is suggesting that, I think he is alone on a very dangerous suggestion and one that is not healthy for either fund. That is certainly something we will not allow to have happen in the Senate.

I yield 5 minutes to the Senator from Missouri.

Mr. ASHCROFT. Mr. President, I thank the Senator from Pennsylvania for his insightful comments. There are two distinct funds. To commingle those funds would be irresponsible—not only irresponsible, but it would go against the intentions of the American people in developing those two separate funds for separate purposes. I believe we should proceed to do what we responsibly should do with the money we have taken from the American people for Social Security, and that is to make sure that we spend the money for Social Security, for which we taxed the American people saying we would use it for Social Security.

We have spent a little time this morning in the Senate jargon of exchanges on procedure. It is enough to make the head of a Philadelphia lawyer swim, with all deference to the Senator from Pennsylvania. The American people are not interested in convoluted explanations of Senate procedure. They want to know why is it that this body alone stands between them and the integrity of protecting Social Security resources for the exclusive use of Social Security.

They have heard the President of the United States come forward—belatedly come forward, but he has come forward—and say: I want a lockbox for Social Security. Those are his words. Not a lockbox for Social Security that starts doing other things for other trust accounts, a lockbox for Social Security.

They have watched as the House of Representatives voted 416 to 12. Talk about bipartisan support; talk about a near unanimous vote. You have it in the House of Representatives. They see on the Republican side of the Senate a very strong desire, reflected now in our sixth effort to get the Democrats to break the filibuster against reserving Social Security taxes for the use of Social Security. We are determined to keep voting to break this logjam. The American people have seen that everyone wants this: The President, the overwhelming majority of House Democrats, and Republicans, all but 12 of a 435–Member body want a lockbox, and we need it in the Senate.

President Clinton's budget this year, prior to his endorsement of the lockbox, would have spent $158 billion out of the Social Security trust fund over the next 5 years. That is the kind of thing we need to guard against. The President has now said we need to guard against that.

In March, Senator DOMENICI and I introduced S. 502, the Protect Social Security Benefits Act, which would have instituted a point of order preventing Congress from spending any Social Security dollars for non-Social Security purposes. In April, the Senate budget resolution included language endorsing the idea of locking away the Social Security surplus. The language in the Budget Act passed unanimously. Those on the other side of the aisle have passed this language already, including the point of order process. Also in April, Senators ABRAHAM, DOMENICI, and I introduced the Social Security lockbox amendment, about which we have been talking today.

In May, the House of Representatives overwhelmingly passed Congressman HERGER's measure to protect the Social Security surplus, and the vote there was 416 to 12. That is an amazing vote for the House of Representatives.

In late June, after Senate Democrats had blocked four efforts to proceed to the lockbox, after Senate Democrats had said, we won't let you move to this, President Clinton announced that he had changed his position and that he finally supported a lockbox that would protect 100 percent of the Social Security surplus. His quote is this: ''Social Security taxes should be saved for Social Security, period.'' Not Social Security taxes should be saved for Social Security and tax cuts, no, and Medicare, no, and anything else; it is Social Security, period. That happens to be what Senator ABRAHAM, along with Senator DOMENICI and I, has brought to the floor as an amendment. That happens to be what we are asking Senate Democrats to allow us to move forward on.

A few days after the President's announcement, we obtained a motion to proceed on the lockbox. But now we are faced, again, with the prospect of Senate Democrats blocking a forward motion on this lockbox concept. The House has voted for it. The President has come out in favor of it. Senate Republicans support it. The American people are demanding it. Senate Democrats still stand in the way.

Over the next 5 years, Social Security taxes will bring in an estimated $776 billion in surpluses—not just in revenue, $776 billion in surpluses. The lockbox would protect every dollar of those current Social Security surpluses for future obligations to America's retirees.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ABRAHAM. Would the Senator from Missouri like additional time?

Mr. ASHCROFT. Thirty seconds.

Mr. ABRAHAM. The Senator from Missouri is yielded whatever time he needs.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, we have five times previously been denied this, in spite of the House vote, in spite of the President's endorsement, in spite of the overwhelming support of the American people. I ask Members of this body to vote to give us the opportunity to make the progress necessary to protect 100 percent of the Social Security surpluses so they can be used to strengthen, and provide integrity to, the Social Security system.

I thank the Senator from Michigan for this opportunity to speak, and I thank the Chair.

The PRESIDING OFFICER. Who yields time? Who seeks recognition?

Mr. LAUTENBERG. Mr. President, under a quorum call, how is the time charged?

The PRESIDING OFFICER. It will be charged to the side that requests the quorum call.

Mr. ABRAHAM. Mr. President, I gather the Senator from New Jersey does not choose to yield time at this point.

Mr. LAUTENBERG. That is correct.

Mr. ABRAHAM. Then I yield up to 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. THOMAS. Mr. President, I won't even take 5 minutes. I want to share some of the frustration I have about where we are, trying to move forward with what I think is one of the most important issues before us and, of course, that is Social Security. Everybody is talking about it, of course, and they say, oh, yes, we want to do something. When the time comes, how many times have we been frustrated in trying to get to what is essentially the first step to do something about Social Security? That, of course, is to have a lockbox, take the money coming in for Social Security and put it there so that we can do something with Social Security.

So this is clearly the first step that we have to take. I think this is the fifth time we have been trying to move forward with this. Each time all the people on the other side of the aisle say they are for Social Security, and the President says he is for Social Security, but they never want to do anything. I guess maybe this is part of the frustration that has been building up over the last month or so, and this week there has been frustration.

I think it is time to invoke cloture and move forward on the lockbox issue to make sure the American people who are paying into Social Security, particularly young people who are starting to work and putting their money aside, will have some hope that there will be benefits for them. And we do that only by moving forward with our lockbox. I suggest that we do that. I thank the Senator for the time.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? Who yields time? If no one yields time, time will be charged equally to both sides.

Mr. ABRAHAM. Mr. President, I inquire as to how much time remains on each side. We want to reserve some time for the Senator from New Mexico to close on our side, and I wanted to know how much that would be because we do want to make a closing argument.

The PRESIDING OFFICER. The majority has 10 minutes remaining, and the Democrats have almost 16 minutes remaining.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. ABRAHAM. Mr. President, I suggest the absence of a quorum and ask that the time be charged equally to both sides.

Mr. LAUTENBERG. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, it is my understanding that the Republicans have 10 minutes and the minority has 16 minutes.

The PRESIDING OFFICER. The Republicans have 9 minutes 30 seconds; the minority has 15 minutes remaining.

Mr. DOMENICI. I would like to use 3½ minutes, if I might.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. DOMENICI. Mr. President, this is a very simple proposition. The American people, by overwhelming odds, would like us to take every single penny of the Social Security that belongs to the Social Security trust fund and lock it up so it can't be spent. The issue is not only a Republican issue; the President of the United States has said we should lock it up. He didn't say lock up something for Medicare; he said lock up the trust funds for Social Security, period.

Senator DASCHLE, leader of the minority, said very recently that there ought to be some common ground. We ought to lock up the Social Security trust fund. What are we doing on the floor? We have six times tried to get an amendment up—not a bill, not a final action but an amendment, after which you can have amendments to your heart's desire.

We can't get the other side to agree that we will do that. We will have limited debate on that amendment, after which they can have all the debate and all the amendments they wish. It is only the amendment that we would like to get voted on. Why? Because it is time that, rather than talking about making sure we don't spend under the pressure of emergencies and all kinds of other things, we don't spend the Social Security trust fund money.

Now, the President of the United States came our way already. He said lock up 100 percent. At one time in his budget, he said lock up 62 percent. He came with us and said lock up every single penny.

That is what we are trying to do. We are trying to get a vote on doing that, after which time, if the Democrats see fit, they can muddy the water and bring up amendments on other issues, and if we had time today, we could debate the foolhardy issue that even Democrats think makes no sense—that we should take the surplus that belongs to the people of the United States and put it into the Medicare trust fund with IOUs to be paid for by increased taxes on our children later on. We can debate that if you would like. But that is not the issue.

The issue is Social Security money, the senior citizens' pension money. Time is wasting. The pressures to use it are growing. The opportunities to come to the floor and say let's spend it, with the passage of each day, are getting closer and closer. Somebody will say we need this for something. Who knows what. It could be agricultural policy for America or any kind of thing you can dream up.

I say to my friends on the other side, let's get on with it and let's close the debate on the amendment. Then we can open the debate after that vote occurs on anything you wish.

I yield the floor.

Mr. THURMOND addressed the Chair.

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

Mr. THURMOND. Mr. President, I commend the able Senator from New Mexico on what he has said. Social Security money is for Social Security. It should not be used for anything else. Now is the time to nail this thing down so no question will arise in the future. There are demands now for everything, but this is a particular trust fund. It belongs to the Social Security fund, and we should keep it there and not let it get away. I again commend the able Senator from New Mexico.

Mr. DOMENICI. I thank the distinguished Senator.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, we are debating a proposition that I think probably lends some confusion to the recognition of what it is we are attempting to do. One can call it a lockbox, a safe deposit box; call it what you will. I say we want a lockbox, too, but we want a lockbox that is without holes, without rust, without a broken lock on it. We want a lockbox that is secure, that holds our valuables, and that no one can get their hands on, and that is the Social Security lockbox that cannot be used.

Our friends over there say they want to keep it from being a pot for people to reach into when they want to spend money. The fact of the matter is that they create a condition as a result of the structure of their bill, their proposal, that says that if the economy turns sour, in fact, perhaps this country could be put into default, unless Social Security is used, because of overarching criteria, then that is what is going to happen. Social Security will be that safe deposit box that is now open for other purposes in Government.

I hear the plea for letting the debate get started. But we have been waiting to hear from the majority leader—our leader and the majority leader; that is where these discussions take place—that he has a commitment that we can offer amendments.

We have a commitment from the Senator from Pennsylvania. He said he had no objection to our having amendments. But we haven't heard that from the top.

That is what we are asking for; that is what I tried to do with a unanimous consent agreement.

I said: OK. Let's talk about a dozen amendments that our two leaders can agree upon. Let's talk about that. Let's put that aside, and then we can end the debate. But they do not want to do that.

The majority has the upper hand. That is life in the Senate. They are not going to let us get our amendments up because—even though they say, yes, you will have all the amendments you want—the fact is there is a system here. Everybody in this Chamber knows there is a system. It is called the amendment tree. Once you fill it up with first-degree amendments followed by second-degree amendments, the majority leader always has the privilege of initial recognition, and you shut down the amendment possibilities.

Let's stop fooling each other. Let's stop trying to fool the people out there in the countryside. Do they want Medicare included as a security measure, as a safe deposit measure, as a lockbox measure? Ask them. Let's have a vote on that. Let's have it straight up or down. Do you want Medicare?

I heard a statement made today that, no, the Republicans don't want Medicare included. Let the public hear that. Let the public hear that the one measure for protecting health may not be of concern to them. It is fine with me. I just want to make sure the record is clear that people understand what we are saying.

Look at this. The Republican House committee proposes a tax cut of $1.19 trillion. In order to accomplish that, they are going to have to take $55 billion from the Social Security surplus and $964 billion from the onbudget surplus.

We are using arcane language to try to pull the wool over the people's eyes.

Say it straight. They on that side of the line don't want Medicare included. We want Medicare included on this side of the line. We want to lock up Social Security, and we all agree a lockbox is a desirable thing, a place where those funds are going to be protected. We are saying you can't touch the Social Security surplus.

Remember this: In 10 years, forecasts being as they are, we expect to have almost a $1 trillion surplus in non-Social Security funds. That is pretty astounding. Imagine, we could be out of public debt in 2015, barely 15 years from now—not only the public debt but anything. It would be an unheard of condition in terms of a major government around the world. The fact of the matter is it would be certainly a benchmark that people never thought would arrive.

We are trying to do it. We are saying we support a modest tax cut for those who really need it—a targeted tax cut for child care, savings accounts, and health care for the elderly. But friends over here want to use it to spread the tax cut around for all of the benefit. It would go largely to the wealthiest in the country.

I once again ask if we can get an agreement. It can be done away from the microphones or it can be done in front of the microphones. Give us the assurance that we can have amendments and not be barred by second-degree amendments and not barred by other parliamentary procedures. We would be happy to consider a different position, but we are not going to do it knowing full well that once we step over the line we are in a trap that is going to silence our voices in terms of any modifications. We are talking about just the motion to proceed. Just let us get started.

The fact of the matter is this amendment would be a substitute for an underlying bill. It would be the bill itself. We have to be on guard for the public

interest. That is where we are going to stand.

I urge my colleagues to vote against cloture until we understand fully what this debate is about for the benefit of the public.

It has been suggested that we are filibustering it. We just had a major bill go through this Chamber yesterday, and we were allowed a limited number of amendments. In 3 days, we had 11 amendments that were considered. That was it. That was the most we could negotiate, instead of as it used to be with an open process. If it took a long time, it took a long time.

I remember working through the night until 6 in the morning. We don't do that anymore. We shut down nice and early so we are not too tired at the end of the day.

But I say the time is the property of the public. They let us use it. We ought to use it fully instead of shutting down the debate and shutting down the opportunity for the American people to understand what is really taking place.

It is tough. It is tough because the route that is being used is kind of inside-the-beltway stuff.

How much time remains on both sides?

The PRESIDING OFFICER. The Senator has 6 minutes on his side, and the majority side has 6 minutes as well.

Mr. LAUTENBERG. Mr. President, the unanimous consent that we are operating under had a call for a vote at 10:30. Is that right?

The PRESIDING OFFICER. That is correct.

Mr. ABRAHAM. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. SANTORUM. I thank the Chair.

Mr. President, the Senator from New Jersey said we should have Medicare included in this lockbox proposal. The President of the United States said: I can't believe the Republicans don't want to include it. He just finds that incredulous.

The Senator should talk to his own President. His own President doesn't want Medicare included in this lockbox proposal. The President has been clear.

Social Security money should be used for Social Security, and once you say it can be used for Medicare, it can be used for Medicare, it can be used for education, or for whatever.

I can tell you that Social Security recipients want Social Security to be used for Social Security. They do not want to expand the program to include other things. In fact, one of the biggest complaints I hear from seniors is that if you would quit taking money out of Social Security for every program that comes down the line, Social Security would be OK.

I think if we took a poll it would be overwhelming not to include any program—any program—other than Social Security in Social Security.

I also find it incredulous that he said there is a hole in the Social Security lockbox.

We wrote a provision in this bill; if we were in a recession, because we hold the debt limit, there could be a default on the credit of the United States. Is the Senator suggesting we should allow the United States to default? Isn't that what the provision says? I ask the Senator from New Mexico if he can explain that.

Mr. DOMENICI. Absolutely. The Secretary of the Treasury made some objections to the original bill because it was too rigidly drawn in case of emergencies. We took care of that.

We also took care of the problem we had with reference to the end of the year and the way the surpluses come and go because of the way you collect taxes in large quantities in other parts of the year a little bit.

We fix that, too.

Mr. SANTORUM. So the Senator from New Jersey, when he objected to our ''hold'' on the lockbox, his objection is counter to what the administration demanded of us to fix in our lockbox?

Mr. DOMENICI. Absolutely.

Mr. LAUTENBERG. Mr. President, I don't know why it is not clear, but we have said and we mean that Social Security funds, surpluses, are sacrosanct. They are untouchable.

The Medicare solvency we want to create comes out of the non-Social Security budget surplus. We have talked about this 60 times. Apparently the message has not gotten through. We want to do it. We want to deal with it.

By the admission of some on that side, Medicare isn't part of the thinking in this. If it is not part of the thinking now, I wonder when it will be.

There is also an opportunity, if I may suggest with a degree of temerity, that Social Security funds can be used in the name of Social Security reform. That is kind of a catch-all. It says if we can't get it one way, we will get it another way. We face the specter of a huge tax cut that is being proposed. It is not much different here from on the House side. We are talking about something close to $800 billion.

We understand each other very clearly. The question is, Does the public understand why we are? We want to save Social Security, and we want to save Medicare. We want to increase the solvency of Medicare, and we are committed to a reform of both programs. During that period, it is said by the President that we will extend the life of both of these programs even longer than the 50-some years for Social Security and the 20 years for Medicare.

That is where we are, my friends.

If we are ready to conclude the debate, I am prepared to yield back our time—if we are prepared.

Mr. ABRAHAM. We are not.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, how much time does the majority have?

The PRESIDING OFFICER. The majority has 3 minutes 53 seconds.

Mr. ABRAHAM. I yield to the Senator from New Mexico such time as he consumes.

Mr. DOMENICI. Mr. President, I want to clarify this from the standpoint of what a Democrat on the other side who is well versed in this had to say about this issue. On March 22, 1999, Senator BREAUX, on a CBS newscast, avoided criticism of Clinton. Senator BREAUX said: Some people want an issue of Medicare rather than solving the problem. They talk about wedge issues.

Senator BREAUX added that one of the problems is that some people want an issue out of Medicare rather than solving the problem. They talk about wedge issues.

Are you going to have a tax cut or are you going to save Medicare?

That is old politics, he said. I think the American people are tired of it. They want us to solve the problem, not give them political slogans.

Now, to stand on the floor of the Senate and even imply that the proposed tax cuts in the budget resolution of $782 billion over a decade would in any way infringe upon the Social Security trust funds is to confuse the public of America, and it is exactly what the distinguished Senator from Louisiana is saying—sloganizing, making an issue by slogans.

Secondly, if there is any implication that there are not sufficient reserves in our budget to take care of Medicare, that is an absolute error and an untruth. There are huge amounts of money left over after the tax cut. In fact, it approaches $450 billion that is not allocated to anything during the next decade other than what we choose to use it for in the Congress.

I remind everyone, the President said we can fix Medicare with how much? Forty-eight billion dollars will give us prescription drugs, he said. We had $90 billion left over in our budget resolution that was unspent, and now, with the new estimates, there is more money there. We can fix Medicare, put this money in a lockbox, have the tax cut, do that by the end of this year, and fix things for American seniors on both fronts: Lock up the money that is theirs and fix Medicare.

To talk about this trust fund as if it has something to do with fixing Medicare is an absolutely erroneous stating of the situation in the Senate and in the fiscal policy of America.

Mr. LOTT. Mr. President, I will wrap up by using leader time.

Mr. LAUTENBERG. Then I can use the rest of our time.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, the overwhelming recommendation by the House Republicans says use Social Security funds if necessary.

But there is an issue beyond that. It is quite apparent, if you use $792 billion for tax cuts, it reduces the possibility

that you can pay down the debt. That is where we would like to go. We want to get rid of this constant threat of higher interest rates. We want to be able to be free to take care of the needs we have to operate our society, our country.

There is no confusion about where we are. We want to protect Social Security. We want to protect Medicare out of non-Social Security surpluses. That is where we are. One ought not confuse it with discussions about other things: A, Do you want to protect Medicare? B, How? That is the question. That is what we would like to have answered.

I hope my colleagues will stick together and say we want to have an open debate, we want to continue to discuss the issues, and not to be shut down on this pretense that this cloture vote will take care of the problems.

The majority leader is on the floor. We all have great respect for him. We would love to be able to be assured of amendments. I know our leader has been interested in a discussion of that and is awaiting the majority leader's response. If we knew that, perhaps we could be reacting differently.

The PRESIDING OFFICER. The Senate majority leader.

Mr. LOTT. Mr. President, I yield myself such time as I might need for leader time. I know Members expect to vote at 10:30. I will try to be brief.

I am compelled to make a couple of points. First of all, our Republican budget plan reduced the national debt by $1.9 trillion. That is the most significant and the only real contribution of reducing the debt in our lifetime. The point I want to make is, the American people overwhelmingly support the idea of the Social Security lockbox.

After resistance, the President even adopted that exact word, that he supported a Social Security lockbox. I don't know what the numbers are but in the high seventies, 80 percent of the American people think this is something we should do: Take all of the Social Security taxes, the FICA tax, and set them aside for what they were intended—Social Security, and only Social Security, a lockbox.

OK, so we advocated that—Senators DOMENICI, ABRAHAM, SANTORUM, and others. And finally the President apparently checked the polls and said: Oh, yeah, me, too; I want a lockbox.

Then the House voted for a lockbox—not as tight as this one, not as good as this one—with a vote of 415–12. Even the Democrats in the House of Representatives voted overwhelmingly without a lot of shenanigans, playing around, distractions, and a dozen amendments. They voted for the lockbox. Apparently they got serious.

Now, here comes the point: We go down in our bipartisan meeting to the White House on Monday to meet with the President. I am hopeful. I am optimistic. In fact, I come out and say: Yes, maybe we can have a lockbox; work together on Medicare reform; we can get some tax relief.

Let me tell Members what happened. We go in there. The first subject I brought up was the Social Security lockbox. The President said: We need to do that. I'm with you. We can do that.

Senator DASCHLE said: Yeah, we ought to do that.

What happened?

I go out and say: We are going to get this done.

The President hasn't lifted a pinkie since—nothing. All he has done is run around and whine and threaten that he is going to veto a legitimate Patients' Bill of Rights bill, the health care needs of the people of this country. That is all he has done all week—maybe a fundraiser or two, but he has done nothing to help us get a Social Security lockbox.

So I invite, in fact I challenge, the President: Talk to the Democrats in the Senate, Mr. President. They are the only obstacle to setting aside Social Security in a lockbox for Social Security.

That is what I have to deal with all the time. I get a lot of soft soap: Oh, yes, we will work together; we will get it done. And then nothing. If the President wants a Social Security lockbox, make one call, Mr. President, one call. Call Senator DASCHLE and say: Get it done. And we will get it done next Monday.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. We yield back our time.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. ROBERTS). All time is yielded back. Under the previous order, the Chair directs the clerk to read the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending amendment No. 297 to Calendar No. 89, S. 557, a bill to provide guidance for the designation of emergencies as a part of the budget process:

Trent Lott, Pete Domenici, Rod Grams, Michael Crapo, Bill Frist, Michael Enzi, Ben Nighthorse Campbell, Judd Gregg, Strom Thurmond, Chuck Hagel, Thad Cochran, Rick Santorum, Paul Coverdell, James Inhofe, Bob Smith, Wayne Allard.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on amendment No. 297 to Calendar No. 89, S. 557, a bill to provide guidance for the designation of emergencies as part of the budget process, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will now call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Montana (Mr. BURNS) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. BURNS) would vote ''yea.''

Mr. REID. I announce that the Senator from California (Mrs. BOXER), the Senator from Connecticut (Mr. DODD), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

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

The yeas and nays resulted—yeas 52, nays 43, as follows:

[Rollcall Vote No. 211 Leg.]

YEAS—52

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

NAYS—43

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

NOT VOTING—5

Boxer	Dodd	McCain
Burns	Kerry	

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. LOTT. I thank the Chair.

UNANIMOUS CONSENT REQUEST—H.R. 1555

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to H.R. 1555, the intelligence authorization bill, and under the provisions of the agreement of May 27, 1999, following the reporting of the bill by the clerk, I would send an amendment to the desk regarding national security at the DOE.

The PRESIDING OFFICER. Is there objection?

Mr. REID. There is an objection.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, I am surprised by this objection by our Democratic colleagues. This issue concerns two very important matters: one, the intelligence authorization for the year, and also the very important Department of Energy reforms as a result of the Chinese espionage that has occurred during the last several years within the Department of Energy.

Needless to say, this issue needs to be debated in the Senate. I am truly sorry our Democratic colleagues do not want to debate it at this time.

I have urged the President, the National Security Adviser, Sandy Berger, and the Secretary of Energy to engage this issue. The headline should read: Senate resolves how in the future the Department of Energy will handle these matters to stop the leaks of very important nuclear weapons information from our labs.

That should be the headline, that we are working together to resolve this problem, instead of the situation where the Secretary of the Department of Energy is still trying to have a diffused system of reporting. There should be only one person who is reported to on the matters of national security at our nuclear labs, and that is the Secretary of Energy, and it should go straight to him and from him to the President of the United States. Surely we can work this out.

Having said that, I now move to proceed to H.R.——

Mr. REID. Will the Senator yield?

Mr. LOTT. I will be glad to yield.

Mr. REID. I say to the majority leader, there are ongoing discussions. There was a hearing today in the Senate on this very issue. There are meetings that are going to take place today on that issue. I have spoken to the Secretary of Energy as recently as last evening.

We are really trying to work something out. I think parties on both sides are trying to work something out. I think it would be to everyone's best interest that when we do bring this up, there is some degree of certainty that it will be resolved.

We also understand, without any question, the importance of the intelligence authorization bill. Senator KERREY, the ranking member of this committee, has expressed, on numerous occasions, how important it is we move this legislation. So I say to the leader and Members of this body, we are doing our utmost to resolve this issue as quickly as possible.

Mr. LOTT. I am glad to hear that.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—MOTION TO PROCEED

CLOTURE MOTION

Mr. LOTT. But having said that, I now move to proceed to H.R. 1555, and I have sent a cloture motion to the desk.

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

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to H.R. 1555, the intelligence authorization Bill:

Trent Lott, Pete V. Domenici, Paul Coverdell, Jesse Helms, Chuck Hagel, Judd Gregg, Slade Gorton, Craig Thomas, James Inhofe, Frank Murkowski, Jon Kyl, Jim Bunning, Tim Hutchinson, Connie Mack, Rick Santorum, Richard Shelby.

CALL OF THE ROLL

Mr. LOTT. Mr. President, I ask unanimous consent that there be 1 hour for debate, beginning at 9:30 a.m. on Tuesday, to be equally divided, of course, in the usual fashion between Senator DOMENICI and Senator DASCHLE, or their designees, and that the cloture vote occur at 10:30 a.m. on Tuesday, July 20, and the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Is there objection?

Mr. REID. There is not.

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

Mr. LOTT. I now withdraw the motion to proceed.

The PRESIDING OFFICER. The motion is withdrawn.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

ORDER OF PROCEDURE

Mr. WARNER addressed the Chair.

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

Mr. WARNER. Mr. President, I understand the distinguished Senator from Georgia has time allocated this morning. I am asking his indulgence that I might speak for a period not to exceed 5 minutes and to yield within that period a brief moment or two to our distinguished colleague, Senator HAGEL.

Mr. COVERDELL. Mr. President, it is my understanding we do have an hour under my control, or my designee. I will designate up to 5 minutes. I ask the indulgence of the Senator from Virginia because I have a flight to accommodate as quickly as we can.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

NOMINATION OF RICHARD HOLBROOKE

Mr. WARNER. Mr. President, I address the Senate regarding Executive Calendar No. 135, the nomination by the President of the United States of Richard Holbrooke of New York to be the Representative of the United States of America to the sessions of the General Assembly. That was presented to the Senate by the distinguished chairman of the Foreign Relations Committee, Mr. HELMS, on June 30, 1999. Following the favorable reporting by the Committee. It is now pending.

I have been in this magnificent body, privileged by the State of Virginia, for 21 years. I fully recognize the rights of Senators to place holds on nominations. I respect that right. I respect them for the reasons they have done it. I have done it myself, although sparingly. But in my judgment, the urgency for the Senate to address this nomination is increasing daily. I urge the Senate to proceed to an up-or-down vote because the United States of America, in my judgment, is increasingly in need of having a very powerful voice at the U.N.

Ambassador Holbrooke, in my judgment, is eminently qualified. He is well experienced with the complex issues in the Balkans.

I ask unanimous consent that at the end of my remarks there be printed an article in today's Washington Post.

The PRESIDING OFFICER. Without objection, it is ordered.

(See Exhibit 1.)

Mr. WARNER. It covers the following:

> Five weeks after the end of bitter ethnic war and the arrival of NATO troops in Kosovo, growing confusion among Western officials, local politicians and Kosovo's population about who controls the province is hampering efforts to begin rebuilding its tattered economy and political structure and social services.

The essence of this article captures a concern of this Senator, that the men and women in the Armed Forces, be they wearing the uniform of the United States or the uniform of our other NATO allies, all under the command of an American officer, General Clark, are at increasing personal risk because the United Nations is not able, perhaps for valid reasons, perhaps for invalid reasons, to take up their allocation of responsibilities and relieve the burdens from the troops so they can restrict their responsibilities to professional military duties.

I believe we should proceed with this nomination, have a vote up or down. Hopefully, this nomination will be approved by the Senate, and we can have a strong voice to enter into this very serious situation in Kosovo. We have invested billions of dollars. We have put at risk tens of thousands of lives, the men and women of the Armed Forces of this country and other countries, to reach the conclusion we now have of relative stability, in clear contrast to the cruel ethnic cleansing inflicted upon the people of Kosovo.

I think the time has come. I ask those who have reasons to be further considering this nomination—I am actively working to resolve those problems—to weigh the risk to the men and women of the armed forces of all nations involved in Kosovo.

EXHIBIT 1

[From the Washington Post, July 16, 1999]

KOSOVO'S NEW ADVERSARY: CONFUSION

(By R. Jeffrey Smith)

PRISTINA, Yugoslavia, July 15—Five weeks after the end of a bitter ethnic war and the arrival of NATO troops in Kosovo, growing confusion among Western officials, local politicians and Kosovo's population about who controls the province is hampering efforts to begin rebuilding its tattered economy, political structures and social services.

The Western allies are preparing an ambitious multibillion-dollar program to repair war damage and bring stability to Kosovo and the surrounding region for the first time in at least a decade. But the effort has already become bogged down by major disagreements among the rival claimants to power in the Serbian province.

In the resulting power vacuum, Kosovo's myriad problems are multiplying. Thousands of vacant buildings, homes and businesses are being taken over by squatters, some of whom are investing in new, unlicensed enterprises whose legal basis is unresolved. No one is sure who owns public enterprises or who is to benefit from their revenues now that most Serbian officials have left and hundreds of thousands of ethnic Albanian refugees have returned.

With municipal offices otherwise unoccupied, former members of the rebel Kosovo Liberation Army are taking up positions as local administrators even though they lack any legal authority. Even so, the former rebels are making decisions and issuing edicts whose long-term viability is open to question.

In the meantime, fire departments have no trucks, hospitals have no ambulances or equipment, gas stations have no fuel. Electricity and water supplies function only intermittently, and telephone service is available only in parts of Pristina, the Kosovo capital, and a few other towns. Without a trained police force, ''the level of lawlessness is stable on the high side,'' one senior Western official said.

But no one knows who to complain to—or where.

According to NATO, the United Nations—officially in charge of reestablishing a civilian government—is the top authority. But almost no one here seems to heed, or even recognize, the U.N. presence. Many civilians still regard NATO and its 32,400 troops as the ultimate arbiter on civil matters. Other residents say unelected ethnic Albanian representatives, led by KLA members, are in charge.

Moreover, the KLA and the United Nations have begun to joust over matters both large and small. In one such encounter, Jay Carter, the senior U.N. official in charge of civilian government here, told a senior KLA official that all state-owned property in Kosovo is now under U.N. control. But Visar Reka, the KLA official, said he responded that ''You're not the owner, you're just the manager; Albanians are the owners.''

Reka and others who work in the offices of KLA political leader Hashim Thaqi, who has been named prime minister of a provisional government, say they have the authority to run the province until elections next spring. But U.N. officials refuse to recognize this claim. ''To me, [Thaqi] represents the KLA, not the government; we are clear on this,'' said Brazilian diplomat Sergio Vieira de Mello, the interim U.N. administrator in Kosovo.

Even so, the United Nations itself is unsure how far its legal mandate extends and recently asked its lawyers to review what authority its officials are entitled to assert. In particular, the lawyers are looking at whether revenues from state-owned enterprises, such as electric and water utilities, must be placed in escrow until Kosovo's legal status is resolved or can be spent without input from authorities in Belgrade, the capital of both Yugoslavia and its dominant republic, Serbia. Kosovo's final legal status—whether it will remain part of Serbia, for example—is likely to take years to resolve.

For now, no one knows for sure what Yugoslavia—and its Serbian leadership—owns or is entitled to control in Kosovo. ''Ownership is one of the toughest problems we face,'' said de Mello, who is being replaced this week by Bernard Kouchner of France. ''If it is state-owned, it is the U.N.'s, at least during the interim administration. If it's private, we are in serious trouble.''

Kosovo's ethnic Albanian majority is reasserting itself in the wake of the withdrawal of Serb-led forces and the flight of tens of thousands of Serbs from the province. More than 660,000—or roughly 85 percent—of the ethnic Albanians who fled or were expelled from the province have now returned, each expecting to have considerably more say in Kosovo's governance.

Meanwhile, the government in Belgrade has complained repeatedly that provisions in the June 12 cease-fire accord offering Serbia at least a token role in policing borders and monuments in Kosovo have not been respected. It has also denounced talk of creating an independent currency for the province and has claimed rights to revenues from state-owned mines and power plants.

Much of the confusion stems from the uncertain status of the agreement signed by ethnic Albanian leaders and Western officials in France last March, which set out in dozens of pages what the new government here would look like. But Serbian officials never accepted the document, and nothing was written to replace it when the cease-fire accord was signed. Since then, the United Nations, NATO and local leaders have had to renegotiate which of its provisions will be followed.

KLA officials, for example, complain that the United Nations got off on the wrong foot by demanding that jobs at city halls, utilities and state-owned media be apportioned equally among Serbs and ethnic Albanians. The intent was to demonstrate even-handedness and to help persuade Kosovo Serbs to stay here. But the plan angered ethnic Albanians, who expected that jobs would be divided according to their proportion of the overall population—now hovering at 95 percent.

''It means a new slavery,'' said Ram Buje, a KLA political official now employed in Thaqui's office, of the proposed 50–50 split. When asked about the split last Friday, de Mello indicated he was unaware of it and called inappropriate. By Sunday, U.N. officials agreed that 330 ethnic Albanians will eventually work alongside just 60 Serbs at the city hall in Pristina, a likely model for other towns. But the city hall was closed Tuesday after the most prominent Serb there was badly beaten by an ethnic Albanian mob, which claimed he had committed atrocities during the war.

The ethnic Albanian leadership has not been the only source of friction for the U.N. mission. A U.N.-appointed consultative council was to have been established Tuesday, which would have the power to confirm the selection of mayors for each of Kosovo's 29 municipalities. It was supposed to have two representatives from longstanding ethnic Albanian political parties, one from the KLA, two independent ethnic Albanians, two Serbs, a Turk and a Muslim. The Belgrade government's local representative was not invited, de Mello said, ''because the others won't come if he is there.''

But some KLA officials last week created a new party that will not be represented, and the two Serbs picked by de Mello—Serbian Orthodox Church Bishop Artemije Radosavljevic and Serbian Resistance Movement leader Momcilo Trajkovic—announced last weekend they would boycott the commission on grounds that Serbs and Serbian interest are not being adequately protected. As a result the council has yet to get off the ground.

De Mello acknowledged that it remains to be seen how the council will be replicated ''at the district or . . . municipal level, where democratic institutions will truly be tested.'' Buje, the Thaqi aide, has in the meantime stepped into the vacuum by appointing mayors for 25 municipalities—all but the four in which Serbs compose a majority of the local population.

''We are the people who know all the business,'' Buje said, but the government ''is a mosaic. We know this is an international protectorate, but it's all mixed.''

WHO'S RUNNING KOSOVO?

The U.N.? Bernard Kouchner, the U.N. administrator in Kosovo, faces a situation in which disputes over control have bogged down reconstruction efforts.

NATO? Many in Kosovo still regard NATO, commanded by Gen. Wesley K. Clark, as the ultimate arbiter on civic matters, but NATO says it's the United Nations.

The KLA? Kosovo Liberation Army leader Hashim Thaqi says the rebels have authority over Kosovo for now, but the United Nations refuses to recognize this claim.

Mr. WARNER. Mr. President, I yield to my distinguished colleague, Senator HAGEL.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, I echo what my friend, the distinguished chairman of the Senate Armed Services Committee, has said.

It is not wise policy nor responsible governance for the greatest power on earth to hold captive one of the most important and responsible positions in this government, a position that has an effect and consequence to all of our allies as well as our adversaries. It is a constitutional mandate for this body to act with responsibility, aside from dispatch, and to move on this. I personally think holds are irresponsible. I understand the tradition of this body. I am new to this body, but I would go so far as to say, if you wish to hold someone, have the courage to take a stand on the floor of the Senate. Come before the American public and say why that hold is to be put on and why it is so important to hold captive such a critical position for this country, for our allies, for the representation of American values and standards across the world.

To put in jeopardy our men and women in uniform who defend this Nation, as the distinguished chairman of the Armed Services Committee has so directly stated, is irresponsible. I support strongly what the senior Senator from Virginia is saying. This body

should have the courage to bring this nomination up and vote straight up or down. Let every Member be recorded.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I rise to continue the remarks so forcefully made by our beloved chairman of the Armed Forces Committee, the Senator from Virginia, and the Senator from Nebraska, as regards the nomination before us on the calendar for the position of permanent representative to the United Nations.

I would like to make the point—and I have served in that role—that this is a Cabinet position. It has been from the time of President Eisenhower when Henry Cabot Lodge was in the Cabinet. It is one of the oldest traditions of this body that a President is entitled to and must have his own counselors. Be they right-minded or wrong-minded, they are the President's judgment and they are his responsibility.

This office is a Cabinet office of the highest importance, as the Senator from Virginia has said, in mediating urgent international issues. But there is an awesome principle. Once, almost a half century ago, the Senate did reject a Cabinet nomination of President Eisenhower. It was not a proud moment for the Senate. We have not done it since, for the good reason that we ought not to do it ever.

I plead with the Senate to respect this prerogative of the other branch. I hope I will not seem mischievous if I repeat the remarks of my friend from Nebraska who said the day may come when there is a President of the other party. And indeed that could come very shortly. I do not predict it, but that is the way we work here. That President would want to choose his Cabinet members and would be entitled to do so, for all the errors they may make or not. That is the constitutional form of government in which we live. Let us, sir, support that regime of two centuries, unparalleled in the history of democratic government, based upon this principle of the separation of powers and the President's right to choose.

I yield the floor.

Mr. WARNER. Mr. President, I thank my colleagues.

Yesterday, the Armed Services Committee had a briefing on the Balkan Task Force from the Department of Defense. I put the question to the uniformed officers: Is there a correlation between the absence of strong leadership in the U.N. and risk to our troops? Their response was a definitive yes.

I thank the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

TAX CUTS

Mr. COVERDELL. Mr. President, I recognize the distinguished Senator from Missouri for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. I thank the Chair, and I thank the Senator from Georgia. I thank the Senator from New York for his allowing me to accommodate a previously developed schedule. When I had asked for time during this special order, I had anticipated being able to begin at about 11, so I appreciate the indulgence of my colleagues.

This morning the Senate voted on a Social Security lockbox to protect every dollar of Social Security, protect the surplus and the integrity of Social Security. We were not able to do that. We had a majority of the Senate vote in favor of it, but there is still the filibuster on the part of others who are unwilling to guarantee a vote on this issue.

The supporters of the lockbox believe the money Americans pay for Social Security ought to go for Social Security, period. That happens to be the language of the President of the United States who has endorsed that position. But Social Security taxes are only one of the many taxes, as we all know, that are placed upon the American people. Too many taxes, forms of taxation, proliferate in this place. These taxes place an enormous $1.8 trillion burden on the American people annually. That is 1.8 trillion, trillion being a thousand billions and a billion being a thousand millions. It is more money than one can virtually imagine.

These taxes also bring in more money than the Government needs. It is amazing. What we have is a Government which is charging more in taxes than it needs in order to provide services. I find it interesting that over the next 10 years there will be a trillion dollars more than are needed to provide the services we now provide.

Normally, if you go into a store and you give them $20 and you are buying something worth $8, they give you change. When you pay in excess of what you need to buy the product you are getting, they give you change. I think the U.S. Government ought to do that. We ought to say: There is a surplus coming in. The people have paid more than is needed for these services. We ought to give the money back.

If a store owner came to me and said: You have bought two bottles of milk and you get some change from your $10 bill, but instead of the change, I want to give you six more bottles of milk, I would say: Wait a second.

I think the American people want some change. They want change in the way Government is consuming their resources. I believe it is time for us to begin to address the idea that we have tax relief for the American people.

Never before in history have we paid as high a tax as we pay today—State, local, Federal taxes—and a lot of the State taxes are really disguised Federal taxes. I say that because the Federal Government forces the State governments to do things. Then the State government has to charge the people for that. The truth of the matter is, it is a mandate from the Federal Government. It is an expense occasioned by the demand of the Federal Government through the system. And when you put all of our taxes together, they are higher than any time in the history of the country—higher than in wartime, the First World War, Second World War, Korean war, Vietnamese war, Gulf war; you name it, we are higher than ever before. Now, it seems to me we ought to be asking ourselves with whom we are at war. I had one taxpayer say to me: I think you are at war with the American people, because we are taxing them the way we are.

I think the American people deserve a break. The Republicans in Congress agree with that. We believe we should return the tax overpayment. Senator ROTH has offered an $800 billion tax cut over the next 10 years. This tax cut is deserved; it has been earned. The American people are the ones who are responsible. This Congress didn't create the surplus. The American people earned the surplus. It is just as if you hand $20 to the grocer and you are entitled to change; it is money you earned.

It is the same with the American people who are overpaying for Government services now, creating a surplus. It is money they earned. They earned it, and we should return it. So we should change the slogan of Washington from, ''You send it, we spend it,'' to, ''You earned it, we returned it.''

I think one of the things we ought to do as we begin to provide relief to the American people is to scrub out of our system those things that are discriminatory and those things that are harmful, pernicious punishments in the Tax Code, especially punishments for things that are very important to our culture. One of those things is marriage.

I don't believe there is an institution in this country more important to the future of America than marriage. We want people to be married. We want the durable, lasting commitments of families to undergird this culture with the kind of principles and responsibilities and values that will keep us from having really serious social problems. I believe we will minimize the difficulties and trauma we have in this culture if we have strong marriages, things we need to minimize such as the tragedies we experience.

What we find out when we look at our Tax Code is, for the last several years Americans have been paying a tremendous penalty in taxes merely because they are married; $29 billion is paid by people as a penalty to the Tax Code simply because they are married, and 21 million couples pay that penalty. It is an average of $1,400 per couple, per year. That is over $100 a month. Think of the food, the shoes, the schoolbooks, the entertainment that could pay for. That is at least a very nice vacation for that family. Think of the relief to families if we simply say, we are not going to punish you for being married.

It is time for us in Congress to say that among those items of tax relief,

we sure ought to be doing something about the marriage penalty. This CRS study projected that over the next 10 years the average household will be paying $5,000 extra in taxes than it needs to pay. We ought to address that.

I think the Roth plan will return that hard-earned money to those who earned it, the American people. I urge the American people to call the Congress and urge us to give them the change they deserve, give them their money back. They earned it, and we should return it. It is time for us to get together with Senator ROTH and support an idea that he has, and get our ideas in that measure, of refunding the $800 billion in tax overpayments that the American people are scheduled to make in just a very few years.

I thank the Senator from Georgia.

Mr. COVERDELL. Mr. President, I yield now to the distinguished Senator from Idaho up to 10 minutes.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I thank Senator COVERDELL of Georgia for asking for a special order this morning to talk about taxes, where we are with taxes in our country, and where the Senate Finance Committee and the House Ways and Means Committee are at this moment as we begin, within a few weeks, a very important national debate on reducing the overall tax burden for the American people.

For a few moments this morning, let me talk about that tax burden and try to put it in context with other times in our history when the American people cried out for tax relief and the Congress heard them and the Congress respectfully responded.

Today's total tax burden is the highest since World War II, according to the Office of Management and Budget. I know when I came here in the 1980s, the World War II tax level was always used as the index. It was less than we had to pay during the wartime tax of World War II. At that time, that was the highest ever registered in our Nation. But now we have broken that mark. I will repeat that. The OMB now says that the peacetime tax burden of the average American taxpayer is higher than it has been at any time since World War II.

Tax receipts as a percentage of the gross domestic product amounted to 20.5 percent last year, will grow to 20.6 percent this year, and will reach 20.7 percent next year.

Recently a new administration estimate predicted the largest budget surplus in the history of our country, with the highest taxes ever, and the highest budget surplus ever.

The Congressional Budget Office has confirmed this optimistic forecast.

According to the President's estimates, last year's was the largest surplus in history. It will be larger this year, and will extend for the next 15 years.

That is a lot of optimism. But even conservative economists suggest that the budget surplus, as we now know it, is going to extend well into the future.

Over the next 10 years, a non-Social Security surplus will be at approximately $1.1 trillion. Over the next 15 years, the non-Social Security surplus could get as high as $2.9 trillion. Once again, these are reasonably conservative estimates on reasonably conservative growth in the Federal budget. Growing surpluses, but still no net tax cut? That is what our President is saying. Look at all of this money we are going to have to spend beyond what would be considered a reasonable level of spending at the Federal level. President Clinton won't recognize the income taxpayers' burdens, despite a $2.9 trillion overpayment over the next 15 years.

I am not going to talk about surpluses anymore. I am going to talk about overpayment. The American taxpayer is overpaying what they should have to pay for the Government they are getting at this moment. Yet from the White House there is not one word about reasonable and responsible tax relief for the American taxpayer. That is why our Senate Finance Committee and the House Ways and Means Committee are fashioning tax reductions at this moment.

The income taxpayers' burden is the heaviest in history, in terms of a total tax burden. The personal income tax burden stands at 9.9 percent of the gross domestic product, and, that is not just the highest since World War II, but the highest ever. It is higher than the 7.9 level when the President took office. It is higher than the 7.8 level of the gross domestic product when John Kennedy, a new President, came into office, and said: Let's stimulate the economy by producing a major tax cut. Of course, we remember the history of that. It was not unlike the model that Ronald Reagan brought to office and convinced the Congress to produce a tax cut to stimulate the economy.

Our President thinks this economy is so good that you don't need to do that. That is not the issue. Our economy is strong, and we want to keep it strong, growing, and providing jobs. The way you do that is to insure that you don't drain the American public of their ability to spend for their families, and to save and invest in the growth of that future economy.

The tax burden we have today is higher than the 9 percent level Jimmy Carter left office with, which produced the tax cuts, or at least the stimulus for the tax cuts, that Ronald Reagan brought to this Congress in the early 1980s.

It is the highest level since World War II, and that was 1946 when it was 7.2 percent, and we were taxing at a high level to finance a war effort, the most major war effort ever conducted in the history of this country.

According to Clinton's own budget office, his 9.9 percent level is the highest recorded level of personal income tax receipts ever reached in the history of this country. Clinton is the undisputed champion of personal income tax burden.

You are the undisputed champion of that personal income tax burden and not one word from you, Mr. President, on a right and responsible level of tax reduction on the highest burden ever in the history of our country.

Under President Clinton, personal income tax receipts have grown at an average annual rate of 9.7 percent. That is 75 percent faster than the economy's average annual growth rate of 5.3 percent. That is faster than the wages' and salaries' average annual growth rate of 5.6 percent. In other words, Mr. President, your tax rate increase is outstripping all levels of growth in this country—both personal and public. That is faster than personal income's average annual growth rate of 5.2 percent. That is faster than payroll taxes' annual growth rate of 5.6 percent. That is 4½ times faster than the 2 percent average annual growth rate of gross private savings of this country.

Highest surpluses in high history; highest non-Social Security surplus in history; highest non-payroll tax surplus in history; highest personal income tax receipt burden in history.

What should we do? Cut personal income taxes, is what we ought to be doing. Yet, Mr. President, not a word from you.

What about the marriage penalty that the Senator from Missouri was talking about a few moments ago? What about death tax relief? Every time I walk off from a plane in my home State of Idaho, I hear from the small businessperson, or a farmer, or a rancher, who are at a time in their lives when they want to transfer the ownership of their life's work to their son, or to their daughter, and can't because the Federal Government steps in and destroys the American dream by saying: Give me at least 50 percent of the value of the life's work, and then I will let you pass the rest of it on to your family; and, in doing that, the son, or the daughter, or the son-in-law or the daughter-in-law spends the rest of their life trying to pay once again for that business, for that farm, for that ranch, and, in the end, they have to sell it just to pay the tax.

Mr. President, please. What about the American dream? Join with us in eliminating the death tax.

The fact that we have a $2.9 trillion surplus totally apart from Social Security means we can still protect Social Security and buy down the public debt. In addition to these things, we could cut income taxes and return income tax surpluses to the overburdened taxpayer.

Everyone can see this connection. It is not a difficult thing to understand the highest income tax burden and the highest surplus in our country's history. When I say it is easy to see, that is everyone except President Clinton. Right on this Hill, his defenders won't even talk about a tax reduction.

Clinton wants to raise taxes. Understand me. Here is the President, after all of the statistics and facts I have just given you, who brings the budget to the Hill this year, and in it are tax increases. According to the Congressional Budget Office, President Clinton's budget raises $96 billion in new taxes over the next decade. I mean, Mr. President, where in the heck are you coming from? With surpluses unlike we have ever had before, certainly in this Senator's history, and you want to raise taxes? That is roughly a 10-percent surplus surcharge over the next 10 years on the American taxpayer.

In case you haven't forgotten, let me give you a little of the Clinton tax history. It is important the Senate understand this is a President who campaigned in 1992 on the promise to cut taxes. Then, in 1993, once elected, he raised taxes by $240 billion. After that, in 1995, President Clinton confessed—I was not in the room at that time, but here is the quote: ''People in this room are still mad at me at that budget because you think I raised your taxes too much.''

His own quote: ''Well, it might surprise you to know I think I raised them too much.''

That is the inconsistency of this President on this issue, and now with 2 years of a budget surplus under our belt, and with $2.9 trillion over the next 15 years in non-Social Security budget surpluses, Mr. President, join us in reducing the overall tax burden on the American people, and work with us to give a strong, responsible tax reduction to the taxpayers and to the economy of this country.

Bill Clinton breaks promises to cut taxes and makes promises to raise them.

No wonder Bill Clinton is the undisputed champion of personal income taxes.

Bill Clinton may have a choice—whether to keep his word or not, whether to raise taxes when there is a surplus or whether to veto a tax cut when there is a surplus.

For this Congress there should be no choice.

This Congress should cut taxes on the overtaxed American people.

We should do it if we had to cut spending to do it—as we have before.

We do not even have to cut spending to cut taxes when there is trillions more than is necessary to run an already bloated government.

When not one cent of this surplus comes from Social Security.

We have nothing short of a moral imperative to return the money to the taxpayers who sent it.

While it may be Clinton-able, it is unconscionable to do otherwise.

Mr. COVERDELL. Mr. President, I commend the Senator from Idaho for his very illuminating remarks.

I now yield to the distinguished Senator from Minnesota for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. I congratulate the Senator from Georgia for putting together this special order on taxes. If we don't talk about it, if we don't act on it, as sure as day follows night, Washington will spend this surplus unless we do something. It is a very important issue, and I appreciate the opportunity to join in.

A few minutes ago the Senate cast another important vote in an attempt to lock away every penny of the Social Security surplus for Americans' retirement security. If enacted, this lockbox legislation would effectively end the practice of allowing the Government to spend Social Security money on other Washington ''wish list'' programs.

I take this opportunity also to commend Leader LOTT, Chairman DOMENICI, and Senators ABRAHAM and ASHCROFT for their leadership on this very important issue. I believe stopping the Government from raiding the Social Security trust fund is an essential first step to ensure Social Security will be there for current beneficiaries, the baby boomers, as well as their children and grandchildren. I am pleased this remains our No. 1 priority.

We will protect Social Security, preserve Medicare, and dramatically reduce the national debt, while providing major tax relief. Republicans are pleased that President Clinton agrees that shoring up Social Security and Medicare should be our Nation's top priority. But the difference is that President Clinton talks about it and Republicans are ready to act on it.

A good example is the President's commitment to work out a Social Security lockbox compromise when talking with the leadership this past Monday. Yet here we are again, another cloture vote, and no agreement. Where is the action to back up that type of commitment?

The Republicans are determined to achieve these goals. We have locked in every penny of the estimated $1.9 trillion Social Security surplus over the next 10 years—not for Government programs, not for tax relief, but exclusively to protect all Americans' retirement.

We have been working hard to reform Medicare to ensure it will be there for seniors. Prescription drug coverage for the needy will be part of our commitment to seniors, to protect their Medicare benefits. Had the White House and the Democrats cooperated, we could have fixed Medicare by now.

We have reduced the national debt and will continue to dramatically reduce it. Debt held by the public will decrease to $0.9 trillion by 2009. The interest payment to service the debt will drop from $229 billion in 1999 to $71 billion in 2009. We will eliminate the entire debt held by the public by 2012.

We have not ignored spending needs to focus on tax cuts as has been charged. We not only have funded all the functions of the government, but also significantly increased funding for our budget priorities, such as defense, education, Medicare, agriculture, and others.

Meanwhile, Republicans are committed to providing nearly $800 billion of the projected non-Social Security surplus—the tax overpayments of working Americans—for tax relief.

This is the largest tax relief since President Reagan and it does not come at the expense of seniors, farmers, women, children, or any other deserving group.

However, despite our healthy economy expanding our on-budget surplus, which, again, is not the Social Security surplus, President Clinton still denies meaningful tax relief for working Americans. He and his aides accuse our tax relief plan of being ''dangerous'' and ''risky,'' squandering your money by giving it back to you, worried that you won't spend it right. The administration believes you are smart enough to earn your money but you are not smart enough to know how to spend it—Washington is.

He believes public opinion polls show less interest in tax relief. No wonder! How many people do you know like paying taxes and actually expect a refund? Most people have given up any thought of tax relief—but they still constantly remind me how important it is when I travel around Minnesota.

To tell the public they don't deserve tax relief is just plain wrong. The Bureau of Census just released a report last week that finds 49 million hard-working Americans—nearly one person in every five—lived in a household that had trouble paying for their basic needs.

They are going further into debt each month trying to make ends meet. Credit cards are charged to the limit. They need tax relief.

What's even more shocking, Mr. President, is that not all of these 49 million are underprivileged people, over 8 million Americans are from middle-class families, families that earn more than $45,000 a year.

Let me repeat, Mr. President, a significant number, 8.1 million, to be exact, of middle-class and well-off families today have difficulties making their ends meet. They even have trouble paying rent, medical bills or other basic daily needs. A family night at the movies, a dinner out, braces, piano lessons are often out of reach to average income families.

Mr. President, this is not my data, nor is it data from think tanks. This is the data produced by the government of the United States.

Some experts attribute this financial hardship to lack of savings, which is true, but there is much more.

Our personal savings rate has dropped from 9.4 percent in 1981 to only six-tenths of a percent last year. This year the government reported that the rate actually dipped below zero for the first time since the Great Depression.

In fact, in the past 70 years, including the Great Depression, our savings rate has dropped as low as it is today

only twice before. The personal savings rate has remained low for more than a decade, and net personal savings other than pensions have virtually disappeared over the past ten years.

But why? My answer is that government tax bites have been getting bigger and more cruel. Americans have been struggling to pay basic bills. After paying Uncle Sam and paying for basic family needs, there is nothing left for working Americans to save, or for money even to provide for the basics.

Americans should be able to save for their future, but they also should be able to pay for what most of us here take for granted—the family's night out, the lessons, camps, etc.,—the things that improve our quality of life. Tax relief can improve the quality of life of middle-class American families.

Mr. President, I remind you the total tax burden on working Americans is at an all-time high. The government's own data shows that the average household pays $9,445 in federal income taxes alone—twice what it paid in 1985.

Federal taxes take a huge bite out of Americans' hard-earned paycheck and consumes about 21 percent of the national income, the highest proportion since World War II. And it's still growing. Total taxes from all levels of government—federal, state, and local taxes—stand at a record 32 percent of national income.

Mr. President, according to the Census report, the income of the average American family has grown only 6.3 percent in constant dollars between 1969 to 1996. However, federal tax revenue increased nearly 800 percent during the same period of time.

Studies show that if government spending in this country had remained at the 1960 level, the average income of an American family of four, even accounting for inflation, would be $23,000 higher today than it is. That could certainly improve the quality of life for those families.

The tax burden has become even more excessive since 1993. Over the course of President Clinton's administration, Washington's income has grown faster than our economy and twice as fast as the income of working Americans. In fact, federal taxes have grown by over 54 percent. That's nearly $4,000 a year more per person.

Because of the unfair tax system, millions of middle-income Americans who have worked hard to get ahead have been pushed from the 15-percent bracket into the 28-percent bracket. Hundreds of thousands of others have been pushed from the 28-percent bracket into the 31- and 36-percent brackets. No one can escape this growing tax burden, not even low-income and minimum wage workers.

Since payroll taxes are levied against everyone, as low-income and minimum wage workers work harder and earn more, their payroll taxes also increase, taking a huge bite out of their hard-earned dollars that are most needed to keep families above the poverty line. As a result, Americans today are working harder and longer but taking less home. A larger share of the earned income of working Americans is siphoned off to Washington, and isn't available to spend on family—not Washington—priorities. No wonder working Americans have trouble making their ends meet. No wonder they cannot save for emergencies. No wonder they work two or three jobs but still cannot get ahead.

President Clinton himself at one time admitted that Americans were taxed too much. But he still refuses to return the tax overpayments back to them because he does not think working Americans will spend it right. Instead, President Clinton has decided he will spend much of the surplus for his own government programs.

President Clinton and some of our Democratic colleagues insist we should have Social Security and Medicare first before we have tax cuts. In my view, this is nothing but an effort to deny working Americans tax relief.

Republicans have saved Social Security and have tried to create interest in Medicare reform. Tax relief only detracts from the need to spending more to bring home the bacon for many of our colleagues on the other side. Even after we've set aside and protected $2 trillion for Social Security and Medicare, he and my Democratic colleagues in the Senate still insist the tax relief is unachievable.

Over the next 10 years, the federal government will collect over $22.7 trillion in taxes. Excluding the Social Security tax surplus, the government will take $17 trillion from Americans' paychecks while it needs only $16 trillion to operate the government. In other words, the average U.S. household will pay approximately $5,307 more than the government needs over the next 10 years, according to the Congressional Research Service.

One question we should ask ourselves before we decide how to spend any non-Social Security surplus is where the budget surplus comes from. Do we have a budget surplus because the government is spending less or because it is taking more of our money? The CBO has showed us precisely where we will get our revenues in the next ten years. The data indicates that the greatest share of the projected budget surplus comes directly from income tax increases, primarily from the capital gains realizations and increase of effective income tax rates.

Clearly, Mr. President, as I have argued repeatedly our revenue windfall did not just fall from the sky, nor has it come from any belt tightening in Washington. It comes directly from American taxpayers.

Again, my point is, Mr. President, that this non-Social Security surplus is nothing but tax over-payments. It is the American taxpayers' money and it should be returned.

Like the Chairman of the Federal Reserve Alan Greenspan, my biggest fear is that if we don't give the non-Social Security surplus back to the taxpayers, Washington will soon spend it all. Such spending will only expand the government, making it even more expensive to support in the future, creating an even higher tax burden than working Americans bear today and a higher federal debt. That's why Chairman Greenspan says ''If we have to get rid of the surpluses—I would far prefer reducing taxes than [increasing] spending, and, indeed, I don't think it's a close call.''

Major tax relief as we have proposed will help all Americans keep a little more of their own money. It will give middle class families relief from the tax squeeze. It will help farmers and small business owners pass their hard-earned legacies onto their children. It will help to reduce self-employed medical costs, and correct the injustice of the marriage penalty tax. It will encourage working Americans to save and invest more. It will reward people who work hard to get ahead. It will benefit all Americans and ensure our economy continues to grow. But more importantly, it will give working Americans more freedom to control their own fate and decide what's best for themselves and their families. This is exactly what President Clinton and our Democratic colleagues fear will happen. They simply cannot let go of their misconceived belief that higher taxes and more government spending are the best answers to America's challenges. That's the fundamental difference between the two parties. That is what this debate on tax relief is all about.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator from Minnesota. I appreciate his accommodating the somewhat tight schedule. The remarks he made are very pertinent to what we are going to be hearing a lot about over the next 3 weeks.

I now turn to the distinguished Senator from Colorado for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, I thank the Senator from Georgia, Mr. COVERDELL, for leading the discussion this morning on the need to have tax cuts for all Americans. I agree with my colleague from Missouri, Senator ASHCROFT, and his call to action. He said: Americans have earned it; Uncle Sam ought to return it.

I agree with my colleague from Idaho, Senator CRAIG, who pointed out that right now Americans are facing the highest tax burden since World War II. I also would like to associate myself with the comments of my colleague from Minnesota, Senator GRAMS, who says we can save Social Security, we can pay down the public debt, and we can still provide tax cuts for Americans. My colleague from Kansas, Senator BROWNBACK, will probably talk about the need of cutting taxes for the benefit of American families.

These are all very good points on why we should cut taxes. In talking with my constituents in town meetings across Colorado, one thing I hear in every meeting is that Congress should cut taxes. The legislature in the State of Colorado, and the Republican Governor in the State of Colorado, have heard the same message. This year there were some major tax cut provisions for the people of Colorado. The Governor of Colorado, Governor Owens, has pointed out that he plans on making another major tax cut for the people of Colorado next year. They recognize that government is receiving a windfall with our good economy, and we ought to cut taxes to give people the power to determine how they want to spend that money.

The government in Colorado or the Government in Washington should not be spending those dollars. The power really does belong with the people, not with the government in Colorado or, particularly, with the Government in Washington, DC.

People of all ages, professions, and positions in life believe they send too much of their paycheck to Washington. I happen to agree with that. Taxes are currently at a record high level. According to the Tax Foundation, Tax Freedom Day, the day in the year to which the typical American family must work to pay their combined Federal, State, and local taxes, was May 11 this year. This is the latest day ever, but it is hardly surprising in light of the fact that the combined effective tax rate is also the highest ever. When you add in the cost of Government regulations, Americans did not finish paying for the cost of Government until June 22nd. I believe Congress should downsize Government and return power to the States, localities, and individuals.

Part of the effort to downsize Government must also include a tax cut. I believe Americans should be able to keep more of their own money. American workers already pay 38 percent of their income in taxes, which is more than they spend on food, clothing, and housing combined. For the average family, this translates to a large percentage of their paycheck going straight to Uncle Sam.

A tax cut means they could keep more of their money to use for their priorities, not Washington's priorities. Some families may choose to use that money for a downpayment on a house, others, for education, and other families will now have the money to work fewer hours and spend more time together. The important point is, they know their own family needs and we, in Washington, do not.

I realize some question the wisdom of tax cuts. We always hear from those, sometimes I think louder than we do from others, except when it comes to election time, and then their voice is heard. They believe the budget cannot be balanced or Social Security cannot be saved if they return taxpayer money. However, according to a recent Congressional Research Service study, there will be an additional $800 billion on budget surplus over the next 10 years, even after assuring that all our obligations to Social Security and Medicare have been met.

The study also found the average household will pay $5,000 more in taxes than the Government needs to operate over the next 10 years. This money belongs to the American people. We must refund the excess in the form of tax cuts and not spend it. At the very least, we should reduce the excessive recent growth of the Federal tax burden.

During the Clinton administration, Federal tax receipts have increased by over 54 percent. Tax revenues have grown twice as fast as our economy and twice as fast as economic growth for working Americans. Clinton tax hikes have left each American $4,000 per year poorer, yet the President is not done. His budget for Fiscal Year 2000 proposes $96 billion in new taxes. Congress should reject new taxes and new spending in favor of meaningful tax relief.

In conclusion, I point out that it is time we return Government money to its rightful owner, and that is the American people.

I thank the Senator from Georgia for allowing me to join with him and my other colleagues in the Senate to deliver this very important message.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I know our time has been scheduled to conclude at noon.

The PRESIDING OFFICER. The Senator has 14 minutes remaining.

Mr. COVERDELL. Do I have 14 minutes remaining? Thank you.

Mr. President, let me, first of all, thank all of these speakers. In their own way, each pointed out the effect of a circumstance in which working American families are paying the highest taxes they have ever paid. These numbers begin to back into each other, but if you get down to the bottom line, what we are talking about is that American workers today are keeping just over half their paycheck—about 52 cents. If they kept two-thirds of their paycheck, which I think everybody in the country would agree at a minimum would be appropriate, they would have about $7,000 a year in their checking accounts.

We have just spent a fierce week of debate arguing about how people deal with prescription drugs and the Patients' Bill of Rights and the needs of American families. The problem is, we have taken so much out of those folks' checking accounts they do have to start looking to some other place to take care of these problems. Obviously, if every working family had $7,000 more in their checking accounts, the problem of a $2,000 drug bill or an additional educational requirement could be facilitated.

We have created, by these enormous tax levels, massive pressure on American working families. I will give you two immediate manifestations of what this does, and there are many.

One of them is that American families this year, for the first time, have a negative savings rate.

In other words, they are in the red in terms of the amount of money they are saving each year. The reason is, if somebody—the Government—goes into their checking account and takes over half what they make, there is not enough left to save. In fact, there is not enough disposable income left to do what that family is supposed to do. Education, housing, transportation, and health needs are all impaired because we have taken those resources and moved them away.

There are people in this city who believe they can make better decisions about where that money ought to go. If you are interested in tax relief, economic relief, leaving those funds in those families' checking accounts, you are a person who believes they make a better decision about what they need, they make a more efficient decision, they make a more intelligent decision about what the requirements are in that family than some bureaucrat buried in the basement of one of these buildings in Washington, DC.

They know whether they have a special education problem. They know whether they can afford and need more health insurance or not. They know whether or not they have a housing requirement or transportation requirement.

There is absolutely no way this city, despite all the intellect, can figure out what are the specific needs of an individual family. The best thing we can do for middle America, the best policy we can enact, is to get more resources into their checking accounts. They worked for it; they earned it.

If Thomas Jefferson were here today, he would faint that we had come to the point where nearly half the resources of working families are sent off to the Government. If he woke up, he would be furious that this condition had ever been imposed. So American families are not saving.

Also, we have the highest bankruptcy rates in contemporary history. Why is that? Once again, it is a reaction to all the pressures we put on working families across the country. We are taking too much of their paychecks and moving those resources away from them to Washington for others to decide what to do with it, leaving those families without the resources necessary to do what they have always done for America.

Mr. President, I am going to conclude. I know there are several other Senators who have remarks to make on other subjects.

In my judgment, there is no single policy more deserving of our attention than that of focusing on how to lower the highest tax levels in American history, how to return resources to the

checking accounts of our average American families so they are empowered to do the things they need to do to make America great.

There are three pillars of American freedom. One is economic opportunity, the second is safety of persons and property, and the third is an educated mind. We have ratcheted down economic opportunity to a point where it is changing the behavior and the way Americans function and act. It is robbing them of the dreams and the visions that have been such a special part of America.

This is the time, the perfect time, for us to be conscious of this, to leave those resources in those checking accounts and empower those families to build not only their family, their community, but their Nation, the United States of America.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. KERREY. Mr. President, first of all, I did not hear everything the Senator from Georgia said. As I understand it, he was talking about income tax cuts; is that correct?

Mr. COVERDELL. That is correct.

BIPARTISAN SOCIAL SECURITY REFORM ACT OF 1999

Mr. KERREY. Mr. President, the Senator from Georgia does not have to stay for this, but I agree with the fundamental principle the Senator from Georgia laid out. I may come at it slightly differently.

There have been a lot of arguments about income tax cuts and why they are needed. I call to my colleagues' attention, one of the biggest reasons is the total amount of taxes we are currently taking from the American people which totals 20.7 percent of U.S. income. That is the highest it has been since 1945, and it continues to go up.

I believe we need to measure and look at that very carefully as we decide how much in taxes we are going to take from the American people. I put myself on the side of I believe at least the fundamental principle about which the Senator from Georgia talked. There are many ways to cut taxes, and I want to talk about one way to do so this afternoon.

I rise today to talk about the introduction of a bipartisan bill called the Bipartisan Social Security Reform Act of 1999. It is the only bipartisan, bicameral—it has been introduced in the House as well—Social Security reform bill, and it is the only bill that can claim to cut taxes, cut programmatic costs, leave current retirees' benefits untouched, and it substantially increases the benefit checks of women and low- and moderate-income workers. This reform plan is a reform plan for all generations.

First, in our bill, current seniors—those who are eligible either for the old age, survivor, or disability benefits who have not had time to financially prepare for benefit changes—will not face any benefit cuts.

Second, current workers—the baby boomers and the generation Xers—will participate in a modernized and strengthened Social Security program. Our proposal gives all current and future workers a 2-percentage point payroll tax cut which they can invest in individual investment accounts. That is a $928 billion tax cut over the next 10 years.

Indeed, as I will illustrate with my presentation, what Congress should consider, when we consider the payroll tax, is do we want to take that payroll tax and pay off the national debt.

I favor a substantial debt reduction. Under our proposal, instead of going all for debt reduction, that $928 billion will be accumulated as an asset in 137 million working American households. That will add to the net worth of American working families. It is, in my view, a preferable way of dealing with the payroll taxes. It gives the baby boomers and generation Xers who have time to plan under our proposal not only a payroll tax cut, but it gives them an opportunity to invest in their future. At retirement, these workers will receive the traditional monthly benefit check. We preserve not only the old age benefit, but we preserve intact the survivor and disability benefit. This traditional defined benefit will be supplemented by the retirement wealth they have accumulated in their individual savings accounts.

Third, future workers—that is, those who are born after 1995—will not only get to participate in individual savings accounts, but they will get to start saving for their retirement at birth through our bill's KidSave account program.

Through KidSave accounts, all children will be given a stake in the American economy and a chance to build substantial retirement wealth at the same time. Each child born in the United States will receive $3,500 to invest in their retirement. When a child takes his or her first job, he or she will be able to contribute 2 percentage points of their payroll tax to the KidSave account.

Not only is this a plan for all generations—it is a plan for all income levels. Our plan has something for every wage earner. It will result in substantially higher benefit checks for low- and moderate-income workers. It will result in substantially lower taxes for high-income workers, and it has a combination of higher benefits and lower taxes for middle-income workers.

I have brought with me some examples of how real Nebraskans would be affected by our legislation. These charts compare Social Security benefit checks under current law with Social Security benefit checks under the Senate bipartisan Social Security reform plan.

The first example is a friend of mine by the name of Verner Magnuson, a retired farmer from Oakland, NE. This chart says, 75-plus. I do not think Verner would object to me telling you he was born in 1915. So Verner obviously is an individual who says: Well, what do I benefit from additional savings? He is exactly right. He does not have time to save and benefit from the buildup in cash that can occur by taking advantage of compounding interest rates.

So under current law, Verner receives a benefit check of approximately $1,500 per month. Under our bill, his check will be exactly the same, $1,500—and it will continue to grow with inflation from year to year. We make no adjustment in Verner's CPI nor in anybody's CPI over the age of 62.

The second example shows an Omaha resident and the divisional social services director for the Salvation Army, Linda Burkle. Linda, who has a relatively high income—although she may object to that description—demonstrates how higher income individuals will experience somewhat lower monthly benefits under our Social Security plan—at least during the transition period. These temporary benefit reductions for high-income people will only occur until the new Social Security program—that is to say, with individual accounts—is fully phased in. At that point high-income people will not experience reductions in overall benefits. These are temporary benefit reductions for higher income people, and they will only occur until a new program with individual accounts is fully phased in.

You can see from this chart that a baby boomer with a low or moderate income will still have a higher income benefit in our plan than under current law. A moderate-income worker, for example, will receive a monthly benefit check of $673 under current law. Since Linda will become eligible to retire for old-age benefits in 2020, her benefit check will not reflect the large benefit cuts that are expected to occur in 2034 under current law.

I will not spend a great deal of time on this point, but one thing we all need to understand is if we do not change the law, people who are under the age of 45, under current law, according to the trustees of the Social Security Administration, will experience a 25- to 33-percent cut in benefits. Ask them. If any citizen doubts that, call the Social Security Administration. If you are under the age of 45, call them up and ask them: What will my benefits be unless Congress changes the law? And they will tell you that your benefits are going to be cut 25 to 33 percent.

I have listened to my colleagues from time to time who say: Gosh, it is not going to run out of money until 2034,

and that is a long time away. Why do anything now? Why should we act now, especially when the choices are hard and people are apt to get upset with you?

The answer is, in 1983, when Congress fixed Social Security as it was about ready to not be able to pay benefits, it made a radical departure from the previous plan. In 1983, what Congress said is that we are not going to only fund current beneficiaries; we are going to fund all beneficiaries.

That is what the 75-year mark does. It is not just 75 years; we are trying to write the law so that whatever your age, whether you are born this year or you are 16 years old or you are 76 years old, that we can keep the promise we have on the table.

We cannot keep the promise we have on the table to the people under the age of 45. It is not just a small haircut they are going to take; it is a big haircut they are going to take. Or there is going to have to be a comparable—actually, a larger tax increase on their children and grandchildren. That is the current law—a big benefit cut for people under the age of 45.

You can see from this chart that a baby boomer with a low- or moderate-income will have a higher benefit under our plan than under current law. A moderate-income worker will receive a monthly benefit check of $673 under current law. Under our plan, a low-income worker will receive a benefit of $813. That is a very important point.

We believe that the current Social Security Program is not very generous to low- and moderate-income workers. We add what is called under law an additional benefit point. So for that lower wage individual, in my view, not only are there many of them today, but there are apt to be many of them in the future, who are both an important force for economic reasons as well as for moral reasons. We have to make sure that that defined benefit program is sufficient so they can live with some dignity in their retirement years.

This plan not only provides them a higher benefit check, it also provides them the thing that I think produces real financial independence, and that is ownership of some financial assets.

My third example shows how Kelly Walters, a 20-something generation Xer from Columbus, NE, will fare under our Social Security reform bill. Generation X is the first generation that will experience very significant benefit increases from our Social Security reform plan. If Kelly earns the average wage over her lifetime, she can expect to get a benefit check, under current law—assuming no tax increases—of $884 per month. Under our reform plan, she can expect to get a Social Security benefit check worth $1,329 per month. That is a 50-percent increase in benefits over current law. If she turns out to be a low-income worker throughout her lifetime, Kelly can expect to get a $536 monthly check under current law but a $1,115 benefit under our new plan. That is more than double the benefit under current law.

One of the very difficult things we are experiencing, as the occupant of the Chair knows—he was on the Ways and Means Committee in the House, and I look forward to the day when he is on the Finance Committee as well—but as the occupant of the Chair understands, what we have is a situation where people are living longer. Generation Xers are probably going to be looking forward to living to the age of 85 or 90. So it is very important that that defined benefit program be solid for them. It is also very important that they have the financial assets and wealth that allows them to sustain themselves through to the course of their old-age years.

My fourth and final example shows how the next generation of children will fare under our Social Security reform plan.

Erin Kuehl, who is only 2 years old today, will benefit not only from the 2-percent account but also from the KidSave account I described earlier. Under the current Social Security system, Erin can expect to have a Social Security benefit worth $1,037 if she earns the average pay. Under our plan, she will receive a monthly benefit worth $2,693. If she becomes a low-income worker, Erin will receive a benefit worth $629 under the current system and $1,631 under the new system—again, more than one and a half times her current expected benefit.

Many people get confused about this because they will look at the existing benefit plan and they will say: Well, that is not true. Under what shows up on her benefits, Erin is going to get a much larger check. But that assumes that Congress is going to raise taxes. The President said he is against raising payroll taxes. That presumes that Congress somehow is going to come up with some additional money. If anybody wants to do that, let them come down and argue for that. Let them come down and make a presentation or a proposal to raise taxes even more on people who get paid by the hour than we have under current law.

The message with our proposal is very clear: Our bill provides better benefits for low- and moderate-income workers. And although some high-income individuals will temporarily experience slightly lower benefits during the transition from the old system to the new system, all workers in America will eventually experience higher benefits and lower taxes than current law provides. In Nebraska alone, there are over 283,000 Social Security beneficiaries: 182,000 have an old-age benefit; 35,000 are taking the survivor or widower benefit; and the balance are in the disability program. The average monthly check under the old-age benefit is $753 for retired workers. For the widower, it is $740.

Not only is $753 not a livable monthly benefit, that is an average. That means many are getting substantially lower than that. Even in Nebraska, that is not adequate, unless it is supplemented by additional wealth and income from pensions and personal savings. This is an even lower amount and not likely to provide that individual with what they are going to need, especially with longer lifespans projected out into the future.

Our bill will ensure workers have larger benefits. Our bill also ensures they have wealth with which to supplement their retirement income.

There are tradeoffs in our bill. Although our reforms will ensure lower taxes and higher benefits from future workers, our bill does call for programmatic changes which will lower the guaranteed defined benefit check for some middle and upper workers in the future.

I don't want to sugarcoat this. Unless you are for a tax increase, if you want to walk out on the floor and say, let's raise taxes, you also favor at some point lowering benefit checks. If you don't like the idea that we are making some adjustments out in the future in benefit checks—and again, for emphasis, if you are watching this and you are over the age of 62, please don't call my office and say I am cutting your benefits. I am not. This proposal does not cut benefits for people over the age of 62. It makes adjustments out in the future. Again, if you don't like those adjustments, come down to the floor and say you want to raise taxes because that is the only option to making these kinds of adjustments.

Our bill includes a provision which instructs the Bureau of Labor Statistics to study overestimates in the CPI and correct them accordingly. When the recommendation was made well over a year ago now, it was a commission that studied this. They came back and said that the CPI was overstated 1.1 and we ought to make an adjustment, and nothing happened. I guarantee you, if they had come back and said that it is understated 1.1, there would have been 535 votes for it. It would have been unanimous in the House and Senate. But because it is overstated, we recognize that the adjustment is going to mean somebody is going to have to give up something. We make that adjustment for beneficiaries out into the future.

We think this will result in a downward adjustment in the CPI and COLAs of .5 percent. It brings the CPI much more closely in line with what real cost-of-living increases are. It doesn't reduce the cost-of-living increase. It brings us a much more accurate cost of living. In addition, the CPI adjustments will affect income tax revenues. I do not argue that it will not. But our bill allows the Social Security Administration to recapture these initial income tax revenues for the Social Security trust fund.

Another benefit change in our bill is the indexation of benefits to life expectancy. Earlier I introduced a bill with Senator MOYNIHAN that would

have moved the eligibility age. It set off a howl, a protest, and concern. I listened to those concerns. By the way, in 1997, we had 1.3 million old-age beneficiaries who became eligible for Social Security's old-age benefit. Of those 1.3 million, 1.1 million took the early benefits at 62. So when news commentators try to figure out what this does, they typically say: KERREY is proposing to move the retirement age. Not true. We are talking about eligibility age, when you are eligible for the benefit. By the way, this bill would also eliminate the earnings test that is still present. That earnings test is gone. So whenever you are eligible, if you want to continue working, that is fine under our proposal.

But this change to index benefits to life expectancy is a response to people saying: Don't move the eligibility age. We keep the eligibility age exactly as it is under current law. We do accelerate the move from 65 to 67.

Once the retirement age increases to 67, as under current law, our bill will provide for benefits that track the life expectancy of your birth cohort. I think we made that adjustment so we do not accelerate it until 67, or do we? We do? I was right the first time.

Our bill will provide for benefits, as I said, that track the life expectancy of your birth cohort. The longer your birth cohort lives, the more years over which your benefits must be spread. This may mean that retirees far in the future may experience a lower defined benefit under our program, but again, it does not affect the value of their individual account.

We have several other benefit changes in our bill, but those are the two big ones. I disclose them up front.

There is a price. Again, I say, for the third time, for those who object to it, what is your alternative? What else do you want to do? I graduated from the University of Nebraska in 1965 with a B.S. in pharmacy. It is a land grant college. I am not a Rhodes scholar. I didn't go to Yale University. I don't have a Ph.D. behind my name.

This is not difficult to figure out. The difficulty is looking at the 10 or 12 options and saying: Oh, my gosh, I don't want to pick any of those because somebody is going to get mad at me. Somebody will object to it. Somebody will criticize it.

Criticize the changes if you want, and there will be many who do, but if you are an elected official, if you are an elected representative, I hope people outside, after they have leveled their criticism will say: What is your solution? Or are you suggesting that people under the age of 45 should just be basically out of luck because we don't expect to have to worry about them in our political lifetimes or perhaps even in our physical lifetimes.

Ultimately, the public must decide whether it is willing to risk some benefit adjustments and some benefit uncertainty for the long-term gains that come with a Social Security program that includes individual accounts. Furthermore, the public must weigh the costs and benefit adjustments against the cost of doing nothing. As I said, the cost of doing nothing, if you favor doing nothing, if you favor delay, what that means is you favor, unless you have an alternative, you favor a 25 to 33 percent cut in benefits for people under the age of 45 because that is what current law provides.

This is a reform proposal that Republicans and Democrats are supporting and should be supporting. If Congress wants to get serious about Social Security reform, this is the bill to mark up. If Members want to stop talking about saving Social Security—we just had a cloture vote on the lockbox proposal. Democrats have a lockbox proposal. Everybody wants to save Social Security. If you want to save Social Security, this is the bill to rally behind. If the President, who cannot run for reelection, wants to save Social Security, this is the bill for him to embrace as well. If the public wants the politicians to enact Social Security reform legislation that shares costs across generations, protects benefits and lowers tax burdens, this is the bill to write their Congressman about.

You may detect frustration in my voice. I have been frustrated in recent weeks by our difficulty to come to a resolution of this problem. We do talk a great deal about it. I understand the difficulty. I do not underestimate the political difficulties of solving this problem. The difficulty, in my judgment, is not picking the solution. This is not like Medicare. This is not like youth violence. There are lots of things out there that are extremely complicated, that are very difficult to figure out. This one is not difficult to figure out. You just, in the end, must select which proposals, which solutions you want.

The Congressional Budget Office, the office that dictates what we do far too often around here, and the Office of Management and Budget, the executive office, recently released their midsession review that projected surpluses of $2.9 trillion over the next 10 years, 65 percent of which comes from excess FICA taxes.

What I find to be odd in our current debate is that from 1983 to 1999, after we raised taxes on working people in 1983 to prefund all Americans who were going to be eligible in the future, we raised taxes then. Every single year what Treasury does is, any excess tax, it credits the Social Security Administration with a treasury bond, an asset that has real value. This year at the start of the year, that is about $860 billion that the Social Security Administration owns for future beneficiaries. It will be over $1 trillion at the end of this year because there will be $130 billion of revenue taxes, taxation of benefits and the interest off these bonds that flow into the Social Security trust fund. The Social Security trust fund will own over $1 trillion of the bonds. It will build up to $4.5 trillion in the year 2014. From 1983 to 1999, what we did was, we ended up, after the trust fund owns bonds, Treasury ends up with cash. It ends up with cash. And it has been using that cash for all sorts of things. It has to buy something.

So basically what this excess did was made the deficit look smaller. So from 1983 to 1999, people who got paid by the hour—and 80 percent of Americans have higher FICA taxes than they have in income taxes—people who get paid by the hour shouldered a disproportionate share of deficit reduction.

Now, in 1999, that the deficit is gone and we are at a surplus, what the lockbox says is that people who get paid by the hour are going to shoulder all of the debt reduction. Every single penny of debt reduction under the President's proposal, the Democratic proposal, and the Republican proposal is paid for with payroll taxes, FICA taxes. So what we say with our proposal is not only do we want to give a tax cut to people who get paid by the hour—almost $1 trillion over a 10-year period—but what it effectively does is say that rather than paying down the national debt all of us owe, we will increase the net worth of Americans by transferring that to the asset side of their balance statement. That is basically what it does. At the end of the 10-year period, 137 million working families will have at least $1 trillion of new assets. That assumes no interest, no accumulation on that ownership.

Furthermore, each day we let go by means this problem gets harder to solve. This body rarely takes the opportunity to solve future crises. I understand that. I have been in the situation many times before. I urge and beg my colleagues to let the issue of Social Security reform be the exception to the rule. This bipartisan, bicameral bill represents a real effort to work in a truly bipartisan fashion, not just to save Social Security, but to modernize it, strengthen it, and improve it.

I urge my fellow Senators to cosponsor this bill and join with us in urging the chairman of the Finance Committee, the chairman of the Ways and Means Committee, and the President to take up and endorse a Social Security reform bill this year.

In addition, I announce that I intend, when we mark up a tax bill in the Finance Committee, to offer this piece of legislation as a way to cut substantially more taxes than anybody is currently proposing.

I thank my colleagues who are on this bill, including Senator GREGG and Senator BREAUX who are both on the floor today. I am proud to be a cosponsor of it. I praise them for their leadership. They have been fearless and future-looking. When we talk about our kids and grandkids, sometimes we don't often back those words with actions. I praise them for being willing to back, in a very courageous way, their words with action.

I ask unanimous consent that letters in support of the bill be printed in the RECORD.

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

[From the Concord Coalition, June 9, 1999]

CONCORD COALITION COMMENDS BIPARTISAN SOCIAL SECURITY PLANS THAT MAKE TOUGH CHOICES AND OFFER REAL REFORM

WASHINGTON.—With the U.S. House Committee on Ways and Means holding hearings today and tomorrow on plans to reform Social Security, The Concord Coalition commends the Members of Congress who had the courage to submit bipartisan Social Security proposals that are both fiscally responsible and generationally sound. Concord singled out for praise the sponsors of the Kolbe-Stenholm bill (21st Century Retirement Security Act, H.R. 1793) and the Gregg-Breaux plan (the Senate Bipartisan Social Security Agreement).

Concord Coalition Co-Chairs and former U.S. Senators Warren Rudman (R–NH) and San Nunn (D–GA) draw three conclusions in letters addressed to Congressmen Jim Kolbe (R–AZ) and Charlie Stenholm (D–TX), and Senators Judd Gregg (R–NH), John Breaux (D–LA), Bob Kerrey (D–NE) and Charles Grassley (R–IA). ''First, changing demographics make the current pay-as-you-go benefit structure unsustainable. Absent change, the system will either burden future workers with steep tax hikes, or betray future retirees with deep benefit cuts.

''Second, there are only two roads to genuine reform, and a workable plan must pursue both. Reform must reduce Social Security's long-term burden by reducing its long-term costs. And it must make the remaining burden more bearable by increasing national savings, and hence the size of tomorrow's economic pie. Doing so requires the hard choices of fiscal discipline. In short, there are no magic bullets. . . . Third, the time for action is now. The longer reform is delayed, the worse the problem will become and the more draconian the solutions will be.

''The Concord Coalition commends your efforts because your plan recognizes each of these conclusions. We are particularly pleased that you have resisted the temptation to rely on speculative gains such as projected budget surpluses and higher market returns to close Social Security's fiscal gap. Either strategy is fraught with peril,'' Rudman and Nunn warn.

''The Concord Coalition supports the approach taken by Kolbe-Stenholm and by Gregg-Breaux because both plans are powerful antidotes to the free lunch disease that is gripping the Social Security debate. Compared with the other proposals being considered, these plans come closest to meeting the Concord Coalition's criteria. They reduce future benefits on a progressive basis, modestly raise the eligibility age, provide a more accurate Consumer Price Index, create individually owned retirement accounts without relying on projected budget surpluses, and they have bipartisan support,'' said Concord Coalition Policy Director Robert Bixby.

''The Concord Coalition also commends Chairman Archer and all of the witnesses at this week's hearings for putting forth the specifics of their Social Security reform plans. The safest place is always on the sidelines. However, if the end result of the Social Security debate is to avoid all the hard choices, we might as well launch a new government program to find the fountain of youth because otherwise we will never be able to meet all of our future benefit obligations,'' Bixby said.

THE CONCORD COALITION,
Washington DC, June 9, 1999.

Hon. JUDD GREGG,
Hon. JOHN BREAUX,
Hon. ROBERT KERREY,
Hon. CHARLES GRASSLEY,
U.S. Senate,
Washington, DC.

DEAR MR. GREGG, MR. BREAUX, MR. KERREY, AND MR. GRASSLEY: The Concord Coalition heartily commends you and the other co-sponsors of the Bipartisan Social Security Agreement. Together, you have demonstrated political courage by making the kind of hard choices that must be made to preserve Social Security in a fiscally responsible and generationally fair manner.

For the past two years the Concord Coalition has devoted much of its time and resources to promoting bipartisan dialogue on the key long-term challenges facing Social Security, and evaluating potential solutions.

Three conclusions stand out:

First, changing demographics make the current pay-as-you-go benefit structure unsustainable. Absent change, the system will either burden future workers with steep tax hikes, or betray future retirees with deep benefit cuts. Take the year 2033 as an example. While the Social Security trust fund will still be officially solvent in that year, the program is projected to be running a cash deficit of some $280 billion in today's dollars—an amount roughly equal to this year's entire budget for national defense. Closing the gap that year would require a Social Security payroll tax hike of 40% or a nearly 30% cut in benefits.

Second, there are only two roads to genuine reform, and a workable plan must pursue both. Reform must reduce Social Security's long-term burden by reducing its long-term costs. And it must make the remaining burden more bearable by increasing national savings, and hence the size of tomorrow's economic pie. Doing so requires the hard choices of fiscal discipline. In short, there are no magic bullets.

Third, the time for action is now. The longer reform is delayed, the worse the problem will become and the more draconian the solutions will be. Moreover, delay risks losing a valuable opportunity to act while the economy remains strong, the huge baby boom generation is still in its peak earning years, and the Social Security trust fund is running an ample cash surplus.

The Concord Coalition commends your efforts because the Bipartisan Agreement recognizes each of these conclusions. We are particularly pleased that you have resisted the temptation to rely on speculative gains such as projected budget surpluses and higher returns to close Social Security's fiscal gap. Either strategy is fraught with peril.

Projected budget surpluses may never come to pass. And even if they do, there are many other competing claims on this hoped for windfall. Market gains can certainly help workers earn a higher return on their payroll contributions. But it would be irresponsible to ignore structural reforms in favor of simply ''playing the spread'' between the expected returns on stocks and bonds.

Another advantage of your plan is that it does not rely on double counting assets by crediting funds both to the Social Security trust fund and to some other purpose such as debt reduction or individual accounts. Money cannot be spent twice. Plans that purport to do so are ducking the real question of how future benefits will actually be paid.

As the President's Office of Management and Budget (OMB) has observed about the trust funds:

. . . [T]hey are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures. The existence of large trust fund balances, therefore, does not, by itself, have any impact on the Government's ability to pay benefits.

Analytical Perspectives, Budget of the United States Government, Fiscal Year 2000 p. 337.

Given the difficult choices ahead, it is all too easy for elected officials to lament the problems while remaining silent on the solutions. Clearly, the authors of the Bipartisan Social Security Agreement have answered this challenge.

The Concord Coalition is currently developing its own Social Security reform proposals. While in the end Concord may not endorse every element of your plan, we recognize that there is no such thing as a ''perfect'' plan. Trade-offs will always need to be made. But we fully support the bipartisan, fiscally responsible, generationally fair path you have chosen. As the process of Social Security reform moves forward we hope that an increasing number of your colleagues will do what you have done—make the hard choices.

The Concord Coalition stands ready to assist in any way that we can.

Sincerely,

WARREN RUDMAN,
Co-Chairman.
SAM NUNN,
Co-Chairman.

NATIONAL ASSOCIATION OF MANUFACTURERS,
Washington, DC, June 3, 1999.

Hon. JUDD GREGG,
U.S. Senate,
Washington, DC.

DEAR SENATOR GREGG: American workers and future retirees would have much to gain under your bipartisan Social Security modernization plan that would allow workers the opportunity to invest a portion of their Social Security payroll taxes in personal retirement accounts. Not only does the plan help workers accumulate adequate resources for retirement, but it also restores the 75-year solvency of the Social Security Trust Fund. Individuals would own the accounts and could pass the money on to their heirs.

Thank you for your outstanding leadership as an original cosponsor of this plan; it would achieve real Social Security reform without a tax increase, accounting gimmicks or dependence on budget surpluses. This reform plan will help prepare for the retirement of the baby boom generation when the Trust Fund begins paying out more than it received in payroll taxes by 2014. At the same time, the plan would maintain a safety net for all workers, while establishing a guaranteed minimum benefit for low-income workers not available under current law.

The NAM and its 14,000 member companies appreciate your leadership of the 1997–98 bipartisan National Commission on Retirement Policy, on S. 2313 and your work this year to broaden cosponsors for the 1999 plan. Thank you for your commitment to reform and we look forward to working with you toward passage of Social Security legislation that assures retirement security for all workers and promises a viable economy for America's future.

Sincerely,

SHARON F. CANNER,
Vice President.

ALLIANCE FOR WORKER RETIREMENT SECURITY,
Washington, DC, July 15, 1999.

Hon. JUDD GREGG,
U.S. Senate,
Washington, DC.

DEAR SENATOR GREGG: On behalf of the thirty organizations that comprise the

AWRS, I would like to extend congratulations on the introduction of your Bipartisan Social Security Reform bill. While acknowledging the financial shortfall ahead, you and the other co-sponsors have succeeded in developing a plan that saves Social Security and is fair for American workers, employers, and retirees alike.

The members of AWRS are committed to the responsible reform of Social Security—not just accounting gimmicks. We are pleased to see that your bill meets all of the principles for reform set forth by the AWRS, including the creation of Personal Retirement Accounts from a portion of the FICA taxes with no FICA tax increases, no government ownership of private enterprise, and a strong safety net for all retirees while preserving the benefits of existing retirees. In fact, your bill is *more* progressive than the existing system and will result in more of our elderly being lifted out of poverty. As the debate moves forward, we will have suggestions for modest changes or elaborations, but we support your bill as an excellent staring point for reform.

We are especially pleased that your legislation restructures the existing system and reduces the huge unfunded liabilities ahead of us. Workers and employers already pay an astounding 12.4% of earnings to fund Social Security. They cannot be asked to also carry the burden of a projected $20 trillion shortfall over the next 75 years! The weight of this burden would certainly have a very negative impact on wage growth, workers' ability to save, and the overall economy.

Instead, you have wisely chosen to follow the course already charted by countries all over the world that have faced similar demographic problems in their public pension systems. More than fifteen countries—who were also facing huge future funding shortfalls—have voted to restructure their pay-as-you-go system to allow workers to invest their payroll taxes in the growing economic market. And, *no* country has chosen to simply raise taxes, create a new entitlement system, or hide the problem behind accounting gimmicks.

Along with your other co-sponsors, we commend for your courage and your ability to find responsible answers to difficult entitlements' problems. We will urge your colleagues in the Senate to get involved with you and work in a bi-partisan manner to achieve reform now. There is no better time—and the children, the workers, and the elderly in our country deserve nothing less.

Sincerely,

LEANNE J. ABDNOR.

NATIONAL ASSOCIATION FOR THE SELF-EMPLOYED,
Washington, DC, July 13, 1999.

Hon. JUDD GREGG,
U.S. Senate,
Washington, DC.

DEAR SENATOR GREGG: On behalf of the more than 330,000 members of the National Association for the Self-Employed, as well as millions of other independent entrepreneurs in America, we commend you for introducing the Senate Bipartisan Social Security Plan.

The bill that you and six of your Senate colleagues are introducing meets the criteria that the NASE has long sought for Social Security reform:

It does not increase payroll taxes or add to the current Social Security tax inequities of the self-employed.

It avoids changing retirement benefits for current and near retirees.

It actually increases the defined benefit safety net for future retirees.

It reduces the huge unfunded liability of the Social Security system, and

It permits a portion of Social Security taxes to be allocated to personal retirement accounts that workers themselves would own and control.

In addition to these noteworthy achievements, your bill would keep Social Security solvent for at least 75 years, according to the Social Security Administration's own actuaries. And it would do so without raising the retirement age, creating an entirely new entitlement system, or relying on government IOU's to prop up the Social Security Trust Fund.

This is genuine and thorough reform. It would put the nation's moral obligation to its retirees on the soundest financial footing that it's had in at least a generation.

We hope your bill will lead the way in the forthcoming effort to reform Social Security.

Sincerely,

BERNIE L. THAYER,
President and CEO.

ECONOMIC SECURITY 2000,
Washington, DC, July 15, 1999.

Hon. JUDD GREGG,
Hon. JOHN BREAUX,
Hon. BOB KERREY,
Hon. CHARLES GRASSLEY,
Washington, DC.

DEAR SENATORS GREGG, BREAUX, KERREY AND GRASSLEY: Economic Security 2000 applauds the introduction of your comprehensive, fiscally responsible Bipartisan Social Security Agreement. This plan saves Social Security for 75 years and beyond, without placing future tax burdens on younger generations. More importantly, it addresses the broader issue of retirement security by creating Personal Retirement Accounts, which open up meaningful savings and ownership to all Americans.

We commend the Bipartisan Social Security Agreement for strengthening the safety net guarantees that have been the bedrock of Social Security. In maintaining the progressive structure of the guaranteed Social Security benefit, the plan increases the defined benefit for lower-income workers whom otherwise have little or no opportunity for saving.

The Bipartisan Agreement provides a real opportunity for working Americans to build a nest egg for themselves and their children. Fifty-three percent of Americans earn less than $18,000. Yet, the $18,000 workers pays over $2,200 in payroll taxes each year. By allowing a portion of the current FICA tax to be diverted into an individually owned and controlled savings account, every American is given the opportunity to accumulate meaningful savings and real retirement security. Moreover, these accounts mirror the progressive nature of Social Security through government savings matches for lower-wage workers.

As a grassroots organization, we have a unique understanding of the American public's desire for a Social Security solution that provides real ownership and control over their retirement assets. You have demonstrated great leadership and courage by making the tough decisions necessary to preserve Social Security for today's seniors as well as future generations. We thank you for your efforts.

Sincerely,

SAM BEARD,
Founder/President.

NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS,
Silver Springs, MD, July 14, 1999.

Hon. JUDD GREGG,
Hon. JOHN BREAUX,
Hon. BOB KERREY,
Hon. CHARLES GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATORS GREGG, BREAUX, KERREY, AND GRASSLEY: The National Association of Women Business Owners (NAWBO) commends you for the introduction of the Senate Bi-Partisan Social Security Reform Bill. NAWBO's membership represents 9.1 million women business owners who employ 27.5 million workers, and we believe this legislation would be good for all those whom we represent.

NAWBO has extensively reviewed the Social Security reform measures being discussed in Congress, and developed a set of principles which include giving all workers the opportunity to use a portion of their FICA taxes to create Personal Retirement Accounts. No one knows better the importance of personal ownership and control than the millions of women who own businesses. We strongly support extending this principle of ownership and control to all workers through the creation of thes PRAs. Likewise, we believe the Social Security Administration must continue to provide a strong safety net-guaranteed minimum benefit-for all retirees. We must lift even more of our elderly, most of whom are women, out of poverty.

Your legislation achieves these goals and more. It reduces the unfunded liability of the Social Security System (currently set by SSA at $20 trillion over the next 75 years), saves Social Security and puts it on a permanently sustainable path. Your bill is strongly bi-partisan, which is required for any reform measure to pass Congress. In other words, it is fair to all constituencies, not just a segment of the population.

NAWBO is a member of the Alliance for Worker Retirement Security. We will continue to work with AWRS and you to secure our future.

Sincerely,

TERRY NEESE,
Past President, Corporate & Public Policy Advisor.

THE BUSINESS ROUNDTABLE,
Washington, DC, July 16, 1999.

Hon. JUDD GREGG,
U.S. Senate, Washington, DC.

DEAR SENATOR GREGG: I would like to congratulate you on your efforts to move forward this critical debate on the future of Social Security. The ''Senate Bi-Partisan Social Security Bill'' is largely consistent with the principles The Business Roundtable developed to guide its members as we participate in this important debate.

Based on the information we have reviewed, there are several positive elements of your plan that deserve special recognition. The plan is more progressive than the current system in that low-wage workers will receive a higher defined benefit than is promised from the current Social Security system. It insures that general revenues would be used responsibly to save Social Security, not create a new entitlement system. You have also stepped up to the plate and addressed the hard choices we all know must be faced. The bill would reduce the unfunded liability of the Social Security System, currently set by the Social Security Administration at $20 trillion, over the next 75 years. In addition, all workers under age 62 would receive Personal Retirement Accounts that they own, control, and can pass on to their heirs.

Of course, there are issues we would like to explore in more depth as this and other proposals are debated. For example, we have concerns about how individual accounts are invested, and would like to learn more about your proposal to model the accounts on the federal Thrift Savings Plan. We would encourage as many investment options as possible to allow individuals to diversify their accounts and prevent undue market concentration. It also is inclear how corporate governance concerns, such as the voting of

proxies, would be handled. Finally, we would like to explore the interaction between individuals accounts and employer-sponsored retirement plans. The ability of individuals to make additional voluntary contributions to their accounts under your plan may inadvertently have a negative impact on private plans. Again, this is an issue we would like to discuss with you as your proposal is fleshed out.

These issues are not meant to overshadow the critical contribution you have made to advance this debate. Most importantly, the proposal enjoys bipartisan support. The only way we will, or should, adopt comprehensive Social Security reform is if we all work together as a nation to develop a plan that keeps its promises to current retirees and those near retirement while meeting the needs of future generations.

The Business Roundtable looks forward to working with you, and with every other member of Congress as well as the Clinton Administration, to promote responsible reform of our Social Security system.

Sincerely,

M. ANTHONY BURNS,
Chairman & CEO, Ryder System, Inc., Chairman, Health and Retirement Task Force, The Business Roundtable.

COUNCIL FOR GOVERNMENT REFORM,
Arlington, VA, July 8, 1999.

Senator JUDD GREGG,
Senator JOHN BREAUX,
Senator BOB KERREY,
Senator CHARLES GRASSLEY,
Washington, DC

DEAR SENATORS GREGG, BREAUX, KERREY, AND GRASSLEY: On behalf of the Council for Government Reform's 350,000 supporters, let me congratulate you on your hard work and diligence in preparing the Senate Bipartisan Social Security bill. You are very courageous to offer a detailed plan that actually addresses some of the long-term structural and demographic problems that unquestionably confront our current pay-as-you-go system. The Council for Government Reform strongly agrees with many of the principles put forth in your legislation.

The introduction of your legislation indicates that prospects for true Social Security reform are not dead in the 106th Congress. Rather, you offer the hope that some short-sighted, new entitlement system that would even further saddle our most recently born children, as well as future generations, with high taxes will not be adopted.

Although this is not the first major proposal in the 106th Congress, the Senate Bipartisan Social Security bill actually addresses some of the underlying programs in the Social Security system. It avoids the pitfalls of adding-on additional taxes, creating new entitlement programs, or sabotaging personal retirement accounts. This legislation will spark the Social Security reform debate towards a dynamic, solvent, and efficient Social Security system for the 21st century.

The keys to bipartisan legislative potential are individual ownership of retirement accounts, guaranteed minimum benefits, and a reliance on a ''carve-out,'' rather than an ''add-on.'' The carve-out vs. add-on distinction is crucial because add-ons carry with them implicit tax increases while carve-outs allow for better investment of funds already taxed away from American workers.

The Council for Government Reform is very pleased that the Senate Bipartisan Social Security bill would eliminate the earning test. This is important to CGR's supporters nationwide, many of whom want to continue to earn income without suffering a loss in their Social Security benefits.

Equally important, this is a bipartisan bill which indicates its appeal can cross party lines and gain widespread support on Capital Hill. Given the poisonous political environment and the election coming up, only bipartisan bills stand a chance of going anywhere. The only question is whether common sense, political courage, and the public interest can prevail in bringing this debate to the forefront.

Gentleman, on behalf of the Council, I sincerely thank you for your efforts and stand ready to assist you in creating a retirement income security system that protects current retirees while saving our children and grandchildren from bankruptcy.

Very truly yours,

CHARLES G. HARDIN,
President.

UNITED SENIORS ASSOCIATION, INC.,
Fairfax, VA, July 15, 1999.

Hon. JOHN BREAUX,
Hon. JUDD GREGG,
Hon. CHARLES GRASSLEY,
Hon BOB KERREY,
U.S. Senate,
Washington, DC.

DEAR SENATORS BREAUX, GREGG, GRASSLEY, AND KERREY: United Seniors Association (USA) greatly appreciates your efforts to save Social Security. The legislation you are introducing is timely and a significant step toward improving the program.

With Social Security in serious financial trouble, you recognize that the status quo is unacceptable. No later than 2014—just 15 years away—the program will begin to pay out more than it collects in payroll tax revenue. That is when Social Security's financial crisis really begins.

According to the 1999 Trustees Report, to keep Social Security solvent for the next 75 years will require raising the payroll tax to over 18% (a 50% increase), reducing benefits by at least one-third, or some combination of the two.

USA has long advocated that the current pay-as-you-go system must be redesigned to maintain solvency and to assure higher benefits for future retirees. The creation of Personal Retirement Accounts (PRAs), owned and controlled by workers, will help achieve these goals. While we favor allowing workers to privately invest at least 5 percentage points of their payroll taxes, your legislation is an excellent start.

There are many other attractive features of the legislation that will draw widespread support. These include: protecting current beneficiaries to whom promises have been made; rewarding work by eliminating the earnings test; and encouraging workers to increase savings.

On behalf of USA's 685,000 members, thank you for your concern about the retirement security of all Americans. We look forward to working with you to pass this important legislation.

Sincerely,

DORCAS R. HARDY,
Former Commissioner of Social Security and Policy Advisor to USA.

THE 60 PLUS ASSOCIATION,
Arlington, VA, July 13, 1999.

Hon. JUDD GREGG,
U.S. Senate,
Washington, DC.

DEAR SENATOR GREGG: The 60 Plus Association strongly endorses your proposal to safeguard Social Security. Especially significant, we believe, is that your proposal is bipartisan co-sponsored by your colleagues Senators Bob Kerrey, John Breaux and Charles Robb. Clearly, any reform must be palatable to both parties. Your measure reduces the unfunded liability of the Social Security system (currently set by the Social Security system) and saves Social Security for 75 years and even longer.

Significantly, all workers under the age of 62 would receive Personal Retirement Accounts that they own, control, and, most importantly, can pass on to their heirs.

60 Plus believes it is more progressive than the current system in that low-wage workers will receive a higher defined benefit than is promised from Social Security.

Your proposal doesn't raise the age at which you can get benefits although it accelerates the current law increase to 67. Also, it does not rely on IOUs in the Social Security Trust Fund. We hope that Congress will act on it soon.

Sincerely,

JAMES L. MARTIN,
President.

Mr. GREGG. Mr. President, I rise today to introduce what I truly believe is Congress's ''last, best hope'' to place Social Security on a course of long-term health in this session of Congress. I strongly urge my colleagues to look carefully at this bipartisan, bicameral, fiscally responsible plan, and to give their support to this, our best chance to meet our important responsibility to take action so as to enable Social Security to continue to meet its historic mission of providing senior citizens with insurance against poverty in old age.

The proposal that I will discuss was negotiated over several months between a bipartisan group of committed reformers in the Senate. It already has more cosponsors than any other competing proposal. Those cosponsors include myself, Senator BOB KERREY, Senator JOHN BREAUX, Senator CHUCK GRASSLEY, Senator FRED THOMPSON, Senator CHUCK ROBB, and Senator CRAIG THOMAS.

What I want to do in my remarks is to describe what our proposal would achieve, and then to provide some details as to how it achieves these goals. It would: s

Make Social Security solvent. Not simply for 75 years, but perpetually, as far as SSA can estimate. Our proposal would leave the system on a permanently sustainable path.

Increase Social Security benefits beyond what the current system can fund. I will follow up with some details as to why and how.

It would drastically reduce taxes below current-law levels. Again, I will provide details as to why and how it does this.

It will make the system far less costly than current law, and also less costly than competing reform proposals.

It will not touch the benefits of current retirees.

It will strengthen the ''safety net'' against poverty and provide additional protections for the disabled, for widows, and for other vulnerable sectors of the population.

It will vastly reduce the federal government's unfunded liabilities.

It would use the best ideas provided by reformers across the political spectrum, and thus offers a practical opportunity for a larger bipartisan agreement.

It will provide for fairer treatment across generations, across demographic

groups. It would improve the work incentives of the current system.

I would like now to explain how our proposal achieves all of these objectives:

Our system would make the system solvent for as far as the Social Security Actuaries are able to estimate.

How does it do this? Above all else, it accomplishes this through advance funding.

As the members of this Committee know, our population is aging rapidly. Currently we have a little more than 3 workers paying into the system for every 1 retiree taking out of it. Within a generation, that ratio will be down to 2:1.

As a consequence, if we did nothing, future generations would be assessed skyrocketing tax rates in order to meet benefit promises. The projected cost (tax) rate of the Social Security system, according to the Actuaries, will be almost 18% by 2030.

The Trust Fund is not currently scheduled to become insolvent until 2034, but as most acknowledge, the existence of the Trust Fund has nothing to do with the government's ability to pay benefits. President Clinton's submitted budget for this year made the point as well as I possibly could:

> These balances are available to finance future benefit payments and other trust fund expenditures—but only in a bookkeeping sense . . . They do not consist of real economic assets that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures. The existence of large Trust Fund balances, therefore, does not, by itself, have any impact on the Government's ability to pay benefits.

In other words, we have a problem that arises in 2014, not in 2034, and it quickly becomes an enormous one unless we find a way to put aside savings today. This does not mean simply adding a series of credits to the Social Security Trust Fund, which would have no positive impact, as the quote from the President's budget clearly shows.

What we have to do is begin to advance fund the current system, and that means taking some of that surplus Social Security money today out of the federal coffers and into a place where it can be saved, invested—owned by individual beneficiaries. That money would belong to them immediately, even though they could not withdraw it before retirement. But it would be a real asset in their name.

By doing this, we can reduce the amount of the benefit that needs to be funded in the future by raising taxes on future generations. This is the critical objective, but it allows for flippant political attacks. If you give someone a part of their benefit today, in their personal account, and less of it later on, some will say that it is a ''cut'' in benefits. It is no such thing. Only in Washington can giving people ownership rights and real funding for a portion of their benefits, and increasing their total real value, be construed as a cut. Accepting such terminology can only lead to one conclusion—that we can't advance fund, because we simply have to be sure that every penny of future benefits comes from taxing future workers. So we need to get out of that rhetorical trap.

Our proposal has been certified by the actuaries as attaining actuarial solvency, and in fact it goes so far as to slightly overshoot. We are ''overbalanced'' in the years after 2050, and have some room to modify the proposal in some respects and yet still stay in balance.

I would note the consensus that has developed for some form of advance funding. This was one of the few recommendations that united an otherwise divided Social Security Advisory Council in 1996. The major disagreements today among policymakers consist only in the area of who should control and direct the investment opportunities created within Social Security. I believe strongly, and I believe a Congressional majority agrees, that this investment should be directed by individual beneficiaries, not by the federal government or any other public board.

We have worked with the Social Security actuaries and the Congressional Research Service to estimate the levels of benefits provided under our plan.

There are certain bottom-line points that should be recognized about our plan. Among them:

(1) Low-wage earners in every birth cohort measured would experience higher benefits under our plan than current law can sustain, even without including the proceeds from personal accounts.

(2) Average earners in every birth cohort measured would experience higher benefits under our plan than current law can sustain, even if their personal accounts only grew at the projected bond rate of 3.0%.

(3) Maximum earners in some birth cohorts would need either to achieve the historical rate of return on stocks, or to put in additional voluntary contributions, in order to exceed benefit levels of current law. However, the tax savings to high-income earners, which I will outline in the next section, will be so great that on balance they would also benefit appreciably from our reform plan.

Under current law, a low-wage individual retiring in the year 2040 at the age of 65 would be promised a monthly benefit of $752. However, due to the pending insolvency of the system, only $536 of that can be funded. We cannot know in advance how future generations would distribute the program changes between benefit cuts and tax increases. But we do know that our plan, thanks to advance funding, would offer a higher benefit to that individual, from a fully solvent system that would eliminate the need for those choices.

I will provide tables that are based on the research of the Congressional Research Service that make clear all of the above points. The CRS makes projections that assume that under current law, benefits would be paid in full until 2034, and then suddenly cut by more than 25% when the system becomes insolvent. CRS can make no other presumption in the absence of advance knowledge of how Congress would distribute the pain of benefit reductions among birth cohorts. In order to translate the CRS figures into a more plausible outcome, we added a column showing the effects that would come from the benefit reductions under current law being shared equally by all birth cohorts.

BENEFIT TABLE NO. 1.—THE BIPARTISAN PLAN'S BENEFITS WOULD BE HIGHER FOR LOW-INCOME WORKERS EVEN WITHOUT COUNTING PERSONAL ACCOUNTS

[(Assumes Steady Low-Wage Worker) (Monthly Benefit, 1999 Dollars) (Assumes Retirement at Age 65)]

Yr. and current law (benefit cuts begin in 2034)		Current law sustainable*	Bipartisan plan (bond rate no vol. contrib.)	Bipartisan plan (w/o account benefits)	Bipartisan plan (w/ 1% voluntary contributions)
2000	626	517	615	606	627
2005	624	515	620	601	645
2010	652	539	698	667	738
2015	673	556	733	687	790
2020	660	545	754	691	832
2030	690	570	776	694	877
2035	512	595	798	693	926
2040	536	621	821	689	981
2050	582	678	869	710	1051
2060	611	739	920	749	1107

*The Congressional Research Service, in the left-hand column, assumes that all of the burden of benefit changes under current law will commence in 2034. In order to produce a more realistic prediction of how the changes required under current law would be spread, the ''current law sustainable'' column assumes that they have been spread equally among birth cohorts throughout the valuation period.

BENEFIT TABLE NO. 2: THE BIPARTISAN PLAN'S BENEFITS WOULD BE HIGHER FOR AVERAGE-INCOME WORKERS EVEN IF ACCOUNTS EARN ONLY A BOND RATE OF RETURN (3.0%)

[(Assumes Steady Average-Wage Worker) (Monthly Benefit, 1999 Dollars) (Assumes Retirement at Age 65)]

Yr and current law (benefit cuts begin in 2034)		Current law sustainable*	Bipartisan plan (bond rate, no voluntary	Bipartisan plan (stock rate)	Bipartisan plan (w/ 1% vol. contributions, bond rate)
2000	1032	852	1014	1016	1029
2005	1031	852	973	982	1006
2010	1076	889	991	1014	1046
2015	1111	918	977	1024	1057
2020	1090	900	1005	1092	1115
2030	1139	941	1083	1183	1179
2035	845	982	1063	1307	1250
2040	884	1026	1093	1476	1329
2050	961	1119	1157	1672	1442
2060	1007	1221	1225	1778	1531

*The Congressional Research Service, in the left-hand column, assumes that all of the burden of benefit changes under current law will commence in 2034. In order to produce a more realistic prediction of how the changes required under current law would be spread, the ''current law sustainable'' column assumes that they have been spread equally among birth cohorts throughout the valuation period.

The alternative course is that current benefit promises would be met in full by raising taxes, both under current law and under proposals to simply transfer credits to the Social Security Trust Fund. I have also provided a table that shows the size of these tax costs, and will comment further upon them in the next portion of my statement.

I would like to point out that these figures apply to individuals retiring at

the age of 65. Thus, even with the increased actuarial adjustment for early retirement under our plan, and even though our plan would accelerate the pace at which the normal retirement age would reach its current-law target of 67, benefits under our proposal for individuals retiring at 65 would still be higher.

Our tables also show that the progressive match program for low-income individuals will also add enormously to the projected benefits that they will receive.

If there is a single most obvious and important benefit of enacting this reform, it is in the tax reductions that will result from it.

I am not referring to the most immediate tax reduction, the payroll tax cut that will be given to individuals in the form of a refund into a personal account.

The greatest reduction in taxes would come in the years from 2015 on beyond. At that time, under current law—and under many reform plans—enormous outlays from general revenues would be needed to redeem the Social Security Trust Fund, or to fund personal accounts. The net cost of the system would begin to climb. The federal government would have to collect almost 18% of national taxable payroll in the year 2030, more than 5 points of that coming from general revenues.

The hidden cost of the current Social Security system is not the payroll tax increases that everyone knows would be required after 2034, but the general tax increases that few will admit would be required starting in 2014.

With my statement, I include a table showing the effective tax rate costs of current law as well as the various actuarially sound reform proposals that have been placed before the Congress. These figures come directly from the Social Security actuaries. They include the sum of the costs of paying OASDI benefits, plus any mandatory contributions to personal accounts. (Under our proposal, additional voluntary contributions would also be permitted. But any federal ''matches'' of voluntary contributions from general revenues would be contingent upon new savings being generated.)

Let me return to our individual who is working in the year 2025 under current law. In that year, a tax increase equal to 3.61% of payroll would effectively need to be assessed through general revenues in order to pay promised benefits. As a low-income individual, his share of that burden would be less than if it were assessed through the payroll tax, but it would still be real. Under current law, his income tax burden comes to about $241 annually.

COMPARISON OF COST RATES OF CURRENT LAW AND ALTERNATIVE PLANS

[(As a percentage of taxable payroll) (Annual cost includes OASDI outlays plus contributions to personal accounts.) Peak cost year in italic]

Year	and current law	Archer/ Shaw	Senate Bipartisan	Kolbe/ Stenholm	Gramm	Nadler
2000	10.8	12.8	12.7	12.9	15.0	10.4*
2005	11.2	13.3	13.2	13.0	15.2	10.6
2010	11.9	13.9	13.4	13.4	15.6	11.2
2015	13.3	15.0	14.0	14.0	16.4	12.5
2020	15.0	16.4	14.7	14.8	17.3	12.8 (14.2)
2025	16.6	17.4	15.4	15.6	*17.6*	14.4 (15.8)
2030	17.7	*17.8*	*15.7*	*15.7*	17.1	15.5 (16.9)
2035	18.2	17.3	15.5	15.2	16.4	15.9 (17.4)
2040	18.2	16.2	14.8	14.5	15.2	16.0 (17.5)
2045	18.2	14.9	14.3	13.8	14.1	16.1 (17.5)
2050	18.3	13.8	13.9	13.3	13.4	16.3 (17.7)
2055	18.6	13.1	13.7	13.2	13.0	16.6 (18.0)
2060	19.1	12.6	13.7	13.1	12.8	16.9 (18.5)
2065	19.4	12.3	13.6	13.4	12.5	17.1 (18.8)
2070	*19.6*	12.1	13.5	13.7	12.4	*17.3 (19.0)*

(Figures come from analyses completed of each plan by Social Security actuaries. Archer/Shaw plan memo of April 29, 1999. Senate bipartisan plan (Gregg/Kerrey/Breaux/Grassley et al) memo of June 3, 1999. Kolbe/Stenholm plan memo of May 25, 1999. Gramm plan memo of April 16, 1999. Nadler plan memo of June 3, 1999. Nadler plan total cost given in parentheses, cost estimate given on assumption that stock sales reduce amount of bonds that must be redeemed from tax revenue. Due to construction of plans, cost rates for the Archer/Shaw, Gramm, and Nadler plans would vary according to rate of return received on stock investments.)

*Tax rate of Nadler plan is lower than current law not because total costs are less but because amount of national income subject to tax is greater. In order to compare total costs of Nadler plan to other plans, cost rate given in Nadler column must be multiplied by a factor that varies through time. This factor would be close to 1.06 in the beginning of the valuation period, and would gradually decline to 1.03 at the end. For example, the tax rate given as 11.2% in 2010 under the Nadler column would equate to the same total tax cost as the 11.9% figure in the current law column.

PART II—COMPARISON OF COST RATES OF CURRENT LAW AND ALTERNATIVE PLANS

[As a percentage of taxable payroll—annual cost includes OASDI outlays plus contributions to personal accounts—peak cost year in italic]

Year	Current law	Moynihan/ Kerrey
2000	10.8	*11.1 (13.1)
2005	11.2	11.0 (13.0)
2010	11.9	10.9 (12.9)
2015	13.3	11.5 (13.5)
2020	15.0	12.2 (14.2)
2025	16.6	13.2 (15.2)
2030	17.7	13.8 (15.8)
2035	18.2	14.0 (16.0)
2040	18.2	14.0 (16.0)
2045	18.2	14.0 (16.0)
2050	18.3	14.2 (16.2)
2055	18.6	14.5 (16.5)
2060	19.1	14.7 (16.7)
2065	19.4	14.8 (16.8)
2070	*19.6*	*14.9 (16.9)*

* (Analysis of Moynihan/Kerrey plan is based on SSA actuaries' memo of January 11, 1999, and is listed separately because it is the only projection provided here based on the 1998 Trustees' Report. 1999 re-estimates would vary. Unlike the other personal account proposals, the accounts in Moynihan/Kerrey plan are voluntary. The figure without parentheses assumes no contributions to, and thus no income from, personal accounts. The figure inside parentheses assumes universal participation in 2% personal accounts, for comparison with other personal account plans.)

*—Like the Nadler plan, the Moynihan/Kerrey plan would increase the share of national income subject to Social Security taxation, but to a lesser degree. Thus, tax rates will appear lower than would an equivalent amount of tax revenue collected under the Archer/Shaw, Gramm, or Kolbe/Stenholm plans. The correction factor required to translate one cost rate into another would be between 1.03–1.06 for the Nadler proposal, 1.01–1.02 for the Senate bipartisan proposal, and 1.01–1.04 for the Moynihan/Kerrey proposal.

Under our proposal, that tax burden would drop by roughly 37%, from $241 to $153.

Middle and high-income workers would not experience benefit increases as generous as those provided to low-income individuals under our plan. But we have determined that by the year 2034, an average wage earner would save the equivalent of $650 a year (1999 dollars) in income taxes, and a maximum-wage earner, $2,350 a year. I want to stress that these savings are net of any effects of re-indexing CPI upon the income tax rates. These are net tax reductions, even including our CPI reforms.

I would also stress that 2025 is not a particularly favorable example to select. Our relative tax savings get much larger after that point, growing steadily henceforth.

A look at our chart showing total costs reveals how quickly our proposal, as well as the Kolbe-Stenholm proposal, begins to reduce tax burdens.

A plan as comprehensive as ours can be picked apart by critics, provision by provision. It is easy to criticize a plan's parts in isolation from the whole, and to say that one of them is disadvantageous, heedless of the other benefits and gains provided. One reason for the specific choices that we made is revealed in this important table. The result of not making them is simply that, by the year 2030, the effective tax rate of the system will surpass 17%, an unfortunate legacy to leave to posterity.

How would current retirees be affected by our proposal?

Only in one way. Their benefits would come from a solvent system, and therefore, political pressure to cut their benefits will be reduced. Our proposal would not affect their benefits in any way. Even the required methodological corrections to the Consumer Price Index would not affect the benefits of current retirees.

Under current law, there is no way of knowing what future generations will do when the tax levels required to support this system begin to rise in the year 2014. We do not know whether future generations will be able to afford to increase the tax costs of the system to 18% of the national tax base by the year 2030, or whether other pressing national needs, such as a recession or an international conflict will make this untenable. Current law may therefore contain the seeds of political pressure to cut benefits. Moreover, as general revenues required to sustain the system grow to the levels of hundreds of billions each year, there is the risk that upper-income individuals will correctly diagnose that the system has become an irretrievably bad deal for them, and that they will walk away from this important program.

By eliminating the factors that might lead to pressure to cut benefits, our proposal would keep the benefits of seniors far more secure.

Poverty would be reduced under our proposal, even if the personal accounts do not grow at an aggressive rate. The reason for this is that our proposal would increase the progressivity of the basic defined, guaranteed Social Security benefit. It would also gradually phase in increased benefits for widows.

Moreover, our plan would protect the disabled. They would be unaffected by the changes made to build new saving into the system. Their benefits would not be impacted by the benefit offsets proportional to personal account contributions. If an individual becomes disabled prior to retirement age, they would receive their current-law benefit.

It is important to recognize that we do not face a choice between maintaining Social Security as a ''social insurance'' system and as an ''earned benefit.'' It has always served both functions, and it must continue to do so in order to sustain political support. The system must retain some features of being an ''earned benefit'' so as not be reduced to a welfare program only. This is why proposals to simply bail out the system through general revenue transfusions alone—to turn it into, effectively, another welfare program in which contributions and benefits are not related—are misguided and undermine the system's ethic.

Again, I would repeat that our proposal contains important benefits for all individuals. Guaranteed benefits on the low-income end would be increased. High income earners would be spared the large current-law tax increases that would otherwise be necessary. If we act responsibly and soon, we can accomplish a reform that serves the interests of all Americans.

By putting aside some funding today, and reducing the proportion of benefits that are financed solely by taxing future workers, our proposal would vastly reduce the system's unfunded liabilities.

Consider such a year as 2034. Under current law, the government would have a liability from general revenues to the Trust Fund equal to an approximately 5 point payroll tax increase. By advance funding benefits, our plan would reduce the cost of OASDI outlays in that year from more than 18% to less than 14%. The pressure on general revenue outlays would be reduced by more than half.

The Social Security system would be left on a sustainable course. The share of benefits each year that are unfunded liabilities would begin to go down partway through the retirement of the baby boom generation. By the end of the valuation period, the actuaries tell us, the system would have a rising amount of assets in the Trust Fund.

Mr. President, I would stress to you that our plan is not the work of any one single legislator. It is the product of painstaking negotiations conducted over several months. The seven names that you see on the proposal are not the only ones who contributed to it. We took the best ideas that we could find from serious reform plans presented across the political spectrum. Each of us had to make concessions that we did not like. But we did this in the interest of reaching a bipartisan accord.

We believe that our plan is indicative of the product that would result from a larger bipartisan negotiation in the Congress. Accordingly, we believe that it provides the best available vehicle for negotiations with the President if he chooses to become substantively involved. It was our hope to put forth a proposal on a bipartisan basis, so that the President would not have to choose between negotiating with a ''Republican plan'' or a ''Democratic plan.'' Stalemate will not save our Social Security system.

The changes effected in our bipartisan bill do not, all of them, relate solely to fixing system solvency.

One area of reforms includes improved work incentives. Our proposal would eliminate the earnings limit for retirees. It would also correct the actuarial adjustments for early and late retirement so that beneficiaries who continue to work would receive back in benefits the value of the extra payroll taxes they contributed. The proposal would also change the AIME formula so that the number of earnings years in the numerator would no longer be tied to the number of years in the denominator. In other words, every year of earnings, no matter how small, would have the effect of increasing overall benefits (Under current law, only the earnings in the top earnings years are counted towards benefits, and the more earnings years that are counted, the lower are is the resulting benefit formula.)

We also included several provisions designed to address the needs of specific sectors of the population who are threatened under current law. For example, we gradually would increase the benefits provided to widows, so that they would ultimately be at least 75% of the combined value of the benefits that husband and wife would have been entitled to on their own.

We also recognized the poor treatment of two-earner couples relative to one-earner couples under the current system. Our proposal includes five ''dropout years'' in the benefit formula pertaining to two earner couples, in recognition of the time that a spouse may have had to take out of the work force.

Unveiling a proposal as comprehensive as ours invariably creates misunderstanding as to the effect of its various provisions.

First, let me address the impact of our reforms on the Consumer Price Index. Most economists agree that further reforms are necessary to correct measures of the Consumer Price Index, and our proposal would instruct BLS to make them. Correcting the CPI would have an effect on government outlays as well as revenues. This is not a ''benefit cut'' or a ''tax increase,'' it is a correction. We would take what was incorrectly computed before and compute it correctly from now on. No one whose income stays steady in real terms would see a tax increase. No one's benefits would grow more slowly than the best available measure of inflation.

However, we wanted to be doubly certain that any effects of the CPI change upon federal revenues not become a license for the government to spend these revenues on new ventures. Accordingly, we included a ''CPI recapture'' provision to ensure that any revenues generated by this reform be returned to taxpayers as Social Security benefits, rather than being used to finance new government spending. This is the reason for the ''CPI recapture'' provision in the legislation.

Our proposal would not increase taxes in any form. The sum total of the effects of all provisions in the legislation that might increase revenues are greatly exceeded by the effects of the legislation that would cut tax levels. The chart showing total cost rates makes this clear.

Our provision to re-index the wage cap is an important compromise between competing concerns. Fiscal conservatives are opposed to arbitrarily raising the cap on taxable wages. The case made from the left is that, left unchanged, the proportion of national wages subject to Social Security taxation would actually drop.

Our proposal found a neat bipartisan compromise between these competing concerns. It would maintain the current level of benefit taxation of 86% of total national wages. This would only have an effect on total revenues if the current-law formulation would have actually caused a decrease in tax levels. If total wages outside the wage cap grow in proportion to national wages currently subject to taxation, there would be no substantive effect. This proposal basically asks competing concerns in this debate to ''put their money where their mouth is.'' If the concern is that we would otherwise have an indexing problem, this proposal would resolve it. If the concern is that we should not increase the proportion of total wages subject to taxation, this proposal meets that, too. I would further add that the figure we choose—86%—is the current-law level. Some proposals would raise this to 90%, citing the fact that at one point in history it did rise to 90%. The historical average has actually been closer to 84%, and we did not find the case for raising it to 90% to be persuasive. Keeping it at its current level of 86% is a reasonable bipartisan resolution of this issue.

In conclusion, this proposal represents our best hope to achieve meaningful and responsible bipartisan reform of Social Security in this Congress. It does not represent a partisan

''statement.'' It has not been drawn up in the spirit of ideological ''purity.'' Rather, it combines the best ideas of the most committed reformers in the Senate. I am grateful to the other negotiators who worked so hard to put together this package, and I thank them—Senator BOB KERREY, Senator JOHN BREAUX, Senator CHUCK GRASSLEY, Senator FRED THOMPSON, Senator CHUCK ROBB, and Senator CRAIG THOMAS—for their tireless efforts to get this job done.

It is not the plan that I would have drawn up by myself. It is not the plan that Senator KERREY would have drawn up by himself. Each of us had to give up something in the interest of crafting a proposal that truly represented a bipartisan compromise. Without such compromise, we will never be able to take action to safeguard benefits for our senior citizens.

I hope that my colleagues will join our bipartisan team and cosponsor this critically important legislation to reduce the unfunded liabilities of our Social Security system and to put critical funding and investment behind the benefits that it promises. I thank my colleagues and I ask unanimous consent that the full 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. 1383

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bipartisan Social Security Reform Act of 1999.''

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

Sec. 1. Short title; table of contents.

TITLE I—INDIVIDUAL SAVINGS ACCOUNTS

Sec. 101. Individual savings accounts.
Sec. 102. Social security KidSave Accounts.
Sec. 103. Adjustments to primary insurance amounts under part A of title II of the Social Security Act.

TITLE II—SOCIAL SECURITY SYSTEM ADJUSTMENTS

Sec. 201. Adjustments to bend points in determining primary insurance amounts.
Sec. 202. Adjustment of widows' and widowers' insurance benefits.
Sec. 203. Elimination of earnings test for individuals who have attained early retirement age.
Sec. 204. Gradual increase in number of benefit computation years; use of all years in computation.
Sec. 205. Maintenance of benefit and contribution base.
Sec. 206. Reduction in the amount of certain transfers to Medicare Trust Fund.
Sec. 207. Actuarial adjustment for retirement.
Sec. 208. Improvements in process for cost-of-living adjustments.
Sec. 209. Modification of increase in normal retirement age.
Sec. 210. Modification of PIA factors to reflect changes in life expectancy.
Sec. 211. Mechanism for remedying unforeseen deterioration in social security solvency.

TITLE I—INDIVIDUAL SAVINGS ACCOUNTS

SEC. 101. INDIVIDUAL SAVINGS ACCOUNTS.

(a) ESTABLISHMENT AND MAINTENANCE OF INDIVIDUAL SAVINGS ACCOUNTS.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(1) by inserting before section 201 the following:

''PART A—INSURANCE BENEFITS'';

and

(2) by adding at the end the following:

''PART B—INDIVIDUAL SAVINGS ACCOUNTS

''INDIVIDUAL SAVINGS ACCOUNTS

''SEC. 251. (a) ESTABLISHMENT.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT IN ABSENCE OF KIDSAVE ACCOUNT.—Except as provided in subparagraph (B), the Commissioner of Social Security, within 30 days of the receipt of the first contribution received pursuant to subsection (b) with respect to an eligible individual, shall establish in the name of such individual an individual savings account. The individual savings account shall be identified to the account holder by means of the account holder's Social Security account number.

''(B) USE OF KIDSAVE ACCOUNT.—If a KidSave Account has been established in the name of an eligible individual under section 262(a) before the date of the first contribution received by the Commissioner pursuant to subsection (b) with respect to such individual, the Commissioner shall redesignate the KidSave Account as an individual savings account for such individual.

''(2) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this part, the term 'eligible individual' means any individual born after December 31, 1937.

''(b) CONTRIBUTIONS.—

''(1) AMOUNTS TRANSFERRED FROM THE TRUST FUND.—The Secretary of the Treasury shall transfer from the Federal Old-Age and Survivors Insurance Trust Fund, for crediting by the Commissioner of Social Security to an individual savings account of an eligible individual, an amount equal to the sum of any amount received by such Secretary on behalf of such individual under section 3101(a)(2) or 1401(a)(2) of the Internal Revenue Code of 1986.

''(2) OTHER CONTRIBUTIONS.—For provisions relating to additional contributions credited to individual savings accounts, see sections 531(c)(2) and 6402(l) of the Internal Revenue Code of 1986.

''(c) DESIGNATION OF INVESTMENT TYPE OF INDIVIDUAL SAVINGS ACCOUNT.—

''(1) DESIGNATION.—Each eligible individual who is employed or self-employed shall designate the investment type of individual savings account to which the contributions described in subsection (b) on behalf of such individual are to be credited.

''(2) FORM OF DESIGNATION.—The designation described in paragraph (1) shall be made in such manner and at such intervals as the Commissioner of Social Security may prescribe in order to ensure ease of administration and reductions in burdens on employers.

''(3) SPECIAL RULE FOR 2000.—Not later than January 1, 2000, any eligible individual that is employed or self-employed as of such date shall execute the designation required under paragraph (1).

''(4) DESIGNATION IN ABSENCE OF DESIGNATION BY ELIGIBLE INDIVIDUAL.—In any case in which no designation of the individual savings account is made, the Commissioner of Social Security shall make the designation of the individual savings account in accordance with regulations that take into account the competing objectives of maximizing returns on investments and minimizing the risk involved with such investments.

''(d) TREATMENT OF INCOMPETENT INDIVIDUALS.—Any designation under subsection (c)(1) to be made by an individual mentally incompetent or under other legal disability may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due an individual mentally incompetent or under other legal disability may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under subsection (c)(1) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

''DEFINITION OF INDIVIDUAL SAVINGS ACCOUNT; TREATMENT OF ACCOUNTS

''SEC. 252. (a) INDIVIDUAL SAVINGS ACCOUNT.—In this part, the term 'individual savings account' means any individual savings account in the Individual Savings Fund (established under section 254) which is administered by the Individual Savings Fund Board.

''(b) TREATMENT OF ACCOUNT.—Except as otherwise provided in this part and in section 531 of the Internal Revenue Code of 1986, any individual savings account described in subsection (a) shall be treated in the same manner as an individual account in the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code.

''INDIVIDUAL SAVINGS ACCOUNT DISTRIBUTIONS

''SEC. 253. (a) DATE OF INITIAL DISTRIBUTION.—Except as provided in subsection (c), distributions may only be made from an individual savings account of an eligible individual on and after the earliest of—

''(1) the date the eligible individual attains normal retirement age, as determined under section 216 (or early retirement age (as so determined) if elected by such individual), or

''(2) the date on which funds in the eligible individual's individual savings account are sufficient to provide a monthly payment over the life expectancy of the eligible individual (determined under reasonable actuarial assumptions) which, when added to the eligible individual's monthly benefit under part A (if any), is at least equal to an amount equal to 1/12 of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2) and determined on such date for a family of the size involved) and adjusted annually thereafter by the adjustment determined under section 215(i).

''(b) FORMS OF DISTRIBUTION.—

''(1) REQUIRED MONTHLY PAYMENTS.—Except as provided in paragraph (2), beginning with the date determined under subsection (a), the balance in an individual savings account available to provide monthly payments not in excess of the amount described in subsection (a)(2) shall be paid, as elected by the account holder (in such form and manner as shall be prescribed in regulations of the Individual Savings Fund Board), by means of the purchase of annuities or equal monthly payments over the life expectancy of the eligible

individual (determined under reasonable actuarial assumptions) in accordance with requirements (which shall be provided in regulations of the Board) similar to the requirements applicable to payments of benefits under subchapter III of chapter 84 of title 5, United States Code, and providing for indexing for inflation.

''(2) PAYMENT OF EXCESS FUNDS.—To the extent funds remain in an eligible individual's individual savings account after the application of paragraph (1), such funds shall be payable to the eligible individual in such manner and in such amounts as determined by the eligible individual, subject to the provisions of subchapter III of chapter 84 of title 5, United States Code.

''(c) DISTRIBUTION IN THE EVENT OF DEATH BEFORE THE DATE OF INITIAL DISTRIBUTION.—If the eligible individual dies before the date determined under subsection (a), the balance in such individual's individual savings account shall be distributed in a lump sum, under rules established by the Individual Savings Fund Board, to the individual's heirs.

''INDIVIDUAL SAVINGS FUND

''SEC. 254. (a) ESTABLISHMENT.—There is established and maintained in the Treasury of the United States an Individual Savings Fund in the same manner as the Thrift Savings Fund under sections 8437, 8438, and 8439 (but not section 8440) of title 5, United States Code.

''(b) INDIVIDUAL SAVINGS FUND BOARD.—

''(1) IN GENERAL.—There is established and operated in the Social Security Administration an Individual Savings Fund Board in the same manner as the Federal Retirement Thrift Investment Board under subchapter VII of chapter 84 of title 5, United States Code.

''(2) SPECIFIC INVESTMENT AND REPORTING DUTIES.—

''(A) IN GENERAL.—The Individual Savings Fund Board shall manage and report on the activities of the Individual Savings Fund and the individual savings accounts of such Fund in the same manner as the Federal Retirement Thrift Investment Board manages and reports on the Thrift Savings Fund and the individual accounts of such Fund under subchapter VII of chapter 84 of title 5, United States Code.

''(B) STUDY AND REPORT ON INCREASED INVESTMENT OPTIONS.—

''(i) STUDY.—The Individual Savings Fund Board shall conduct a study regarding ways to increase an eligible individual's investment options with respect to such individual's individual savings account and with respect to rollovers or distributions from such account.

''(ii) REPORT.—Not later than 2 years after the date of enactment of the Bipartisan Social Security Reform Act of 1999, the Individual Savings Fund Board shall submit a report to the President and Congress that contains a detailed statement of the results of the study conducted pursuant to clause (i), together with the Board's recommendations for such legislative actions as the Board considers appropriate.

''BUDGETARY TREATMENT OF INDIVIDUAL SAVINGS FUND AND ACCOUNTS

''SEC. 255. The receipts and disbursements of the Individual Savings Fund and any accounts within such fund shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.''.

(b) MODIFICATION OF FICA RATES.—

(1) EMPLOYEES.—Section 3101(a) of the Internal Revenue Code of 1986 (relating to tax on employees) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—

''(A) INDIVIDUALS COVERED UNDER PART A OF TITLE II OF THE SOCIAL SECURITY ACT.—In addition to other taxes, there is hereby imposed on the income of every individual who is not a part B eligible individual a tax equal to 6.2 percent of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b)).

''(B) INDIVIDUALS COVERED UNDER PART B OF TITLE II OF THE SOCIAL SECURITY ACT.—In addition to other taxes, there is hereby imposed on the income of every part B eligible individual a tax equal to 4.2 percent of the wages (as defined in section 3121(a)) received by such individual with respect to employment (as defined in section 3121(b)).

''(2) CONTRIBUTION OF OASDI TAX REDUCTION TO INDIVIDUAL SAVINGS ACCOUNTS.—

''(A) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of every part B eligible individual an individual savings account contribution equal to the sum of—

''(i) 2 percent of the wages (as so defined) received by such individual with respect to employment (as so defined), plus

''(ii) so much of such wages (not to exceed $2,000) as designated by the individual in the same manner as described in section 251(c) of the Social Security Act.

''(B) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any calendar year beginning after 2000, the dollar amount in subparagraph (A)(ii) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any dollar amount after being increased under clause (i) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.''.

(2) SELF-EMPLOYED.—Section 1401(a) of the Internal Revenue Code of 1986 (relating to tax on self-employment income) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—

''(A) INDIVIDUALS COVERED UNDER PART A OF THE SOCIAL SECURITY ACT.—In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual who is not a part B eligible individual for the calendar year ending with or during such taxable year, a tax equal to 12.40 percent of the amount of the self-employment income for such taxable year.

''(B) INDIVIDUALS COVERED UNDER PART B OF TITLE II OF THE SOCIAL SECURITY ACT.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every part B eligible individual, a tax equal to 10.4 percent of the amount of the self-employment income for such taxable year.

''(2) CONTRIBUTION OF OASDI TAX REDUCTION TO INDIVIDUAL SAVINGS ACCOUNTS.—

''(A) IN GENERAL.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every individual, an individual savings account contribution equal to the sum of—

''(i) 2 percent of the amount of the self-employment income for each individual for such taxable year, and

''(ii) so much of such self-employment income (not to exceed $2,000) as designated by the individual in the same manner as described in section 251(c) of the Social Security Act.

''(B) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning after 2000, the dollar amount in subparagraph (A)(ii) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any dollar amount after being increased under clause (i) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.''.

(3) PART B ELIGIBLE INDIVIDUAL.—

(A) TAXES ON EMPLOYEES.—Section 3121 of such Code (relating to definitions) is amended by inserting after subsection (s) the following:

''(t) PART B ELIGIBLE INDIVIDUAL.—For purposes of this chapter, the term 'part B eligible individual' means, for any calendar year, an individual who is an eligible individual (as defined in section 251(a)(2) of the Social Security Act) for such calendar year.''.

(B) SELF-EMPLOYMENT TAX.—Section 1402 of such Code (relating to definitions) is amended by adding at the end the following:

''(k) PART B ELIGIBLE INDIVIDUAL.—The term 'part B eligible individual' means, for any calendar year, an individual who is an eligible individual (as defined in section 251(a)(2) of the Social Security Act) for such calendar year.''.

(4) EFFECTIVE DATES.—

(A) EMPLOYEES.—The amendments made by paragraphs (1) and (3)(A) apply to remuneration paid after December 31, 1999.

(B) SELF-EMPLOYED INDIVIDUALS.—The amendments made by paragraphs (2) and (3)(B) apply to taxable years beginning after December 31, 1999.

(c) MATCHING CONTRIBUTIONS.—

(1) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended by adding at the end the following:

''Subpart H—Individual Savings Account Credits

''Sec. 54. Individual savings account credit.''.

''SEC. 54. INDIVIDUAL SAVINGS ACCOUNT CREDIT.

''(a) ALLOWANCE OF CREDIT.—Each part B eligible individual is entitled to a credit for the taxable year in an amount equal to the sum of—

''(1) $100, plus

''(2) 100 percent of the designated wages of such individual for the taxable year, plus

''(3) 100 percent of the designated self-employment income of such individual for the taxable year.

''(b) LIMITATIONS.—

''(1) AMOUNT.—The amount determined under subsection (a) with respect to such individual for any taxable year may not exceed the excess (if any) of—

''(A) an amount equal to 1 percent of the contribution and benefit base for such taxable year (as determined under section 230 of the Social Security Act), over

''(B) the sum of the amounts received by the Secretary on behalf of such individual under sections 3101(a)(2)(A)(i) and 1401(a)(2)(A)(i) for such taxable year.

''(2) FAILURE TO MAKE VOLUNTARY CONTRIBUTIONS.—In the case of a part B eligible individual with respect to whom the amount of wages designated under section 3101(a)(2)(A)(ii) plus the amount self-employment income designated under section 1401(a)(2)(A)(ii) for the taxable year is less

that $1, the credit to which such individual is entitled under this section shall be equal to zero.

''(c) DEFINITIONS.—For purposes of this section—

''(1) PART B ELIGIBLE INDIVIDUAL.—The term 'part B eligible individual' means, for any calendar year, an individual who—

''(A) is an eligible individual (as defined in section 251(a)(2) of the Social Security Act) for such calendar year, and

''(B) is not an individual with respect to whom another taxpayer is entitled to a deduction under section 151(c).

''(2) DESIGNATED WAGES.—The term 'designated wages' means with respect to any taxable year the amount designated under section 3101(a)(2)(A)(ii).

''(3) DESIGNATED SELF-EMPLOYMENT INCOME.—The term 'designated self-employment income' means with respect to any taxable year the amount designated under section 1401(a)(2)(A)(ii) for such taxable year.

''(d) CREDIT USED ONLY FOR INDIVIDUAL SAVINGS ACCOUNT.—For purposes of this title, the credit allowed under this section with respect to any part B eligible individual—

''(1) shall not be treated as a credit allowed under this part, but

''(2) shall be treated as an overpayment of tax under section 6401(b)(3) which may, in accordance with section 6402(l), only be transferred to an individual savings account established under part B of title II of the Social Security Act with respect to such individual.''.

(2) CONTRIBUTION OF CREDITED AMOUNTS TO INDIVIDUAL SAVINGS ACCOUNT.—

(A) CREDITED AMOUNTS TREATED AS OVERPAYMENT OF TAX.—Subsection (b) of section 6401 of such Code (relating to excessive credits) is amended by adding at the end the following:

''(3) SPECIAL RULE FOR CREDIT UNDER SECTION 54.—Subject to the provisions of section 6402(l), the amount of any credit allowed under section 54 for any taxable year shall be considered an overpayment.''.

(B) TRANSFER OF CREDIT AMOUNT TO INDIVIDUAL SAVINGS ACCOUNT.—Section 6402 of such Code (relating to authority to make credits or refunds) is amended by adding at the end the following:

''(l) OVERPAYMENTS ATTRIBUTABLE TO INDIVIDUAL SAVINGS ACCOUNT CREDIT.—In the case of any overpayment described in section 6401(b)(3) with respect to any individual, the Secretary shall transfer for crediting by the Commissioner of Social Security to the individual savings account of such individual, an amount equal to the amount of such overpayment.''.

(4) CONFORMING AMENDMENTS.—

(A) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period at the end '', or enacted by the Bipartisan Social Security Reform Act of 1999''.

(B) The table of subparts for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Subpart H. Individual Savings Account Credits.''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to refunds payable after December 31, 1999.

(d) TAX TREATMENT OF INDIVIDUAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to exempt organizations) is amended by adding at the end the following:

''PART IX—INDIVIDUAL SAVINGS FUND AND ACCOUNTS

''Sec. 531. Individual Savings Fund and Accounts.

''SEC. 531. INDIVIDUAL SAVINGS FUND AND ACCOUNTS.

''(a) GENERAL RULE.—The Individual Savings Fund and individual savings accounts shall be exempt from taxation under this subtitle.

''(b) INDIVIDUAL SAVINGS FUND AND ACCOUNTS DEFINED.—For purposes of this section, the terms 'Individual Savings Fund' and 'individual savings account' means the fund and account established under sections 254 and 251, respectively, of part B of title II of the Social Security Act.

''(c) CONTRIBUTIONS.—

''(1) IN GENERAL.—No deduction shall be allowed for contributions credited to an individual savings account under section 251 of the Social Security Act or section 6402(l).

''(2) ROLLOVER OF INHERITANCE.—Any portion of a distribution to an heir from an individual savings account made by reason of the death of the beneficiary of such account may be rolled over to the individual savings account of the heir after such death.

''(d) DISTRIBUTIONS.—

''(1) IN GENERAL.—Any distribution from an individual savings account under section 253 of the Social Security Act shall be included in gross income under section 72.

''(2) PERIOD IN WHICH DISTRIBUTIONS MUST BE MADE FROM ACCOUNT OF DECEDENT.—In the case of amounts remaining in an individual savings account from which distributions began before the death of the beneficiary, rules similar to the rules of section 401(a)(9)(B) shall apply to distributions of such remaining amounts.

''(3) ROLLOVERS.—Paragraph (1) shall not apply to amounts rolled over under subsection (c)(2) in a direct transfer by the Commissioner of Social Security, under regulations which the Commissioner shall prescribe.''.

(2) CLERICAL AMENDMENT.—The table of parts for subchapter F of chapter 1 of such Code is amended by adding after the item relating to part VIII the following:

''Part IX. Individual savings fund and accounts.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1999.

SEC. 102. SOCIAL SECURITY KIDSAVE ACCOUNTS.

Title II of the Social Security Act (42 U.S.C. 401 et seq.), as amended by section 101(a), is amended by adding at the end the following:

''PART C—KIDSAVE ACCOUNTS

''KIDSAVE ACCOUNTS

''SEC. 261. (a) ESTABLISHMENT.—The Commissioner of Social Security shall establish in the name of each individual born on or after January 1, 1995, a KidSave Account upon the later of—

''(1) the date of enactment of this part, or

''(2) the date of the issuance of a Social Security account number under section 205(c)(2) to such individual.

The KidSave Account shall be identified to the account holder by means of the account holder's Social Security account number.

''(b) CONTRIBUTIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated and are appropriated such sums as are necessary in order for the Secretary of the Treasury to transfer from the general fund of the Treasury for crediting by the Commissioner to each account holder's KidSave Account under subsection (a), an amount equal to the sum of—

''(A) in the case of any individual born on or after January 1, 2000, $1,000, on the date of the establishment of such individual's KidSave Account, and

''(B) in the case of any individual born on or after January 1, 1995, $500, on the 1st, 2nd, 3rd, 4th, and 5th birthdays of such individual occurring on or after January 1, 2000.

''(2) ADJUSTMENT FOR INFLATION.—For any calendar year after 2009, each of the dollar amounts under paragraph (1) shall be increased by the cost-of-living adjustment determined under section 215(i) for the calendar year.

''(c) DESIGNATIONS REGARDING KIDSAVE ACCOUNTS.—

''(1) INITIAL DESIGNATIONS OF INVESTMENT VEHICLE.—A person described in subsection (d) shall, on behalf of the individual described in subsection (a), designate the investment vehicle for the KidSave Account to which contributions on behalf of such individual are to be deposited. Such designation shall be made on the application for such individual's Social Security account number.

''(2) CHANGES IN INVESTMENT VEHICLES.—The Commissioner shall by regulation provide the time and manner by which an individual or a person described in subsection (d) on behalf of such individual may change 1 or more investment vehicles for a KidSave Account.

''(d) TREATMENT OF MINORS AND INCOMPETENT INDIVIDUALS.—Any designation under subsection (c) to be made by a minor, or an individual mentally incompetent or under other legal disability, may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due a minor, or an individual mentally incompetent or under other legal disability, may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under subsection (c) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

''DEFINITIONS AND SPECIAL RULES

''SEC. 262. (a) KIDSAVE ACCOUNTS.—In this part, the term 'KidSave Account' means any KidSave Account in the Individual Savings Fund (established under section 254) which is administered by the Individual Savings Fund Board.

''(b) TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any KidSave Account described in subsection (a) shall be treated in the same manner as an individual savings account under part B.

''(2) DISTRIBUTIONS.—Notwithstanding any other provision of law, distributions may only be made from a KidSave Account of an individual on or after the earlier of—

''(A) the date on which the individual begins receiving benefits under this title, or

''(B) the date of the individual's death.''.

SEC. 103. ADJUSTMENTS TO PRIMARY INSURANCE AMOUNTS UNDER PART A OF TITLE II OF THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Section 215 of the Social Security Act (42 U.S.C. 415) is amended by adding at the end the following:

''Adjustment of Primary Insurance Amount in Relation to Deposits Made to Individual Savings Accounts and KidSave Accounts

''(j)(1) Except as provided in paragraph (2), an individual's primary insurance amount as determined in accordance with this section (before adjustments made under subsection (i)) shall be equal to the excess (if any) of—

''(A) the amount which would be so determined without the application of this subsection, over

''(B) the monthly amount of an immediate life annuity, determined on the basis of the sum of—

''(A) the total of all amounts which have been credited pursuant to section 251(b) (indexed in the same manner as is applicable with respect to average indexed monthly earnings under subsection (b)) to the individual savings account held by such individual, plus

''(B) 50 percent of the accumulated value of the KidSave Account (established on behalf of such individual under section 261(a)) determined on the date such KidSave Account is redesignated as an individual savings account held by such individual under section 251(a)(1)(B), plus

''(C) accrued interest on such amounts compounded annually—

''(i) assuming an interest rate equal to the projected interest rate of the Federal Old-Age and Survivors Trust Fund, and

''(ii) using the mortality table used under 412(*l*)(7)(C)(ii) of the Internal Revenue Code of 1986.

''(2) In the case of an individual who becomes entitled to disability insurance benefits under section 223, such individual's primary insurance amount shall be determined without regard to paragraph (1).

''(3) For purposes of this subsection, the term 'immediate life annuity' means an annuity—

''(A) the annuity starting date (as defined in section 72(c)(4) of the Internal Revenue Code of 1986) of which commences with the first month following the date of the determination, and

''(B) which provides for a series of substantially equal monthly payments over the life expectancy of the individual.''.

(b) CONFORMING AMENDMENT TO RAILROAD RETIREMENT ACT OF 1974.—Section 1 of the Railroad Retirement Act of 1974 (45 U.S.C. 231) is amended by adding at the end the following:

''(s) In applying applicable provisions of the Social Security Act for purposes of determining the amount of the annuity to which an individual is entitled under this Act, section 215(j) of the Social Security Act and part B of title II of such Act shall be disregarded.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to computations and recomputations of primary insurance amounts occurring after December 31, 1999.

TITLE II—SOCIAL SECURITY SYSTEM ADJUSTMENTS

SEC. 201. ADJUSTMENTS TO BEND POINTS IN DETERMINING PRIMARY INSURANCE AMOUNTS.

(a) ADDITIONAL BEND POINT.—Section 215(a)(1)(A) of the Social Security Act (42 U.S.C. 415(a)(1)(A)) is amended—

(1) in clause (ii), by striking ''and'' at the end;

(2) in clause (iii)—

(A) by striking ''15 percent'' and inserting ''32 percent'';

(B) by striking ''clause (ii),'' and inserting the following: ''clause (ii) but do not exceed the amount established for purposes of this clause by subparagraph (B), and''; and

(3) by inserting after clause (iii) the following:

''(iv) 15 percent of the individual's average indexed monthly earnings to the extent that such earnings exceed the amount established for purposes of clause (iii),''.

(b) INITIAL LEVEL OF ADDITIONAL BEND POINT.—Section 215(a)(1)(B)(i) of such Act (42 U.S.C. 415(a)(1)(B)(i)) is amended—

(1) by striking ''clause (i) and (ii)'' and inserting ''clauses (i) and (iii)''; and

(2) by adding at the end the following: ''For individuals who initially become eligible for old-age or disability insurance benefits, or who die (before becoming eligible for such benefit), in the calendar year 2000, the amount established for purposes of clause (ii) of subparagraph (A) shall be equal to 197.5 percent of the amount established for purposes of clause (i).''.

(c) ADJUSTMENTS TO PIA FORMULA FACTORS.—Section 215(a)(1)(B) of such Act (42 U.S.C. 415(a)(1)(B)) is amended further—

(1) by redesignating clause (iii) as clause (iv);

(2) by inserting after clause (ii) the following:

''(iii) For individuals who initially become eligible for old-age or disability insurance benefits, or who die (before becoming eligible for such benefits), in any calendar year after 2005, effective for such calendar year—

''(I) the percentage in effect under clause (ii) of subparagraph (A) shall be equal to the percentage in effect under such clause for calendar year 2005 increased the applicable number of times by 3.8 percentage points,

''(II) the percentage in effect under clause (iii) of subparagraph (A) shall be equal to the percentage in effect under such clause for calendar year 2005 decreased the applicable number of times by 1.2 percentage points, and

''(III) the percentage in effect under clause (iv) of subparagraph (A) shall be equal to the percentage in effect under such clause for calendar year 2005 decreased the applicable number of times by 0.5 percentage points.

For purposes of the preceding sentence, the term 'applicable number of times' means a number equal to the lesser of 10 or the number of years beginning with 2006 and ending with the year of initial eligibility or death.''; and

(3) in clause (iv) (as redesignated), by striking ''amount'' and inserting ''dollar amount''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to primary insurance amounts of individuals attaining early retirement age (as defined in section 216(l) of the Social Security Act), or dying, after December 31, 1999.

SEC. 202. ADJUSTMENT OF WIDOWS' AND WIDOWERS' INSURANCE BENEFITS.

(a) WIDOW'S BENEFIT.—Section 202(e)(2)(A) of the Social Security Act (42 U.S.C. 402(e)(2)(A)) is amended by striking ''equal to'' and all that follows and inserting ''equal to the greater of—

''(i) the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual, or

''(ii) the applicable percentage of the joint benefit which would have been received by the widow or surviving divorced wife and the deceased individual for such month if such individual had not died.

For purposes of clause (ii), the applicable percentage is equal to 50 percent in 2000, increased (but not above 75 percent) by 1 percentage point in every second year thereafter.''.

(b) WIDOWER'S BENEFIT.—Section 202(f)(3)(A) of the Social Security Act (42 U.S.C. 402(b)(3)(A)) is amended by striking ''equal to'' and all that follows and inserting ''equal to the greater of—

''(i) the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual, or

''(ii) the applicable percentage of the joint benefit which would have been received by the widow or surviving divorced husband and the deceased individual for such month if such individual had not died.

For purposes of clause (ii), the applicable percentage is equal to 50 percent in 2000, increased (but not above 75 percent) by 1 percentage point in every second year thereafter.''.

SEC. 203. ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED EARLY RETIREMENT AGE.

(a) IN GENERAL.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(1) in subsection (c)(1), by striking ''the age of seventy'' and inserting ''early retirement age (as defined in section 216(l))'';

(2) in paragraphs (1)(A) and (2) of subsection (d), by striking ''the age of seventy'' each place it appears and inserting ''early retirement age (as defined in section 216(l))'';

(3) in subsection (f)(1)(B), by striking ''was age seventy or over'' and inserting ''was at or above early retirement age (as defined in section 216(l))'';

(4) in subsection (f)(3)—

(A) by striking ''33⅓ percent'' and all that follows through ''any other individual,'' and inserting ''50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8),''; and

(B) by striking ''age 70'' and inserting ''early retirement age (as defined in section 216(l))'';

(5) in subsection (h)(1)(A), by striking ''age 70'' each place it appears and inserting ''early retirement age (as defined in section 216(l))''; and

(6) in subsection (j)—

(A) in the heading, by striking ''Age Seventy'' and inserting ''Early Retirement Age''; and

(B) by striking ''seventy years of age'' and inserting ''having attained early retirement age (as defined in section 216(l))''.

(b) CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED AGE 62.—

(1) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act (42 U.S.C. 403(f)(8)(A)) is amended by striking ''the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable'' and inserting ''a new exempt amount which shall be applicable''.

(2) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of the Social Security Act (42 U.S.C. 403(f)(8)(B)) is amended—

(A) in the matter preceding clause (i), by striking ''Except'' and all that follows through ''whichever'' and inserting ''The exempt amount which is applicable for each month of a particular taxable year shall be whichever'';

(B) in clauses (i) and (ii), by striking ''corresponding'' each place it appears; and

(C) in the last sentence, by striking ''an exempt amount'' and inserting ''the exempt amount''.

(3) REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(A) in subsection (c), in the last sentence, by striking ''nor shall any deduction'' and

all that follows and inserting ''nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.''; and

(B) in subsection (f)(1), by striking clause (D) and inserting the following: ''(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60,''.

(2) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) of the Social Security Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

(A) by striking ''either''; and

(B) by striking ''or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit''.

(3) PROVISIONS RELATING TO EARNINGS TAKEN INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking ''if section 102 of the Senior Citizens' Right to Work Act of 1996 had not been enacted'' and inserting the following: ''if the amendments to section 203 made by section 102 of the Senior Citizens' Right to Work Act of 1996 and by the Bipartisan Social Security Reform Act of 1999 had not been enacted''.

(d) STUDY OF THE EFFECT OF TAKING EARNINGS INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF DISABLED INDIVIDUALS.—

(1) IN GENERAL.—Not later than February 15, 2001, the Commissioner of Social Security shall conduct a study on the effect that taking earnings into account in determining substantial gainful activity of individuals receiving disability insurance benefits has on the incentive for such individuals to work and submit to Congress a report on the study.

(2) CONTENTS OF STUDY.—The study conducted under paragraph (1) shall include the evaluation of—

(A) the effect of the current limit on earnings on the incentive for individuals receiving disability insurance benefits to work;

(B) the effect of increasing the earnings limit or changing the manner in which disability insurance benefits are reduced or terminated as a result of substantial gainful activity (including reducing the benefits gradually when the earnings limit is exceeded) on—

(i) the incentive to work; and

(ii) the financial status of the Federal Disability Insurance Trust Fund;

(C) the effect of extending eligibility for the Medicare program to individuals during the period in which disability insurance benefits of the individual are gradually reduced as a result of substantial gainful activity and extending such eligibility for a fixed period of time after the benefits are terminated on—

(i) the incentive to work; and

(ii) the financial status of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund; and

(D) the relationship between the effect of substantial gainful activity limits on blind individuals receiving disability insurance benefits and other individuals receiving disability insurance benefits.

(3) CONSULTATION.—The analysis under paragraph (2)(C) shall be done in consultation with the Administrator of the Health Care Financing Administration.

(e) EFFECTIVE DATE.—The amendments and repeals made by subsections (a), (b), and (c) shall apply with respect to taxable years ending after December 31, 2002.

SEC. 204. GRADUAL INCREASE IN NUMBER OF BENEFIT COMPUTATION YEARS; USE OF ALL YEARS IN COMPUTATION.

(a) IN GENERAL.—Section 215(b)(2)(A) of the Social Security Act (42 U.S.C. 415(b)(2)(A)) is amended—

(1) in clause (i), by striking ''5 years'' and inserting ''the applicable number of years for purposes of this clause''; and

(2) by striking ''Clause (ii),'' in the matter following clause (ii) and inserting the following:

''For purposes of clause (i), the applicable number of years is the number of years specified in connection with the year in which such individual reaches early retirement age (as defined in section 216(l)(2)), or, if earlier, the calendar year in which such individual dies, as set forth in the following table:

''If such calendar year is:	The applicable number of years is:
2002	4.
2003	4.
2004	3.
2005	3.
2006	2.
2007	2.
2008	1.
2009	1.
After 2009	0.

Notwithstanding the preceding sentence, the applicable number of years is 5, in the case of any individual who is entitled to old-age insurance benefits, and has a spouse who is also so entitled (or who died without having become so entitled) who has greater total wages and self-employment income credited to benefit computation years than the individual. Clause (ii),''.

(b) USE OF ALL YEARS IN COMPUTATION.—

(1) IN GENERAL.—Section 215(b)(2)(B) of the Social Security Act (42 U.S.C. 415(b)(2)(B)) is amended by striking clauses (i) and (ii) and inserting the following:

''(i)(I) for calendar years after 2001 and before 2010, the term 'benefit computation years' means those computation base years equal in number to the number determined under subparagraph (A) plus the applicable number of years determined under subclause (III), for which the total of such individual's wages and self-employment income, after adjustment under paragraph (3), is the largest;

''(II) for calendar years after 2009, the term 'benefit computation years' means all of the computation base years; and

''(III) for purposes of subclause (I), the applicable number of years is the number of years specified in connection with the year in which such individual reaches early retirement age (as defined in section 216(l)(2)), or, if earlier, the calendar year in which such individual dies, as set forth in the following table:

''If such calendar year is:	The applicable number of years is:
Before 2002	0.
2002	1.
2003	1.
2004	2.
2005	2.
2006	3.
2007	3.
2008	4.
2009	4.

''(ii) the term 'computation base years' means the calendar years after 1950, except that such term excludes any calendar year entirely included in a period of disability; and''.

(2) CONFORMING AMENDMENT.—Section 215(b)(1)(B) of the Social Security Act (42 U.S.C. 415(b)(1)(B)) is amended by striking ''in those years'' and inserting ''in an individual's computation base years determined under paragraph (2)(A)''.

(c) EFFECTIVE DATE.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply with respect to individuals attaining early retirement age (as defined in section 216(l)(2) of the Social Security Act) after December 31, 2001.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to benefit computation years beginning after December 31, 1999.

SEC. 205. MAINTENANCE OF BENEFIT AND CONTRIBUTION BASE.

(a) IN GENERAL.—Section 230 of the Social Security Act (42 U.S.C. 430) is amended to read as follows:

MAINTENANCE OF THE CONTRIBUTION AND BENEFIT BASE

''SEC. 230. (a) The Commissioner of Social Security shall determine and publish in the Federal Register on or before November 1 of each calendar year the contribution and benefit base determined under subsection (b) which shall be effective with respect to remuneration paid after such calendar year and taxable years beginning after such year.

''(b) For purposes of this section, for purposes of determining wages and self-employment income under sections 209, 211, 213, and 215 of this Act and sections 54, 1402, 3121, 3122, 3125, 6413, and 6654 of the Internal Revenue Code of 1986, and for purposes of section 4022(b)(3)(B) of Public Law 93–406, the contribution and benefit base with respect to remuneration paid in (and taxable years beginning in) any calendar year is an amount equal to 86 percent of the total wages for the preceding calendar year (within the meaning of section 209).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to remuneration paid in (and taxable years beginning in) any calendar year after 1999.

SEC. 206. REDUCTION IN THE AMOUNT OF CERTAIN TRANSFERS TO MEDICARE TRUST FUND.

Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (42 U.S.C. 401 note), as amended by section 13215(c)(1) of the Omnibus Budget Reconciliation Act of 1993, is amended—

(1) in clause (ii), by striking ''the amounts'' and inserting ''the applicable percentage of the amounts''; and

(2) by adding at the end the following: ''For purposes of clause (ii), the applicable percentage for a year is equal to 100 percent, reduced (but not below zero) by 10 percentage points for each year after 2004.''.

SEC. 207. ACTUARIAL ADJUSTMENT FOR RETIREMENT.

(a) EARLY RETIREMENT.—

(1) IN GENERAL.—Section 202(q) of the Social Security Act (42 U.S.C. 402(q)) is amended—

(A) in paragraph (1)(A), by striking ''5/9'' and inserting ''the applicable fraction (determined under paragraph (12))''; and

(B) by adding at the end the following:

''(12) For purposes of paragraph (1)(A), the 'applicable fraction' for an individual who attains the age of 62 in—

''(A) any year before 2001, is 5/9;

''(B) 2001, is 7/12;

''(C) 2002, is 11/18;

''(D) 2003, is 23/36;

''(E) 2004, is 2/3; and

''(F) 2005 or any succeeding year, is 25/36.''.

(2) MONTHS BEYOND FIRST 36 MONTHS.—Section 202(q) of such Act (42 U.S.C. 402(q)(9)) (as amended by paragraph (1)) is amended—

(A) in paragraph (9)(A), by striking ''five-twelfths'' and inserting ''the applicable fraction (determined under paragraph (13))''; and

(B) by adding at the end the following:

''(13) For purposes of paragraph (9)(A), the 'applicable fraction' for an individual who attains the age of 62 in—

''(A) any year before 2001, is 5/12;

''(B) 2001, is 16/36;

''(C) 2002, is 16/36;

''(D) 2003, is 17/36;

''(E) 2004, is 17/36; and

''(F) 2005 or any succeeding year, is 1/2.''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to individuals who attain the age of 62 in years after 1999.

(b) DELAYED RETIREMENT.—Section 202(w)(6) of the Social Security Act (42 U.S.C. 402(w)(6)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by striking ''2004.'' and inserting ''2004 and before 2007;''; and

(3) by adding at the end the following:

''(E) 17/24 of 1 percent in the case of an individual who attains the age of 62 in a calendar year after 2006 and before 2009;

''(F) 3/4 of 1 percent in the case of an individual who attains the age of 62 in a calendar year after 2008 and before 2011;

''(G) 19/24 of 1 percent in the case of an individual who attains the age of 62 in a calendar year after 2010 and before 2013; and

''(H) 5/6 of 1 percent in the case of an individual who attains the age of 62 in a calendar year after 2012.''.

SEC. 208. IMPROVEMENTS IN PROCESS FOR COST-OF-LIVING ADJUSTMENTS.

(a) ANNUAL DECLARATIONS OF PERSISTING UPPER LEVEL SUBSTITUTION BIAS, QUALITY-CHANGE BIAS, AND NEW-PRODUCT BIAS.—Not later than December 1, 1999, and annually thereafter, the Commissioner of the Bureau of Labor Statistics shall publish in the Federal Register an estimate of the upper level substitution bias, quality-change bias, and new-product bias retained in the Consumer Price Index, expressed in terms of a percentage point effect on the annual rate of change in the Consumer Price Index determined through the use of a superlative index that accounts for changes that consumers make in the quantities of goods and services consumed.

(b) MODIFICATION OF COST-OF-LIVING ADJUSTMENT.—Notwithstanding any other provision of law, for each calendar year after 1999 any cost-of-living adjustment described in subsection (f) shall be further adjusted by the greater of—

(1) 0.5 percentage point, or

(2) the correction for the upper level substitution bias, quality-change bias, and new-product bias (as last published by the Commissioner of the Bureau of Labor Statistics pursuant to subsection (a)).

(c) FUNDING FOR CPI IMPROVEMENTS.—

(1) IN GENERAL.—There is hereby appropriated to the Bureau of Labor Statistics in the Department of Labor, for each of fiscal years 2000, 2001, and 2002, $60,000,000 for use by the Bureau for the following purposes:

(A) Research, evaluation, and implementation of a superlative index to estimate upper level substitution bias, quality-change bias, and new-product bias in the Consumer Price Index.

(B) Expansion of the Consumer Expenditure Survey and the Point of Purchase Survey.

(2) REPORTS.—The Commissioner of the Bureau of Labor Statistics shall submit reports regarding the use of appropriations made under paragraph (1) to the Committee on Appropriations of the House of Representative and the Committee on Appropriations of the Senate upon the request of each Committee.

(d) INFORMATION SHARING.—The Commissioner of the Bureau of Labor Statistics may secure directly from the Secretary of Commerce information necessary for purposes of calculating the Consumer Price Index. Upon request of the Commissioner of the Bureau of Labor Statistics, the Secretary of Commerce shall furnish that information to the Commissioner.

(e) ADMINISTRATIVE ADVISORY COMMITTEE.—The Bureau of Labor Statistics shall, in consultation with the National Bureau of Economic Research, the American Economic Association, and the National Academy of Statisticians, establish an administrative advisory committee. The advisory committee shall periodically advise the Bureau of Labor Statistics regarding revisions of the Consumer Price Index and conduct research and experimentation with alternative data collection and estimating approaches.

(f) COST-OF-LIVING ADJUSTMENT DESCRIBED.—A cost-of-living adjustment described in this subsection is any cost-of-living adjustment for a calendar year after 1999 determined by reference to a percentage change in a consumer price index or any component thereof (as published by the Bureau of Labor Statistics of the Department of Labor and determined without regard to this section) and used in any of the following:

(1) The Internal Revenue Code of 1986.

(2) The provisions of this Act (other than programs under title XVI and any adjustment in the case of an individual who attains early retirement age before January 1, 2000).

(3) Any other Federal program.

(g) RECAPTURE OF CPI REFORM REVENUES DEPOSITED INTO THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following:

''(n) On July 1 of each calendar year specified in the following table, the Secretary of the Treasury shall transfer, from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund, an amount equal to the applicable percentage for such year, specified in such table, of the total wages paid in and self-employment income credited to such year.

''For a calendar year—	The applicable percentage for the year is—
After 1999 and before 2020	0.6 percent.
After 2019 and before 2040	0.8 percent.
After 2039 and before 2060	1.0 percent.
After 2059	1.2 percent.''.

SEC. 209. MODIFICATION OF INCREASE IN NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 216(l)(1) of the Social Security Act (42 U.S.C. 416(l)(1)) is amended—

(1) in subparagraph (B)—

(A) by striking ''2005'' and inserting ''2011''; and

(B) by adding ''and'' at the end; and

(2) by striking subparagraphs (C), (D), and (E) and inserting the following:

''(C) With respect to an individual who attains early retirement age after December 31, 2010, 67 years of age.''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 216(l) of the Social Security Act (42 U.S.C. 416(l)) is amended to read as follows:

''(3) The age increase factor for any individual who attains early retirement age in the period consisting of the calendar years 2000 through 2010, the age increase factor shall be equal to two-twelfths of the number of months in the period beginning with January 2000 and ending with December of the year in which the individual attains early retirement age.''.

SEC. 210. MODIFICATION OF PIA FACTORS TO REFLECT CHANGES IN LIFE EXPECTANCY.

(a) MODIFICATION OF PIA FACTORS.—Section 215(a)(1) of the Social Security Act (42 U.S.C. 415(a)(1)(B)) is amended by redesignating subparagraph (D) as subparagraph (F) and by inserting after subparagraph (C) the following:

''(D)(i) For individuals who initially become eligible for old-age insurance benefits in any calendar year after 2011, each of the percentages under clauses (i), (ii), (iii), and (iv) of subparagraph (A) shall be multiplied the applicable number of times by the applicable factor.

''(ii) For purposes of clause (i)—

''(I) the term 'applicable number of times' means a number equal to the lesser of 54 or the number of years beginning with 2012 and ending with the year of initial eligibility; and

''(II) the term 'applicable factor' means .988 with respect to the first 6 applicable number of times and .997 with respect to the applicable number of times in excess of 6.

''(E) For any individual who initially becomes eligible for disability insurance benefits in any calendar year after 2011, the primary insurance amount for such individual shall be equal to the greater of—

''(i) such amount as determined under this paragraph, or

''(ii) such amount as determined under this paragraph without regard to subparagraph (D) thereof.''.

(b) STUDY OF THE EFFECT OF INCREASES IN LIFE EXPECTANCY.—

(1) STUDY PLAN.—Not later than February 15, 2001, the Commissioner of Social Security shall submit to Congress a detailed study plan for evaluating the effects of increases in life expectancy on the expected level of retirement income from social security, pensions, and other sources. The study plan shall include a description of the methodology, data, and funding that will be required in order to provide to Congress not later than February 15, 2006—

(A) an evaluation of trends in mortality and their relationship to trends in health status, among individuals approaching eligibility for social security retirement benefits;

(B) an evaluation of trends in labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits, and of the factors that influence the choice between retirement and participation in the labor force;

(C) an evaluation of changes, if any, in the social security disability program that would reduce the impact of changes in the retirement income of workers in poor health or physically demanding occupations;

(D) an evaluation of the methodology used to develop projections for trends in mortality, health status, and labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits; and

(E) an evaluation of such other matters as the Commissioner deems appropriate for evaluating the effects of increases in life expectancy.

(2) REPORT ON RESULTS OF STUDY.—Not later than February 15, 2006, the Commissioner of Social Security shall provide to Congress an evaluation of the implications of the trends studied under paragraph (1), along with recommendations, if any, of the extent to which the conclusions of such evaluations indicate that projected increases in life expectancy require modification in the social security disability program and other income support programs.

SEC. 211. MECHANISM FOR REMEDYING UNFORESEEN DETERIORATION IN SOCIAL SECURITY SOLVENCY.

(a) IN GENERAL.—Section 709 of the Social Security Act (42 U.S.C. 910) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by striking ''SEC. 709. (a) If the Board of Trustees'' and all that follows through ''any

such Trust Fund'' and inserting the following:

''SEC. 709. (a)(1)(A) If the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund determines at any time, using intermediate actuarial assumptions, that the balance ratio of either such Trust Fund for any calendar year during the succeeding period of 75 calendar years will be zero, the Board shall promptly submit to each House of the Congress and to the President a report setting forth its recommendations for statutory adjustments affecting the receipts and disbursements of such Trust Fund necessary to maintain the balance ratio of such Trust Fund at not less than 20 percent, with due regard to the economic conditions which created such inadequacy in the balance ratio and the amount of time necessary to alleviate such inadequacy in a prudent manner. The report shall set forth specifically the extent to which benefits would have to be reduced, taxes under section 1401, 3101, or 3111 of the Internal Revenue Code of 1986 would have to be increased, or a combination thereof, in order to obtain the objectives referred to in the preceding sentence.

''(B) In addition to any reports under subparagraph (A), the Board shall, not later than May 30, 2001, prepare and submit to Congress and the President recommendations for statutory adjustments to the disability insurance program under title II of this Act to modify the changes in disability benefits under the Bipartisan Social Security Reform Act of 1999 without reducing the balance ratio of the Federal Disability Insurance Trust Fund. The Board shall develop such recommendations in consultation with the National Council on Disability, taking into consideration the adequacy of benefits under the program, the relationship of such program with old age benefits under such title, and changes in the process for determining initial eligibility and reviewing continued eligibility for benefits under such program.

''(2)(A) The President shall, no later than 30 days after the submission of the report to the President, transmit to the Board and to the Congress a report containing the President's approval or disapproval of the Board's recommendations.

''(B) If the President approves all the recommendations of the Board, the President shall transmit a copy of such recommendations to the Congress as the President's recommendations, together with a certification of the President's adoption of such recommendations.

''(C) If the President disapproves the recommendations of the Board, in whole or in part, the President shall transmit to the Board and the Congress the reasons for that disapproval. The Board shall then transmit to the Congress and the President, no later than 60 days after the date of the submission of the original report to the President, a revised list of recommendations.

''(D) If the President approves all of the revised recommendations of the Board transmitted to the President under subparagraph (C), the President shall transmit a copy of such revised recommendations to the Congress as the President's recommendations, together with a certification of the President's adoption of such recommendations.

''(E) If the President disapproves the revised recommendations of the Board, in whole or in part, the President shall transmit to the Board and the Congress the reasons for that disapproval, together with such revisions to such recommendations as the President determines are necessary to bring such recommendations within the President's approval. The President shall transmit a copy of such recommendations, as so revised, to the Board and the Congress as the President's recommendations, together with a certification of the President's adoption of such recommendations.

''(3)(A) This paragraph is enacted by Congress—

''(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution described in subparagraph (B), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

''(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

''(B) For purposes of this paragraph, the term 'joint resolution' means only a joint resolution which is introduced within the 10-day period beginning on the date on which the President transmits the President's recommendations, together with the President's certification, to the Congress under subparagraph (B), (D), or (E) of paragraph (2), and—

''(i) which does not have a preamble;

''(ii) the matter after the resolving clause of which is as follows: 'That the Congress approves the recommendations of the President as transmitted on ___ pursuant to section 709(a) of the Social Security Act, as follows: _____', the first blank space being filled in with the appropriate date and the second blank space being filled in with the statutory adjustments contained in the recommendations; and

''(iii) the title of which is as follows: 'Joint resolution approving the recommendations of the President regarding social security.'.

''(C) A joint resolution described in subparagraph (B) that is introduced in the House of Representatives shall be referred to the Committee on Ways and Means of the House of Representatives. A joint resolution described in subparagraph (B) introduced in the Senate shall be referred to the Committee on Finance of the Senate.

''(D) If the committee to which a joint resolution described in subparagraph (B) is referred has not reported such joint resolution (or an identical joint resolution) by the end of the 20-day period beginning on the date on which the President transmits the recommendation to the Congress under paragraph (2), such committee shall be, at the end of such period, discharged from further consideration of such joint resolution, and such joint resolution shall be placed on the appropriate calendar of the House involved.

''(E)(i) On or after the third day after the date on which the committee to which such a joint resolution is referred has reported, or has been discharged (under subparagraph (D)) from further consideration of, such a joint resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the joint resolution. A Member may make the motion only on the day after the calendar day on which the Member announces to the House concerned the Member's intention to make the motion, except that, in the case of the House of Representatives, the motion may be made without such prior announcement if the motion is made by direction of the committee to which the joint resolution was referred. All points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the joint resolution shall remain the unfinished business of the respective House until disposed of.

''(ii) Debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the joint resolution. An amendment to the joint resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order. A motion to reconsider the vote by which the joint resolution is agreed to or disagreed to is not in order.

''(iii) Immediately following the conclusion of the debate on a joint resolution described in subparagraph (B) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the joint resolution shall occur.

''(iv) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a joint resolution described in subparagraph (B) shall be decided without debate.

''(F)(i) If, before the passage by one House of a joint resolution of that House described in subparagraph (B), that House receives from the other House a joint resolution described in subparagraph (B), then the following procedures shall apply:

''(I) The joint resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subclause (II).

''(II) With respect to a joint resolution described in subparagraph (B) of the House receiving the joint resolution, the procedure in that House shall be the same as if no joint resolution had been received from the other House, but the vote on final passage shall be on the joint resolution of the other House.

''(ii) Upon disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution that originated in the receiving House.

''(b) If the Board of Trustees of the Federal Hospital Insurance Trust Fund or the Federal Supplementary Medical Insurance Trust Fund determines as any time that the balance ratio of either such Trust Fund''.

(b) CONFORMING AMENDMENTS.—

(1) Section 709(b) of the Social Security Act (as amended by subsection (a) of this section) is amended by striking ''any such'' and inserting ''either such''.

(2) Section 709(c) of such Act (as redesignated by subsection (a) of this section) is amended by inserting ''or (b)'' after ''subsection (a)''.

Mr. GREGG. Mr. President, I have enjoyed working with the Senators from Nebraska and Louisiana and, recently the Senator from Iowa, in developing this bipartisan plan. The Senator from Nebraska and the Senator from Louisiana have truly done an extraordinary job of bringing to the attention

of the American public the essential needs to address soon, quickly, and substantively the issue of Social Security reform.

I had the pleasure of serving 15 months as cochair, along with the Senator from Louisiana, of a commission of folks put together—a large cross-section of people—who are truly expert in the area of Social Security. As a result of that commission, we produced a bill that was an excellent piece of legislation. We were joined, in a bipartisan way, by Congressmen KOLBE and STENHOLM, Members of the House, on that bill.

The Senator from Nebraska has been on his own bill, along with the Senator from New York. They have developed another bill here. Months ago, we decided to get together and see if we could develop an even bigger coalition of membership around one concept of how to reform the Social Security system. That is what we accomplished. It has been accomplished because of the strong and vibrant leadership of those two Senators who are on the floor today, Senators BREAUX and KERREY, and also Senator GRASSLEY, who is not here but may be coming in on a number of other issues that are involved in the Social Security reform matter. His leadership has been excellent.

So, first of all, we do have a bipartisan bill. It has been pointed out by the Senator from Nebraska that this bill goes across the aisle, across ideology, and it is a substantive bill. It is a proposal that has been scored by the Social Security actuaries as creating solvency in the Social Security system for the next 100 years, at a minimum. It goes to infinity, but I like to say the next century because it is a more definable event. That is very important. It is a bipartisan effort, which shows it can be done. Second, it works, as scored by the Social Security actuaries.

Why is it important? You don't have to look very far to see why. I notice we have many Senate pages with us. These folks are juniors in high school who come here to work. They are either rising juniors, or have completed their junior year in most instances. They come here to work and see Congress in action. When they get finished with their schooling, most of them will go to college. When they get out of college, they are going to go to work. They are going to find that probably the biggest amount that comes out of their paychecks is the FICA tax, a big chunk that comes out of paychecks. They are going to pay that for all their working lives. What are they going to get back under the present system? These wonderful young people are probably hoping I won't speak too long so they can get off for the weekend. But what are they going to get out of this? Actually, they are going to get very little out of it. They will pay out a tremendous amount of taxes during their working lives and they will virtually get nothing back for it.

In fact, a person coming into the workforce in their early twenties today—the rate of return on what they pay into Social Security taxes over their working lives, or how much they get back for the amount of taxes they pay, is essentially a wash. They are not going to get any more back than they pay in. That is not much of a return for all the taxes they will pay over all those years. If you happen to be an African American, you actually will get less back, as a group of individuals, than you will end up paying.

So the system is broken. Why? It is broken because we have this huge bubble in our society, this huge population bubble called the postwar baby boom generation, of which Bill Clinton is a member, I am a member, the Senator in the Chair is a member, and the Senator from Louisiana is a member. This postwar baby boom generation is the largest demographic group in the history of our country. When Social Security was originally designed, and for all the years it has worked so well, it has always been conceived as a pyramid. It was essentially perceived that there would be many more people paying into the system than would be taking out. So you would have many people earning in order to support the people getting the benefit—a pyramid.

In fact, as late as 1950, there were about 15 people paying into the system for every 1 person taking out. By the late part of this century—right about now, in fact—we are down to about 3½ people paying in for every 1 person taking out. When the baby boomers retire, beginning in the year 2008, it starts to accelerate and it becomes an acute situation by 2014, where 2 people will be paying into the system for every 1 taking out.

In that sort of a structure, you can see we simply can't support the benefits. Instead of having a pyramid, we basically have some sort of rectangle. The older generation that will be retired—myself included—will be demanding too much in the way of benefits for the younger generation to support. As a result, we end up bankrupting the system. To express it in another way, even though there is a lot of debt in the trust fund, even though the Social Security trust fund, as the Senator from Nebraska pointed out, has literally billions of dollars of IOUs in it, they are simply that; they are paper IOUs.

What drives the Social Security problem is the fact that when the baby boom generation retires, there is a benefit that is guaranteed, a defined benefit. As a retiree, under Social Security, when we hit 2010, or whenever I take retirement, I am guaranteed a benefit, a fixed sum of money that I will get under our system of Social Security, a defined benefit.

Is there something there to pay that benefit? No, nothing. There are notes held by the Social Security trust, but those notes are not assets in the sense that there is something to back them up that is a physical asset. What backs it up is the taxing of power of the United States. The only way you can pay that defined benefit is to raise taxes on the earners of America to pay the benefits of the retired in America.

Because this generation is so huge and the defined benefit becomes so huge, we will have a massive tax increase on the earners of America, starting about the year 2014, and it accelerates radically to the point where we are literally talking, under the President's proposal on Social Security, about $1 trillion annually in new taxes, simply to support those people who are retired by the year 2035—I think it might be a little later. The fact is, it is a huge tax increase. Where do the taxes come from? The earnings of American people. They will come from the general fund, and they will end up essentially bankrupting this country.

Something needs to be done. Why have we put this plan forward? You say: It won't happen until the year 2014; that is a long way away; I don't have to worry about that.

We have to worry today because we can't answer this type of problem when it happens. We have to anticipate; we have to work to try to correct the problem before we hit the problem. Unfortunately, we are not doing much to get ready for this problem.

To address this, we have put forward this bill. What is the basic theme of this bill? The basic theme of this bill is that the way to address the problem of the Social Security liability in the outyears is to begin to save in the early years, say to the American worker today: Start saving for retirement and have some ownership in that savings. Today you think you are saving for retirement under Social Security because you are paying the Social Security taxes, but that doesn't mean anything. The Social Security taxes are being spent by the Federal Government. There is no asset we are building up which the retiree will own.

We say under our bill to the wage earner, people earning money in the marketplace—whether the job is a restaurant, a computer store, or whether they are working for the Government—we are going to let you start to save some of the assets you are paying in taxes today for your Social Security. We will allow you to start saving and owning those assets. We will take 2 percent of your present payroll tax and put it in a savings account which you control—you, the wage earner control, which you own. You own that account. You make the decision in a broad term as to how that is invested.

We do put limitations on the investment structure so you can't take high-risk investments or speculate. We take an asset, for all Americans paying Social Security tax, which they will physically have and own throughout their earning life, which will grow as they put more into it and which, when they retire, will be available to support

their retirement and to support the costs of the Social Security system.

This concept, which is called personal savings accounts, is at the core of what we are proposing as a solution to the problem. These personal savings accounts don't solve the problem completely. I wish we could do it completely with these accounts, but we can't.

As the Senator from Nebraska so eloquently and effectively pointed out—I won't retread that water—the fact is, you have to make decisions on the benefit side or you have to make decisions on the tax increase side. That is the only way you can get long-term solvency, unless you have the capacity to refund liability dramatically at a level you can't do because of the cost of supporting the present beneficiaries under the system.

There are three ways to solve the Social Security outyear problem: You can raise taxes, cut benefits, or ''prefund'' the liability. What we do is combine two of those. We prefund the liability and adjust the benefit structure. We adjust it in a constructive and effective way, as pointed out by the Senator from Nebraska.

The fundamental philosophical change in our bill is giving people ownership over part of their Social Security taxes. We say to folks: You can invest that, you can save it, and when you retire, it will be yours. In fact, it will be yours before you retire.

Under the present law, you pay all these Social Security taxes, and if you are unlucky enough to get hit by a train when you are 59 years old, you get nothing, absolutely nothing, from all the taxes you have paid in. What an unfair system that is.

We say to people: You are going to have that asset; it will be yours. If you are, unfortunately, hit by a train when you are 59, your family will own that asset. Whoever you want to pass it on to will own that—your wife, your children, cousins, nephews. We give people the opportunity to participate in that extraordinary thing called American capitalism, the marketplace where people can create wealth.

Is there a risk? Very little. The way we structured this, we tracked what Federal employees have been doing for years in the Federal Thrift Savings Plan. Any Federal employee can participate in it and have an option of placing some of their pension plan into the marketplace by choosing four different funds in which to invest. Those funds are managed by trustees under the Federal Thrift Savings Plan. One is very conservative, one is a moderate investment, and one is a more aggressive investment.

We will use the same type of structure. It will be the Social Security trustees investing these funds. Wage earners will have the right to choose whether they want to aggressively invest, moderately invest, or very conservatively invest. It is your choice. In any event, the rate of return on those assets is going to be dramatically better than the rate of return on the amount of taxes presently paid in the Social Security system. The average rate of return on taxes paid into Social Security is 2.7 percent. As I mentioned, for an earner in their twenties it is essentially zero, and for certain groups it is negative. Under our bill, the lowest rate of return possible is the rate of return of Treasury bills, which is about 3 percent. One could get significantly better than that, obviously. The average rate of return of the equities market over any 20-year period, including the Depression period, has been about 5½ percent. So presume 5½ percent is a number by which one reasonably assumes their assets will increase.

That is the essence of what we are doing. We are setting up a plan which, first, is bipartisan; second, it creates solvency in the trust fund for 100 years, the next century; third, it gives people ownership over parts of the assets which they are now paying in taxes over which they have absolutely no ownership.

A couple of other points should be made. We do not impact anybody presently in the Social Security system or about to come in the Social Security system. We say to those folks: The system is in place; you are comfortable with it; that is your system; we are not going to touch you in any way.

When the scare letters come out from the various groups which use Social Security as a way to try to raise money so people can drive around the city in their limousines and go to fancy restaurants, when the scare letters come out in envelopes looking like Social Security checks, and the letters say they will devastate your Social Security benefits, and they are directed at people already on Social Security, unfortunately, we don't have the wherewithal to send a counter letter. But if people have time to listen, they will know that is not case. We don't impact anyone presently on the Social Security system.

Our bill, more than any other that is presently pending on Social Security reform, is progressive. In other words, people at the lower income levels get a much better benefit under the proposal we put forward than people at the higher levels, and they get a better benefit than they would get in the present Social Security system or under any other Social Security proposal out there today, whether they have been scored as solvent or not. It is a progressive system.

In fact, a low-income person not only gets to save 2 percent, they can save about 3½ percent in the personal savings account because we set up a system for the next dollar after the 2 percent. They get a $100 match by the Federal Government. It works out so you basically can almost save 3.5 percent if you are in a low-income bracket, and that is a big increase in your net worth over 40 years, a huge increase in your net worth over 40 years, which is the average earning experience in America today.

In addition, our plan most importantly treats generations fairly. We are headed into a period, when our generation retires, the baby boom generation retires, when we are simply going to be unfair to younger generations. What we are going to do to them under the present Social Security system is absolutely wrong. We are going to tax this younger generation into a much lower level quality of life in order to support our retirement. Is that right? Of course, it is not right, but that is exactly what is going to happen if we do not address the Social Security problem and address it soon so we can start to build the assets necessary to prefund the liabilities, as I mentioned earlier.

Our bill addresses that issue. Our bill tries to right that shift of fairness between our generation and the younger generation, and it does it very effectively, and it is an important effort.

Importantly, our bill creates an atmosphere where people will have confidence in the Social Security system. There are a lot of people who say: I am not going to get anything when I retire. I am just going to pay a lot of taxes. I am not going to get anything.

And they are right if they happen to be a certain ethnic group or certain age level. Our bill will restore the confidence in the Social Security system, and that is absolutely critical.

In addition, we understand women have especially been disproportionately impacted by the present system. They are not treated as fairly as they should be. There are two reasons: No. 1, because many women weren't in the workforce, and No. 2, because they live longer. Our bill makes some very significant efforts in order to address the special needs of women, especially widows, in the Social Security benefits area. These were put together by the Senator from Iowa, to a large extent.

They are positive efforts to give women the opportunity to get the benefit structure that is fair to them and also encourage women to raise children at home. It could be a man, of course, but in most cases it would be a woman who wants to leave her job and raise her child for up to 5 years. She will be able to do that without being penalized by the Social Security system for having taken those 5 years out of the workforce and then coming back into the workforce. It is a very important step towards fairness towards women and especially women who decide to raise children.

I know the Senator from Louisiana wants to speak on this. He has certainly been a core player, a key player on this issue, as well as so many others. But on Medicare specifically, let me say this. We, as policy people, have an absolute obligation to pursue and accomplish Social Security reform in this Congress. There is no way we can justify passing up this opportunity. We have a President who does not have to

run for reelection, so he is under no political pressure to make a political decision. He has the flexibility and freedom to make the decisions that should be made in order to resolve this type of problem.

We know if we do not act, we will begin to run out of time quickly. We know if we cannot set up these personal accounts to start creating assets and letting those assets grow through compounded interest—which Einstein said was the greatest force known to mankind—we know if we do not get those assets started and get those accounts begun, we are going to end up running out of time, and we will not be able to solve the problem effectively. So we know we have to act. It is similar to that old oil filter ad, ''You can pay me now or pay me later.'' We know we have to act now, so we should be taking action.

We know it can be done because this bill proves it. It can be done in a bipartisan way and it can be done in a way that can be scored and approved by the Social Security trustees as working, so there is no argument about doing it and being able to do it. All we need now is the political will to do it, and that is going to take Presidential leadership.

Although the President has spoken on this issue a number of times, he has not given us the type of leadership we need to accomplish the goal. But if he wants to step forward, this is a great opportunity to do it. This bill gives him the vehicle to do it. I certainly hope he will take advantage of that chance.

In any event, I thank my fellow Senators who have worked so hard on this. I believe we have laid out a method that can control and move this forward in a positive way. I hope we can move from only the academic discussion of a bill to the passage of a law.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I yield myself 10 minutes under the previous order.

Mr. GRAHAM. Will the Senator from Louisiana yield for purposes of a unanimous consent request?

Mr. BREAUX. I yield.

Mr. GRAHAM. I ask unanimous consent immediately after completion of the time controlled by the Senator from Louisiana, that I be given 10 minutes as in morning business.

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

Mr. BREAUX. Mr. President, let me first congratulate the distinguished Senator from New Hampshire for his remarks and his major contribution in this effort to bring to the floor of the Senate a proposal on reforming Social Security that, first of all, is real; it is serious, it is bipartisan. A lot of the credit goes to the Senator from New Hampshire for his diligent work in this area.

Previous to the work of the Senator from New Hampshire, we had the words of Senator BOB KERREY of Nebraska, who also joins with all of us as lead sponsors on this Social Security reform legislation. Senator KERREY has been involved in this issue of entitlement reform for a long time. He chaired the Entitlement Reform Commission and his work in the Social Security area has truly been outstanding.

It is interesting that what is happening today on the floor is this is the first time, certainly in my memory and probably in a long time, we have actually had a bipartisan proposal on reforming Social Security introduced in the Senate. Not only is it unique that it is the first time in this body, it is also even more surprising that this proposal, in addition to being bipartisan, is also bicameral. By that, of course, I mean the same proposal has also been introduced on the other side of the Capitol, over in the House, by our colleagues over there, also in a bipartisan fashion.

This is truly historic in the sense that Members of both parties and both Houses can join together in addressing an issue as important, yet at the same time as politically divisive, as Social Security has been. Yet we have been able to do that and have been joined by a number of our colleagues, particularly on the Senate Finance Committee. We have come together to make a recommendation on Social Security which I think is one that bears favorable consideration of our colleagues.

We just had a very strenuous and sometimes somewhat heated debate on the question of the Social Security lockbox, which we just voted on. We will have future debate on that. I think it is very important for all Americans to know that while we debated on this concept of a lockbox, it does not do a single thing to restore the Social Security program. It does not change the program in any way. It does not make any structural changes to Social Security. It does not increase any American's retirement options. It does not give them any additional choices about how they want to plan for their retirement future. It does not increase widows' benefits. It does not address the problems the Senator just spoke of regarding the female population in the country and the special concerns they have. It does not allow low- and middle-income workers to access any Government contributions to help them in their retirement planning and to build up a larger nest egg. The lockbox does not do anything regarding the current unfunded liabilities in the Social Security program. It certainly doesn't restore the confidence in the Social Security system.

We have heard the statements that more young people believe in flying saucers than believe Social Security is going to be there for them. So while we had a great, interesting debate on this lockbox concept, it is very important to know it does not do a single thing to take care of the problems that are facing this country in regard to the Social Security system. But this bill does. This bill has been scored by the people who have to do this for us professionally as restoring solvency to the Social Security program to the year 2075, and that is a fact. There is no debate about that. How we do it, I think, is the substance of our bill. I think it is very positive.

Let me point out, why do we have a problem in Social Security? We have been rocking along since 1935 in a pretty fortunate situation. Most people got their Social Security benefits, everything they contributed, back very quickly.

If someone retired in 1980, for instance, they got back everything they put into the Social Security system in a little over 2 years. They got back everything they put into the program. Retirees in 1980, at the age of 65, took 2.8 years to recover everything they put into the program. That is a heck of a deal for anyone. I know my father has said many times: I will never get back what I put into Social Security. He got it back in about 2.8 years. It was a very good deal for most Americans, and that is changing.

The question is, Why? Very simple: People live a lot longer and there are a lot more of them. Life expectancy—thank goodness and thank medical science and thank God—has dramatically increased over the years so people live a lot longer than they used to.

The second point is there are a lot more people. There are 77 million people in the so-called baby boom generation, those Americans born between 1946 and 1964. We have about 40 million people on Social Security today. We are getting ready to add 77 million more people into this program. It does not take rocket science to figure out why we are having problems.

We have a lot more people who are living a lot longer and earning retirement benefits through Social Security. We have fewer and fewer people left who are working to pay for those benefits. When Social Security was passed under Franklin Roosevelt, there were about 16 people working for every 1 person who was retiring. Because people live a lot longer now and there are a lot more of them, it is now down to about 3 people working for every 1 person who is earning retirement benefits and getting retirement benefits. We cannot continue on this trend. The so-called lockbox does not do a single thing to help reform the program or allow it to generate more funds to make sure the program is going to be there for the 77 million baby boomers.

For those who are on Social Security retirement now, the good news for them is it is there; they do not have to worry about it. We have never missed a payment. They will be guaranteed their payments.

Unless we do something, we are in danger of letting the program go broke. We have presented to the Senate today, and it had been presented to the other

body earlier, our recommendation in the form of a specific bill that has been scored by the people who do this work as restoring the solvency to this program to the year 2075.

How do we do it? It is not that complicated. One of the things we have done is to say that every American who pays Social Security will be required to divert 2-percentage points of their payroll tax—which is 12.4 percent payroll tax of which they pay 6.2 percent—to an individual retirement account, which is strongly supported by most Americans.

Almost two-thirds of Americans in the polls I have seen have said yes to the question: Would you like to be able to save a portion of your payroll tax in an individual retirement account that you would be able to control? There is strong support for that. I do not think they want to privatize the whole program, but they would like to have some of the money to invest for themselves, as we do as Federal employees.

I do not know if a lot of Americans realize it, those who are not Federal employees, but I can do that as a Member of the Senate. We establish our own Federal employees Thrift Savings Plan, and we can put up to 10 percent in that savings plan. We can earn interest on the market, and we get a lot better return than we get as a Government with Social Security funds. The Federal Government invests the Social Security surplus in Government bonds. It has been earning about 3 percent. That is not a good return in today's market. We need to allow individuals to do a better job with their own tax dollars.

Our plan creates a savings plan for people on Social Security where they can put 2 percent of their payroll tax into an individual retirement account which they will own, and when they pass away, it can be inherited. It will be theirs and they can invest it and hopefully get 10 percent or 15 percent or more return on their money, and they will be able to get the advantage of that higher investment when they retire and add it to the rest of their Social Security program.

It will put more money into the program. It will strengthen the program. It will allow people to become more involved in their own retirement. A lot of young people do not think it is going to be there. They think the Government does not do it very well.

This changes all of that and, I think, in a very important way. Individuals will own those proceeds, and I believe that is extremely important.

That is one of the features of our program I wanted to highlight.

In addition, we also say you can do more than that. People in lower- and middle-income brackets will be able to put an additional amount of money for an additional $1 over this 2 percent that they would put into their account. The Federal Government would match it with $100.

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

Mr. BREAUX. Mr. President, I yield myself 2 additional minutes.

The Government will match it with $100. They can make additional voluntary contributions, up to 1 percent of the total wage base of $72,600, which means they will be able to get a maximum contribution of about $626 from the Federal Government.

This is a good plan. It is a solid plan. It restores Social Security viability to the year 2075, and it is something of which we need to take advantage and do it in this Congress. We cannot continue to wait.

The big problem is this has always been a political football. This effort, this bill, is bipartisan and it is bicameral. I urge my colleagues to look at the substance of our legislation. I think they, too, will find, when they review it carefully, that this is the right approach, it makes sense, it is balanced and one that can be considered favorably by this Congress this year.

Mr. President, I yield the floor.

Mr. ROBB. Mr. President, I am pleased to join my colleagues on the floor today to introduce the Bipartisan Social Security Reform Act of 1999. As one who has been involved in various reform efforts over the past three Congresses, I can honestly say that the legislation we are introducing today is, in my view, the best product we have submitted to date.

I would like to take a moment to talk about the dedication of the members who are here on the floor today. They have all demonstrated a tireless commitment to get this body to take seriously solving the tough issue of financing this program through the Baby Boom generation and beyond. This is not an easy task. Under current law, the program faces a shortfall that would require either an 18 percent payroll tax rate or a 30 percent cut in benefits. Either option would be devastating to the future workers financing the program or the future Social Security beneficiary.

This group has united around a common purpose. Instead of trying to dress up so-called lock-boxes as Social Security reform, and instead of undertaking massive Federal borrowing to finance individual accounts on top of the current system, and instead of committing future taxpayers to fix the problem, we have actually sought to solve the long-term financing dilemma in this important program. And I'm proud to say that we have done this without adopting any payroll tax increase.

By allowing all workers to take 2 percentage points of their payroll tax into individual retirement savings accounts that workers own, we ensure that not only is today's Social Security surplus being set aside for today's workers who will become tomorrow's retirees, but we also advance fund some of our future liabilities. In addition, we also use some of the surplus to boost contributions for lower income workers, ensuring that these individuals have a comparable opportunity to build wealth in their personal savings accounts. The accumulation in these accounts will supplement future Social Security benefits under the traditional program.

While we make some revisions to future benefits to bring down the financing cost of the program, we do so in a way that doesn't affect anyone currently over the age of 62, that increases the traditional Social Security benefit for low income earners, that protects women who have taken time out to raise children, and that increases the benefit for widows and widowers.

Mr. President, this is a credible plan that solves the financing challenge presented by Social Security in a truly progressive manner. I hope other colleagues who are serious about tackling the issue will not only take a close look at this proposal, but will also help us make real reform a top priority.

Mr. THOMAS. Mr. President, I am pleased to join my colleagues today in introducing a bipartisan bill to protect, preserve and improve the Social Security system for the challenges of the 21st Century.

We all know that Social Security faces massive demographic changes. For example, our population is aging rapidly. As a result, the ratio between the number of workers paying taxes into the system as compared to the number of retirees taking funds out of the system is falling swiftly. Soon, we will have fewer than two workers for each retiree. Other demographic trends are that Americans are living longer and retiring earlier.

The combined effect of these changes is that future generations will face tremendous tax burdens or massive benefit cuts in order to preserve Social Security. The longer Congress waits before reforming the law, the more painful and difficult these changes will be.

That's why I am pleased this bipartisan group has come together with credible reform legislation that will preserve Social Security in perpetuity. It achieves this important goal in large part through advance funding of the program. The bill allows workers to divert a portion of their existing Social Security taxes into a personal retirement account that they would own. This feature would enable all Americans to accumulate a cash nest egg for their retirement and would improve the rate of return on their Social Security taxes.

Currently, Congress is considering legislation to create a ''Lockbox'' that would reserve Social Security surplus revenues for Social Security alone, not other government spending as is currently the case. I support this legislation and believe it is an important first step toward saving Social Security. But to me, the true ''Lockbox'' is private retirement accounts. These accounts ensure that individual Americans, not the Federal Government, are in charge of their retirement nest egg. If the worker dies before retirement,

the accounts could be left to his or her heirs. In addition, these private accounts ensure that the Federal Government can't come back at a later time and reduce benefits. Another key feature of these accounts is that low income workers, most for the first time, will have an opportunity to own assets and create wealth.

Another way the bill makes Social Security more progressive is by increasing the guaranteed benefits for those with low incomes. Other important provisions in the legislation will improve the Social Security benefits of widows, repeal the earnings test, and correct perverse work incentives inherent in the current system.

Finally, our proposal doesn't affect current retirees. They would continue under the current system. But by reducing the tremendous unfunded liability the system faces and restoring solvency to Social Security, current retirees are protected from the potential tax increases and benefit cuts that would be necessary to preserve the system. Seniors' benefits are far more secure under this plan than they are under current law.

Again, I am pleased to join Senators GREGG, KERREY, BREAUX, GRASSLEY, THOMPSON and ROBB in introducing this important legislation. And I encourage the rest of our colleagues to examine this bill carefully because I think it has the elements necessary to achieve a bipartisan agreement to save Social Security. The sooner we act, the better. Time is not on our side.

Mr. GRASSLEY. Mr. President, I rise today to join my colleagues in introducing the Bipartisan Social Security Reform Act of 1999.

We have crafted a responsible plan to save Social Security for generations to come. By making incremental, steady changes to the Social Security system, we will be able to ensure the long-term solvency of the program without taking Draconian measures.

Not only have we designed a responsible plan, but a bipartisan plan as well. No change to the Social Security system can be made without support from both sides of the aisle. Our bill represents a true bipartisan effort to save Social Security. The Bipartisan Social Security Reform Act is co-sponsored by four Republicans and three Democrats. Similar legislation has been introduced in the House of Representatives by Congressmen KOLBE and STENHOLM. This bipartisan, bicameral support is an excellent foundation on which to build, ensuring that the basis of the American retirement system remains financially sound for future generations.

The bipartisan plan would maintain a basic floor of protection through a traditional Social Security benefit, but two percentage points of the 12.4 percent payroll tax would be redirected to individual accounts. Individuals could invest their personal accounts in any combination of the funds offered through the Social Security system. An individual who invested his or her personal account in a bond fund would receive a guaranteed interest rate. However, individuals who wish to pursue a higher rate of return through investment in a fund including equities could do so.

Our proposal would eliminate the need for future payroll tax increases by advance funding a portion of future benefits through personal accounts. With individual accounts, we provide Americans with the tools necessary to build financial independence in retirement—especially to those who previously had limited opportunities to create wealth. Under our plan, they will be able to save for retirement and benefit from economic growth.

In putting together this legislation, this group has been conscious of how changes to Social Security would affect different populations. One group that I have been particularly concerned about is women. Let me explain how our bill addresses women's needs:

Women are more likely to move in and out of the workforce to care for children or elderly parents. They should not be punished for the time that they dedicate to dependents. Our proposal provides five ''drop-out'' years to the spouse with lower earnings in every two-earner couple.

Women, on average, earn less than men. The Bipartisan Social Security Reform Act would ensure that workers with wages below the national average would receive an additional $100 contribution annually to their personal accounts when they make a contribution of at least $1. Any subsequent contributions would receive a dollar-for-dollar match so that all workers would be guaranteed a minimum contribution of one percent of the taxable wage base. For this year, that contribution would be $726. Furthermore, all wage-earners would be permitted to save up to an additional $2,000 annually through voluntary contributions to personal accounts.

In addition, our proposal creates an additional bend point to the benefit formula to boost the replacement rate for low-income workers, many of whom are women.

Women live longer than men. At age 65, men are expected to live 15 more years, whereas women are expected to live almost 20 more. Our proposal addresses that reality by allowing money accumulated in individual accounts to be passed on to surviving spouses and children. Furthermore, our proposal would increase the widow's benefit to 75 percent of the combined benefits that a husband and wife would be entitled to based on their own earnings.

Congressional Republicans and Democrats and the administration all have established saving Social Security as a top priority. Now we must move ahead with the process and provide leadership. Each year that we wait to enact legislation to save Social Security, the changes must be more pronounced to make up for the lost time. I urge my colleagues to cosponsor the Bipartisan Social Security Reform Act.

The PRESIDING OFFICER. The Senator from Florida is under a previous order to speak for up to 10 minutes.

Mr. DOMENICI. Parliamentary inquiry. Is there any order subsequent to that?

The PRESIDING OFFICER. Yes. The Senator from New Mexico will be recognized, following the Senator from Florida, for up to 10 minutes.

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. DORGAN. Mr. President, I ask unanimous consent to follow the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida.

PATIENTS' BILL OF RIGHTS

Mr. GRAHAM. Mr. President, I come to the floor to voice my strong objection to hidden provisions which were inserted in the so-called last amendment during the consideration of the HMO Patients' Bill of Rights.

Last night, at approximately 8 o'clock, an amendment was offered which had over 250 pages. It had been represented throughout the debate that this amendment would be of a corrective, technical nature. There were several statements made on the floor that alterations, which had been agreed to verbally, would be incorporated in that final amendment. What we find is that quite a different thing has occurred.

First, I have found that several of the areas in which I had clear representations that refinements would be made were not made. In the area, for instance, of the emergency room, one of the key issues we spent considerable time debating had to do with poststabilization coverage. It was my understanding we had arrived at an agreement as to how to correct the language which all parties had appeared to agree would be an undue restriction on the rights of patients to receive proper care in an emergency room. I am sad to have to report that those changes were not incorporated in the final version of the legislation.

I am even more offended by the fact that while the changes we thought would be there were, at least in this instance, not obtained, but more so there were extraneous issues inserted, issues that had never been considered on the floor, never considered by a committee, never debated and unknown until they were unearthed, in the case of the issue I was to raise on page 252 and 253 of the so-called manager's amendment.

What is the provision I am so concerned about? It is section 901, ''Medicare Competitive Pricing Demonstration Project.'' If you want to get the full flavor of this, let me just quote:

(a) FINDING.—The Senate finds that implementing competitive pricing in the medicare program . . . of the Social Security Act is an important goal.

I could not agree more with that statement. So that would cause your heart to beat, your level of anticipation to be excited as you want to go on to what is the next paragraph that will implement that goal.

What is the next paragraph? It says: Notwithstanding what has been said above, the Secretary of Health and Human Services may not implement the Medicare demonstration project on competitive bidding; and, furthermore, notwithstanding any other provision, the Secretary of Health and Human Services may not implement any other competitive pricing project before January 1, 2001.

An absolute outrage.

Let me give you a little history of this.

When the Medicare program began to move beyond fee for service and to accept modern ways of health care, it did so in a rather cumbersome way. It said that we will reimburse a health maintenance organization on a formula; and the formula is 95 percent of the fee for service payments to Medicare beneficiaries within that community.

That may have some superficial rationale, but let me tell you what really happens.

First, if you happen to be in a community that has, for instance, a large teaching hospital or other complex medical center that serves a larger region, you are going to have high fee-for-service payments because of the nature of the health care that is delivered in that community. I would imagine that Rochester, MN, is a community that has relatively high fee for service because it has that great Mayo Clinic. I can tell you that Miami, FL, has high fee-for-service charges because it has a number of tertiary care hospitals. So because of that aberration that has nothing to do with what an HMO should be reimbursed, HMOs in those communities get 95 percent of fee for service.

There were some modifications made of that in the 1997 Balanced Budget Act, but the basic principle of a formula-based reimbursement which relates back to fee for service is still largely in place.

There is a second sequence of that in that we have very erratic fee levels for HMOs. The community that is immediately adjacent to the high fee-for-service community can have very low fee-for-service medicine delivered there, and therefore the HMOs get a much lower fee.

In my State, the differential from the highest to the lowest community is probably on the order of at least 100 percent from the highest to the lowest community that has an HMO program.

What is the consequence of that? The consequence of that is reported in today's Washington Post on page A–2. I ask unanimous consent to have that article printed in the RECORD immediately following my remarks.

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

(See Exhibit 1.)

Mr. GRAHAM. It states: ''HMOs Will Drop 327,000 Medicare Beneficiaries Next Year.''

We have just spent 4 days of debate on trying to avoid having people dropped from their HMOs, and we now have an announcement that just in the Medicare program alone—the Medicare program has 39 million participants, and approximately 4 million of those are in HMOs—out of that relatively small number of HMO beneficiaries, 327,000 are being dropped.

What does it say? It says that of those who are being dropped, 79,000 will be unable to enroll in another HMO because there are no other HMOs in their area.

When the industry was asked, why is this happening, their answer was: The managed care industry says HMOs are pulling out of Medicare because the Government isn't paying them enough.

You would think the industry would therefore want to have an alternative system that would provide adequate reimbursement, but not excessive reimbursement, and that the place to achieve that is the marketplace.

We heard a lot of talk this week about how we ought to have deference to the marketplace. I think what the HMOs want is to have free enterprise when it relates to service to the patients, and they want to have socialism when it relates to how much revenue they get paid.

So in 1997, in the face of all of these factors, the Congress, by a very strong vote—I think it was 76 votes in the Senate—passed the Balanced Budget Act which contained a provision that would actually start HMOs toward a competitive bidding process—the same process, incidentally, used by many other large HMO users, State and local governments, and in the private sector.

It was started very modestly, with a demonstration plan so that we could learn about what was involved in competitive bidding for HMOs. I, frankly, thought that was excessive caution, that we could have taken advantage of the experience that was already available by many other large users, but the thought was, let's go slow, let's do a demonstration project.

So since 1997, HCFA, the Federal agency with responsibility for managing Medicare, has been organizing this demonstration project. They selected Kansas City and Phoenix as the two sites for the demonstration project. They are about to start, and all of a sudden, on the 252nd page of what is supposed to be a corrective manager's amendment, we not only bar the demonstration projects that are about to commence but bar any other demonstration projects that may be suggested. Yet we started with a finding that we support competitive bidding.

Boy, I tell you, if this is the way they support the principle, you do not want them to be your parents and say they are going to give you good care.

Mr. DORGAN. Will the Senator yield for a short question?

Mr. GRAHAM. Mr. President, I ask unanimous consent for an additional 5 minutes.

The PRESIDING OFFICER. The Senator has 28 seconds remaining.

Mr. GRAHAM. I ask unanimous consent for an additional 5 minutes.

The PRESIDING OFFICER. If there is no objection.

Without objection, it is so ordered.

Mr. DORGAN. I want to inquire. I was unaware that that provision was in the package that was presented. Was the Senator from Florida aware, did he know of anyone else who was aware of that except perhaps the folks who wrote it?

Mr. GRAHAM. We have not found anybody who was aware of it except some diligent soul who actually got to page 252 of the bill sometime late last night or this morning and discovered this. I might say, it is very difficult to even get copies of this amendment.

We have known for several years that the HMO industry did not want competitive bidding. They like the socialized formula system that exists today. They are attempting in any way they can, including this stealth attack late last night on page 252, to kill competitive bidding.

Unfortunately, just as with the issue of the HMO bill we have been debating, on the issue of patients versus the bottom line of the HMOs, the HMOs won in the Patients' Bill of Rights, and they have won again by killing competitive bidding. I say they have won. I think it is a Pyrrhic victory.

I think the Senator from North Dakota might recall an event that, as Yogi Berra said, it is deja vu all over again. I think it was just about 3 years ago, in a similar stealth maneuver, that we discovered there was embedded in a large bill a provision that would have given the tobacco industry a $50 billion tax break. Once that issue surfaced, it could not stand the light of day. It slowly withered, died, and has not been resurrected.

I suggest the light of day will be shed on what the HMO industry has done by inserting this amendment on page 252 of a technical amendment, the fact they are using this as a means of avoiding the rigors of the marketplace, they are using this to avoid a rationalization of the compensation that HMOs receive from their patients so that we don't continue this pattern of 32,700 people being dropped. I can tell my colleagues, most of these people are people who come from rural areas. They come from small towns where they don't have high fee-for-service medicine. The HMOs want to skim off those areas that have high fee-for-service, where they can get a formula that results in a very rushed reimbursement level. They don't want to provide services, and they don't even want to have a competitive bidding process that can arrive at what the marketplace says they should be paying for those HMO

beneficiaries in smaller communities of America.

What we are seeing, again, is the bottom line winning out over the rights, the interests, and the health of patients. We are watching as Medicare patients are dumped on the street. Is that the HMO industry's idea of reform? It is my idea of a travesty, and it is one that we need to bring to the attention of America. And we, as the Senate, need to expunge this dark page, page 252, and its companion, page 253, from our records. I hope we will, at the first opportunity, do so.

I thank the Chair.

EXHIBIT 1

[From the Washington Post, July 16, 1999]

HMOs WILL DROP 327,000 MEDICARE BENEFICIARIES NEXT YEAR

(By David S. Hilzenrath)

About 327,000 of the 6.2 million Medicare beneficiaries nationwide who belong to HMOs will be abandoned by their health plans next year, the government said yesterday.

Of those, 79,000 will be unable to enroll in another health maintenance organization as 41 health plans withdraw from the federal health insurance program for the elderly and disabled and another 58 stop serving Medicare beneficiaries in particular areas, according to the agency that runs Medicare.

Medicare beneficiaries who lose their HMO coverage have two or three alternatives: They can choose another HMO, if one is available; they can revert to standard fee-for-service Medicare coverage; and they can buy ''Medigap'' policies to supplement the standard benefits.

But there is no guarantee that they can find a Medigap policy with prescription drug coverage, which is one of the main reasons some Medicare beneficiaries choose HMOs.

In Maryland and Virginia, 33,000 beneficiaries—26.9 percent of those with HMO coveage—will lose their current coverage, and 27,000 will be unable to replace it with another HMO.

An HMO industry group recently predicted that more than 250,000 beneficiaries would be affected by the changes, but the Department of Health and Human Services released the final tally based on notices HMOs were required to submit by July 1.

This year, a larger number of beneficiaries—407,000—were abandoned by their HMOs, but a smaller number—51,000—were left without an HMO option.

The managed-care industry says HMOs are pulling out of Medicare because the government isn't paying them enough, but the government says the HMOs' actions reflect broader industry trends.

MANAGED HEALTH CARE REFORM—HMO LIABILITY

Mr. BINGAMAN. Mr. President, over the past few days, my Democratic colleagues and I presented a number of arguments which clearly laid out the need for managed health care reform.

The ability to hold insurance companies accountable for their decisions is a critical element in ensuring the overall quality of patient protections.

While we will continue to present our case in a variety of ways, I would like to take this opportunity to relate a story that was shared with me just a few weeks ago about a young girl from Albuquerque, New Mexico.

Anna, 6 years old at the time, was a very active and energetic young girl and excited about entering first grade that year. One evening, Anna went with her parents and her brothers and sisters to a softball game. She and other children went off to play in an area near the softball field. Suddenly, some of the children came running towards the adults, screaming for help. Anna had caught her foot in a gate. Her foot was bleeding profusely and she was in agonizing pain. She was immediately rushed to the local emergency room.

After Anna was examined by her doctor and after a conversation with her family's HMO, it was determined that Anna would not be admitted to the hospital that night.

Anna's family reluctantly took her home that night where she was in pain throughout the evening. Her family was forced to watch their small, frail daughter lay in bed in agony.

The next morning, her mother was worried because Anna's foot was purple, swollen, and cold. Anna was in tremendous pain and had a fever. Her parents did not hesitate any longer and Anna was rushed back to the emergency room.

This time she was admitted immediately and treated on an emergency basis, but it was too late and her family's worst fears were realized. Anna had a raging infection that had already destroyed half of her foot which had to be amputated.

Anna had two surgeries and spent 6 weeks in the hospital. She will live with this deformity forever.

Unbelievably, her family's HMO has delayed paying for the 6 weeks she was in the hospital to have her foot amputated and grated at a cost of $23,000.00.

Anna's family paid for the protection of health insurance. What they received in return was a possible delay of critical medical service which has left Anna disfigured and has ruined her family's credit.

To the amazement of anyone who hears this story, under current law, Anna's HMO will not be held accountable for their decisions.

Under the Democratic plan, Anna and her family would have legal recourse like any other American has in this country when they are wronged by a business.

The Democratic plan simply states that if a patient is injured or killed as a result of an insurance company's decision, the insurance company can be held liable under state law.

Let me be clear. This will not open the flood gates to more litigation and raise the cost of health insurance.

It doe not override states' rights. It simply says that whatever rights a given state chooses to grant shall not be blocked by federal legislation.

Without adoption of the Democratic plan, stories like Anna's will continue to be told. I understand Anna is quite a young girl and she will go on. But she and her family will struggle with this nightmare.

The Democratic plan is not about lawyers—it is about people like Anna and protecting their rights.

Anna, her family and millions like them in this country are waiting for us to do just that.

THE ILLEGAL PURCHASE OF FIREARMS

Mr. LEVIN. Mr. President, we've all heard the saying, ''if at first you don't succeed, try, try, again.'' It's a lesson we've been taught since childhood. It's a lesson used to teach children to be persistent and work hard if they want to achieve their goals. It is also a lesson that applies to the purchase of firearms, and it is one that Benjamin Smith knew all too well.

Over the Fourth of July weekend, the majority of Americans were celebrating the birth of our nation. But the long holiday weekend produced yet another tragedy, made possible by the free flow of deadly firearms. A single man, Benjamin Smith, with a hatred for life, allegedly used a .22 caliber handgun and a .380 caliber semi-automatic handgun to murder two people and wound nine before ending his own life.

The alleged gunman had a history of violence, a protection order filed against him, and belonged to an organization that espouses hatred toward minorities, yet, he was still able to purchase deadly firearms, all because he was persistent. Approximately one week before his killing spree, he had applied to purchase firearms from a licensed firearms dealer in Illinois. He obtained an owner identification card, filled out an application, and expected to retrieve his weapons shortly thereafter. A few days later, however, he returned to buy the weapons and was rejected by the licensed dealer after failing to pass the Illinois state background check. Unfortunately, Benjamin Smith knew his lesson, ''if at first you don't succeed, try, try again.''

Benjamin Smith knew of other means to obtain firearms. He knew that although he was not permitted to purchase a gun from a licensed dealer, he would have few problems buying a gun on the street, from an unlicensed dealer. He knew that federal law requires that background checks be conducted by licensed dealers, but he also knew of a large secondary market in the United States that permits the free flow of weapons in to the hands of those who can not pass background checks. And, because he knew how easy it is to obtain a gun in the United States, Benjamin Smith was able to try, again, to purchase firearms for his killing spree.

Smith's second attempt to purchase guns was successful and as a result, this dangerous young man was equipped with the two handguns believed to be used in the several Independence Day shootings. Because of this secondary market that allows easy accessibility of firearms, the nation is

again mourning the loss of innocent lives lost to gunfire. And although the American public expresses continual outrage that federal firearms laws are not strong enough to prevent persons like Benjamin Smith from purchasing guns, Congress has not yet responded. We need to try, try again to pass meaningful legislation that will put an end to this senseless slaughter.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 15, 1999, the Federal debt stood at $5,625,473,322,843.46 (Five trillion, six hundred twenty-five billion, four hundred seventy-three million, three hundred twenty-two thousand, eight hundred forty-three dollars and forty-six cents).

One year ago, July 15, 1998, the Federal debt stood at $5,529,723,000,000 (Five trillion, five hundred twenty-nine billion, seven hundred twenty-three million).

Five years ago, July 15, 1994, the Federal debt stood at $4,624,152,000,000 (Four trillion, six hundred twenty-four billion, one hundred fifty-two million).

Twenty-five years ago, July 15, 1974, the Federal debt stood at $473,130,000,000 (Four hundred seventy-three billion, one hundred thirty million) which reflects a debt increase of more than $5 trillion—$5,152,343,322,843.46 (Five trillion, one hundred fifty-two billion, three hundred forty-three million, three hundred twenty-two thousand, eight hundred forty-three dollars and forty-six cents) during the past 25 years.

VETERANS' SMALL BUSINESS DEVELOPMENT LEGISLATION

Mr. ABRAHAM. Mr. President, I rise today in support of the ''Veterans' Entrepreneurship and Small Business Development Act.''

By establishing the National Veterans Business Development Corporation, this bill will provide significant assistance to entrepreneurial veterans. Additionally, this legislation works to aid veterans through networking, supervision, microloans and loans, disaster assistance, and data collection programs. This bill provides assistance to many veterans who have the skills, talent and motivation to successfully own and operate small businesses but may not have the right connections or the ability to hire consultants. This bill is a means by which the federal government can help veterans help themselves.

Veterans have fought and sacrificed to protect the United States and the freedoms Americans cherish. Veterans' programs such as this provide us, in a small way, the capability to repay those veterans for their extraordinary contributions to our nation. These veterans have already given so much to our country and many of them want to contribute even more by starting small businesses. I believe we owe it to them to do everything we can to help them in these endeavors.

Accordingly, I am proud to join The American Legion, the Disabled Veterans Association, the Reserve Officers Association, the Veterans of Foreign Wars, and the many other military and veteran service organizations in support of this bill.

ADOPTION AWARENESS ACT OF 1999

Mr. MCCAIN. Mr. President, yesterday, I introduced the Adoption Awareness Act of 1999. The objective of this legislation is to provide proactive support for adoption as an option for women with unplanned pregnancies, and for couples who are unable to conceive a child due to problems with infertility. The bill would require certain federally-funded health centers to provide adoption counseling by trained adoption counselors.

The Adoption Awareness Act makes grants available to national adoption organizations to provide staff training in adoption counseling to eligible health centers. These health centers include Title X funded clinics, community health centers, migrant health centers, centers for the homeless, school-based clinics, and crisis pregnancy centers. The objective is to ensure that woman and their families are provided professional, compassionate, and understanding counseling about adoption.

This legislation also provides that faith-based charities may receive grants to provide adoption counseling training services on the same basis as any other nongovernmental provider without impairing the religious character of such institutions and without diminishing the religious freedom of those receiving services.

Finally, this legislation authorizes the appropriation of $7,000,000 for fiscal year 2000 for purposes of providing adoption counseling training.

There are no unwanted babies in this country. Across America there are countless couples who cannot conceive a baby, and struggle, often hopelessly, to adopt a child. All the while, tragically, 1.5 million children are aborted every year. There are parents who desperately want the opportunity to provide these children with a loving home, and the gift of life itself.

The purpose of this legislation is not to incite a debate about abortion. The purpose of this legislation is to stress the value, indeed the sanctity of life, and the importance of adoption as an alternative to abortion. The purpose of this legislation is to ensure that a woman struggling with the tragic choice of abortion is provided professional and compassionate counseling on adoption. A mother deserves to know that there are millions of couples out there who are willing, indeed desperate, to provide her child with a loving home. A mother deserves to know that ending her child's life is not the only choice she has.

I speak from personal experience. I am an adoptive father. I am a staunch supporter of the choice of adoption. Every mother pondering the agony which is abortion deserves the hope this legislation offers. Every unborn child deserves the opportunity for life that this legislation offers.

I believe in the sanctity of human life. I have always fought for the rights of the unborn child, and the preservation of the intrinsic value of all human life. At approximately 1.5 million abortions every year, that is some 35 million children killed since the *Roe* v. *Wade* decision. Mr. President, regardless of your beliefs, pro-abortion, or pro-life, that is a staggering and tragic statistic. This legislation offers a chance at reducing that number. It is not the answer, but it does provide hope to couples struggling desperately to adopt children. As important, it provides hope to that mother or couple who is standing on the tragic precipice of abortion, ensuring that they know there is another choice.

Every child embodies the hope for our future. It is our children, in their purity and their innocence, that hope is born again in an increasingly cynical world. Abortion is the great tragedy of our time. America is not a country of kings. America is not defined by any single geographic characteristic, by any single race or creed. America is an idea, a collection of high ideals, eloquently articulated, inscribed in our Constitution, and embodied on our institutions.

Abraham Lincoln, in pondering the profound wisdom and our founding fathers, wrote of them: ''This was their majestic interpretation of the economy of the universe. This was their lofty, and wise, and noble understanding of the justice of the Creator to his creatures . . . In their enlightened belief, nothing stamped with the divine image and likeness was sent into the world to be trodden on . . . They grasped not only the whole race of man then living, but they reached forward and seized upon the farthest posterity. They erected a beacon to guide their children, and their children, and the countless myriads who would inhabit the Earth in other ages.''

Mr. President, confronting the tragic figures on abortion I have previously cited, I cannot help but question whether we can continue on this course and maintain hope that the intrinsic value of every human life, that principle out of which all the rights of man flow, can survive. The Adoption Awareness Act represents one step in the effort toward restoring the sanctity of life as the foundation of our system of human rights.

A COMPREHENSIVE NUCLEAR TEST BAN

Mr. DORGAN. Mr. President, today is an anniversary that almost no one will

recognize. It was 54 years ago today that the first nuclear explosion occurred at the Trinity Test Site in New Mexico. Mr. President, 54 years ago today we saw the first nuclear explosion on the face of the Earth. At that time, of course, we developed nuclear weapons because we were locked in a life and death struggle with the Axis powers. We developed nuclear weapons to end the most destructive war the world had ever seen, the Second World War. We then got involved in a cold war with the Soviets and we saw the buildup of thousands and thousands of tactical and strategic nuclear weapons, warheads, and delivery vehicles.

I want to tell you what President Dwight D. Eisenhower said towards the end of his term about the spread of nuclear weapons. He said not achieving a test ban—that is, a ban on the testing of nuclear weapons—''would have to be classified as the greatest disappointment of any administration of any decade of any time and of any party.'' That belief, expressed by President Eisenhower, was echoed by President John F. Kennedy, who stated that a comprehensive nuclear test ban would ''increase our security; it would decrease the prospects of war.'' He said, ''Surely this goal is sufficiently important to require our steady pursuit.''

That was the late 1950s and the early 1960s. We still do not have a Comprehensive Nuclear Test Ban Treaty in force, but we are close. Almost 3 years ago, this country, the United States, along with over 100 nations, signed a Comprehensive Nuclear Test Ban Treaty. The President sent that treaty to the Senate 662 days ago. What has happened? What has been done with that treaty? Nothing. Not a hearing. Not a minute, not an hour, not a day of hearings, not one hearing on the Comprehensive Nuclear Test Ban Treaty.

The only way another country in this world who wants to develop nuclear weapons can have some guarantee that they have nuclear weapons that work is if they can test them. That is true of China; it is true of any other country. A test ban treaty in which this country provides leadership, signs and ratifies it, is a significant step towards removing the dangers of the proliferation of nuclear weapons around the world. We ought to do this. We ought to be able to do it soon.

I used a chart on the floor of the Senate recently in which I showed the number of days it took to ratify treaties. No treaty that I am aware of languished here for over 600 days except this treaty.

We have a responsibility to lead in this country with respect to this treaty, and we are not leading. This treaty is before the Senate. The committee has a responsibility to hold a hearing and give the Senate the opportunity to debate the Comprehensive Nuclear Test Ban Treaty. There is precious little discussion about it. No one seems to know it is here. It has been here almost 2 years.

Next week, several of my colleagues and I are going to hold a press conference to announce the results of a recent bipartisan poll that will demonstrate, once again, overwhelming support for this treaty. This chart shows the support all across this country from last year's poll. Overwhelmingly, the American people support a Comprehensive Nuclear Test Ban Treaty.

It has been negotiated, it has been signed, but it has not been ratified. Why? Because it was sent to the Senate over 600 days ago and there has been no debate about it, no discussion of it to speak of, and there has not been 1 minute of hearings held on this treaty. This Senate ought to have the opportunity to debate and to vote on the Comprehensive Nuclear Test Ban Treaty.

I reach back to President Eisenhower to make the case only because I want to demonstrate how long the desire for a Comprehensive Nuclear Test Ban Treaty has been around—decade after decade.

Most recently, when India and Pakistan detonated nuclear weapons, virtually under each other's chins—and these are countries that do not like each other much—it should have sent a signal to all of us that we need to be concerned about the proliferation of nuclear weapons. How do we manifest concern? By expressing leadership. How do we express leadership? By bringing a Comprehensive Nuclear Test Ban Treaty that has been negotiated and signed before this body for ratification.

I yield the floor.

TOP AMERICAN HOSPITALS IN COLORADO

Mr. ALLARD. Mr. President, over the course of the last week the Senate has examined at great length many of health care's problems in America. On the floor we have discussed various legitimate problems and anecdotal horror stories to such an extent that I fear we may have obscured what is positive about health care in the United States.

Each year US News and World Report magazine recognizes American hospitals that practice health care that all Americans can be proud. These hospitals perform at the very highest levels, demonstrating excellence in general care and specific areas of medical specialty. This year the magazine analyzed each of our nation's 6,299 hospitals, and I am proud to rise today to recognize a number of hospitals from my home state of Colorado that have been recognized by US News and World Report for their outstanding work.

In Colorado we have long understood the value these fine institutions bring to their communities, our state, and the Rocky Mountain region.

I would like to recognize Children's Hospital in Denver, ranked 12th nationally in the specialty of Pediatrics, and 2nd in the Western Region.

I would like to recognize Craig Hospital in Denver, ranked 5th nationally in the specialty of Rehabilitation, and 2nd in the Western Region.

I would like to recognize University Hospital in Denver, ranked 37th nationally in the specialty of Ear Nose and Throat, 4th in the Western Region; ranked 23rd nationally in the specialty of Rheumatology, 4th in the Western Region; and ranked 15th nationally in the specialty of Rehabilitation, and 4th in the Western Region.

Finally, I would like to salute National Jewish in Denver, for their overall number one ranking as the finest American hospital for Respiratory Disorders.

I know I speak for all Coloradoans when I say that I am thankful to have these fine institutions in our state.

I congratulate Children's Hospital, University Hospital, Craig Hospital and National Jewish for this recognition of their exemplary work.

A MILITARILY STRONG ISRAEL

Mr. BOND. Mr. President, I have been very encouraged in recent days by the peace offensive initiated by the new government of Ehud Barak in Israel. The people of Israel long for peace. The new Prime Minister, in his first few days in office, has been energetically trying to lay the groundwork for a secure, lasting peace in the Middle East. I applaud his efforts and trust that Prime Minister Barak's actions will be fully discussed and carried forward in his upcoming talks in Washington during the next week.

While I applaud these steps toward peace, I also believe it is imperative that, at the same time, Israel remain militarily strong. The only way a durable peace will be successfully negotiated and maintained in this dangerous but vital region of the world is if Israel deals from a strong hand. Even if Israel is successful in reaching an accommodation with its closest neighbors, it will continue to face very serious strategic threats from Iran, Iraq, and Libya for the foreseeable future.

To counter these terrorist states which possess weapons of mass destruction and lie within easy striking distance of Israel's homeland, it is critical that Israel have an effective strategic strike capability that will provide effective deterrence. To do this and to move simultaneously forward in implementing the Wye River Agreement and pursuing peace initiatives with its neighbors, Israel will need more military assistance funding for aircraft purchases from the United States.

In this regard, I recently came across a thoughtful Lexington Institute Issue Brief, authored by well-known defense strategist Loren Thompson, ''Bolstering Israel's Strategic Air Power Serves America's Interests.'' In this essay, Dr. Thompson argues that helping Israel to increase it military strength at this time not only will help Israel and further Middle East peace but also help protect America's interests in the region, especially since the

US may have less access to bases in the region and more threats to American security interests in the future.

Dr. Thompson states, among other things, that:

It (Israel) needs enough money to buy and equip 15 more F–15's for a total force of 40. . . . Making such a purchase would nearly double the Israeli Air Force's capacity for long-range strikes. . . . The US economic and political interest in the Middle East-Persian Gulf region will continue to grow in the years ahead (and) Israel is the only stable, reliable US ally willing to take the necessary risks. Congress and the Clinton Administration need to equip it (Israel) so that it is ready when the time comes.

Mr. President, to share Dr. Thompson's thoughts with my colleagues, I ask unanimous consent that this essay be printed in the RECORD.

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

BOLSTERING ISRAEL'S STRATEGIC AIR POWER SERVES AMERICA'S INTERESTS

(By Loren B. Thompson, Ph.D.)

Israel's government is currently considering a major purchase of military aircraft from the United States. The pending sale has attracted media attention in the U.S. because it pits two highly-regarded tactical aircraft—the Boeing F–15 and Lockheed Martin F–16—against each other in a competition that may be the last opportunity to keep the F–15 in production.

The F–15 is more capable than the F–16 in some roles, but it is also more expensive. That is one reason why the F–16 has won most of the recent international arms-sale competitions in which both aircraft were offered. With global tensions greatly reduced from the Cold War period, many nations would prefer the operational flexibility of acquiring a larger number of planes for the same price.

Israel will probably be no exception. It is a foregone conclusion that the Israeli Air Force (IAF) will select one of the two planes because the U.S. government subsidizes Israeli arms purchases and the F–15 and F–16 are the only U.S. aircraft being offered in the current competition. But the IAF has over a hundred aging F–4 fighters and A–4 attack planes reaching the end of their useful life, and the multi role F–16 is a much more affordable replacement than the F–15, both in terms of up-front acquisition costs and later support costs. So the F–15 is likely to lose the competition.

THE STRATEGIC CONTEXT

The U.S. government should not try to dictate to Israel how it organizes or equips its military. On the other hand, Washington should be sensitive to the fact that Israel is one of America's few democratic allies in the Middle East, and its armed forces in the future may be called on to serve as substitutes for U.S. military power. This has happened in the past, most notably when the IAF destroyed Iraq's Osirak reactor in 1981—a facility the Iraqis planned to use for making weapons-grade nuclear material.

The Osirak mission was carried out by Israeli F–16 strike aircraft escorted by F–15 fighters. Its success was good news for every nation in the region, although few Arab states could publicly say so. Saddam Hussein's subsequent behavior demonstrated it was also good news for America, which avoided having to deal with a nuclear-capable dictatorship in a volatile, strategically-important region.

But things have changed in the Middle East since 1981. A number of countries other than Iraq—some of them more distant from Israel—have begun acquiring access to weapons of mass destruction. Iran is developing nuclear, chemical and biological weapons, along with the ballistic missiles to deliver such weapons over long distances (it tested the new Shahab medium-range ballistic missile in July 1998). Libya has made similar efforts. And Sudan has become a center of global terrorism, one suspected of sponsoring the manufacture of chem-bio weapons.

These trends, which are likely to grow worse, already pose a serious threat to both Israeli and Western interests in the region. But whereas policymakers in Washington have the luxury of seeing such developments in tactical terms, for Israel they are strategic: the very survival of the Jewish state is at stake. And although it is now fashionable to think of America as the world's policeman, it is clear that Israel will often have more incentive and latitude than the U.S. to respond expeditiously to such threats in the future.

ISRAEL'S STRATEGIC DILEMMA

Which is why the pending arms sale has a special significance: if the government of Prime Minister Ehud Barak decides its top air-power priority is to refresh its force structure with the improved version of the F–16 (the F–16I), Washington shouldn't dispute that decision. But the issue of Israel's strategic strike capability against emerging threats in distant states like Iran should not be neglected.One of the ways in which the F–15I is superior to the F–16I is in its ability to carry bigger bomb loads to greater distances. It would be easier to sustain a long-range bombing campaign against strategic targets near the Iranian capital of Teheran using F–15I's than F–16I's for the simple reason that the F–15I's have about a third more range.

A single F–16I has a maximum weapons carriage of four 2,000-pound bombs, which it can carry to a maximum unrefueled combat radius of over 700 nautical miles. An F–15I can carry the same bombload to a radius of about 1,100 nautical miles, or it can carry up to seven 2,000-pound bombs of lesser range. The performance of the F–15 results from the fact that each of its twin engines generate as much thrust (29,000 ponds) as the single engine on an F–16. Unfortunately the twin engines are also the biggest reason why each F–15I would cost the IAF about 30% more, not counting later support costs. In air warfare, the tradeoff between price and performance often is inescapable.

Fortunately for Israel, long-range strategic strike is a specialized mission that does not require a large number of aircraft, and the IAF already has 25 F–15Is suitable for the mission that it bought in 1995. Furthermore, it's not as though the F–16s can't hit remote targets: it was the strike aircraft against the Osirak reactor. But for truly distant targets, the F–16 imposes performance penalties. Conformal fuel tanks might have to be added at the expense of bombload, or aerial refueling might be necessary in hostile airspace. For these very distant targets, the F–15I is the safer choice.

The problem is that Israel doesn't have enough F–15I's today to prosecute a sustained bombing campaign over great distances, and within current budget constraints it can't afford to buy more—unless it decides to buy fewer F–16s, which would be a bad idea given the age of existing IAF assets and the myriad other missions the F–16Is are needed to cover.

THE BOTTOM LINE

The bottom line is that Israel needs more military assistance funding for aircraft purchases from the United States. Specifically, it needs enough money to buy and equip 15 more F–15Is for a total force of 40, without cutting its planned purchase of F–16s. Some F–15I proponents have called for a ''second squadron'' of F–15Is, but the U.S. should not be in the business of dictating the organization of the Israeli Air Force. What it should be doing is helping Israel meet the full range of its legitimate military needs.

Fifteen more F–15s for Israel is not enough to keep the F–15 line open for an extended period of time, but that's precisely the point: this may be the last chance for Israel to acquire an adequate strategic strike capability before the F–15 line closes. Making such a purchase would nearly double the IAF's capacity for long-range strikes while permitting more efficient use of the support infrastructure bought to support the 25 F–15Is already in the force. It would also free up F–16s for other missions, thus enhancing utilization of the entire tactical-aircraft inventory.

But the case for funding a viable IAF strategic force transcends Israeli military needs. The U.S. economic and political interest in the Middle East-Persian Gulf region will continue to grow in the years ahead as America becomes more dependent on foreign oil. Unfortunately, its access to bases and freedom to act militarily in the region will probably diminish, forcing it in some cases to rely on allies to achieve military goals. Israel is the only stable, reliable U.S. ally willing to take the necessary risks. Congress and the Clinton Administration need to equip it so that it is ready when the time comes.

MESSAGES FROM THE HOUSE

A message from the House of Representatives was received announcing that the Speaker signed the following enrolled bill on July 1, 1999:

H.R. 775. An act to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from year 1999 to the year 2000, and for other purposes.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

A message from the House of Representatives was received, during the adjournment of the Senate, announcing that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1691. An act to protect religious liberty.

H.R. 2466. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

The message further announced that the House agrees to the resolution (H. Res. 249) returning the Senate the bill (S. 254) to reduce violent juvenile crime, promote accountability by and rehabilitation of juvenile criminals, punish and deter violent gang crime, and for other purposes, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

Ths message also announced that the Speaker appoints the following Members as additional conferees in the conference on the disagreeing votes of the

House on the amendment of the House to the bill (S. 1059) to authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of the Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes: As additional conferees from the Committee on House Administration, for consideration of section 1303 of the Senate bill and modifications committed to conference: Mr. THOMAS, Mr. BOEHNER, and Mr. HOYER.

MEASURE PLACED ON THE CALENDAR

The following bill was read twice and placed on the calendar:

H.R. 2466. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 1386. An original bill to amend the Trade Act of 1974 to extend the authorization for trade adjustment assistance.

S. 1387. An original bill to extend certain trade preferences to sub-Saharan African countries.

S. 1388. An original bill to extend the Generalized System of Preferences.

S. 1389. An original bill to provide additional trade benefits to certain beneficiary countries in the Caribbean.

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. GREGG (for himself, Mr. KERREY, Mr. BREAUX, Mr. GRASSLEY, Mr. THOMPSON, Mr. ROBB, and Mr. THOMAS):

S. 1383. A bill to amend title II of the Social Security Act to provide for individual savings accounts funded by employee and employer social security payroll deductions, to extend the solvency of the old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Finance.

By Mr. ABRAHAM (for himself, Mr. BOND, and Mr. KOHL):

S. 1384. A bill to amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. REED:

S. 1385. A bill to require that jewelry boxes imported from another country be indelibly marked with the country of origin; to the Committee on Finance.

By Mr. ROTH:

S. 1386. An original bill to amend the Trade Act of 1974 to extend the authorization for trade adjustment assistance; from the Committee on Finance; placed on the calendar.

S. 1387. An original bill to extend certain trade preferences to sub-Saharan African countries; from the Committee on Finance; placed on the calendar.

S. 1388. An original bill to extend the Generalized System of Preferences; from the Committee on Finance; placed on the calendar.

S. 1389. An original bill to provide additional trade benefits to certain beneficiary countries in the Caribbean; from the Committee on Finance; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABRAHAM (for himself, Mr. BOND, and Mr. KOHL):

S. 1384. A bill to amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

THE FOLIC ACID PROMOTION AND BIRTH DEFECTS PREVENTION ACT OF 1999

Mr. ABRAHAM. Mr. President, I rise to introduce the Folic Acid Promotion and Birth Defects Prevention Act of 1999. I would also like to thank my colleagues Senator BOND and Senator KOHL for cosponsoring this important piece of legislation.

Mr. President, each year over 8,000 infants die from birth defects. The loss of these children, who could have grown up to be community leaders, teachers, doctors, or lawyers, weighs heavily upon our society. In addition, each year over 2,500 babies born live with serious birth defects of the brain and spine, called neural tube defects, and over 50 percent of these cases are preventable. In 1991, research proved that if pregnant women take as little as 400 micrograms of B vitamin folic acid each day, 50 to 70 percent of all cases of these serious birth defects of the brain and spine, such as spina bifida, would be prevented. Unfortunately, this information is not widely known by the public. According to a Gallup Poll conducted for the March of Dimes, only 32 percent of women of childbearing age reported taking a multivitamin with folic acid on a daily basis.

We must broaden public awareness about the prevention of these crippling defects. For this reason, I have introduced the Folic Acid Promotion and Birth Defects Prevention Act of 1999. This legislation authorizes $20 million for the Centers for Disease Control (CDC), in partnership with state and local public and private entities, to launch an education and public awareness campaign, conduct research to identify effective strategies for increasing folic acid consumption by women of reproducing age, and evaluate the effectiveness of these strategies.

Mr. President, this legislation is an effort to link great advances in research with everyday life. This life-saving information about the consumption of folic acid, which will prolong the health and well-being of women and infants, needs to be broadcast to families and individuals across the country. It is my firm belief that this legislation will be the vehicle to help bring this important message into every home in America.

I would like to take a moment to thank the March of Dimes for their involvement in this issue. Their work will be critical in getting this legislation passed and in helping spread the message of the benefits of folic acid. Mr. President, I yield the floor.

ADDITIONAL COSPONSORS

S. 324

At the request of Mr. HATCH, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 324, a bill to amend the Controlled Substances Act with respect to registration requirements for practitioners who dispense narcotic drugs in schedule IV or V for maintenance treatment or detoxification treatment.

S. 556

At the request of Mr. BAUCUS, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 556, a bill to amend title 39, United States Code, to establish guidelines for the relocation, closing, consolidation, or construction of post offices, and for other purposes.

S. 593

At the request of Mr. COVERDELL, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 593, a bill to amend the Internal Revenue Code of 1986 to increase maximum taxable income for the 15 percent rate bracket, to provide a partial exclusion from gross income for dividends and interest received by individuals, to provide a long-term capital gains deduction for individuals, to increase the traditional IRA contribution limit, and for other purposes.

S. 782

At the request of Mrs. FEINSTEIN, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 782, a bill to amend title 18, United States Code, to modify the exception to the prohibition on the interception of wire, oral, or electronic communications to require a health insurance issuer, health plan, or health care provider obtain an enrollee's or patient's consent to their interception, and for other purposes.

S. 821

At the request of Mr. LAUTENBERG, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 821, a bill to provide for the collection of data on traffic stops.

S. 1007

At the request of Mr. JEFFORDS, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1007, a bill to assist in the conservation of great apes by supporting and providing financial resources for the conservation programs of countries within the range of great apes and projects of persons with demonstrated expertise in the conservation of great apes.

S. 1150

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1150, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 1155

At the request of Mr. ROBERTS, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1155, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for uniform food safety warning notification requirements, and for other purposes.

S. 1207

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1207, a bill to amend the Internal Revenue Code of 1986 to ensure that income averaging for farmers not increase a farmer's liability for the alternative minimum tax.

S. 1289

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1289, a bill to amend the Internal Revenue Code of 1986 to provide that the capital gain treatment under section 631(b) of such Code shall apply to outright sales of timber held for more than 1 year.

S. 1301

At the request of Mr. STEVENS, the names of the Senator from Ohio (Mr. DEWINE), the Senator from Wisconsin (Mr. KOHL), and the Senator from Nevada (Mr. BRYAN) were added as cosponsors of S. 1301, a bill to provide reasonable and non-discriminatory access to buildings owned or used by the Federal government for the provision of competitive telecommunications services by telecommunications carriers.

S. 1303

At the request of Mr. MURKOWSKI, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 1303, a bill to amend the Internal Revenue Code of 1986 to modify certain provisions relating to the treatment of forestry activities.

S. 1351

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1351, a bill to amend the Internal Revenue Code of 1986 to extend and modify the credit for electricity produced from renewable resources.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that the hearing scheduled before the Energy and Natural Resources Committee to receive testimony regarding S. 1052, To implement further the Act (Public Law 94–241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes'', has been postponed.

The hearing was scheduled to take place on Tuesday, July 27, 1999, at 9:30 A.M., in room SD–366 of the Dirksen Senate Office Building in Washington, D.C., and is now scheduled to take place on Tuesday, August 3, 1999, at 9:30 A.M., in room SD–366 of the Dirksen Senate Office Building in Washington, D.C.

For further information, please call Jim Beirne, Deputy Chief Counsel (202) 224–2564 or Betty Nevitt, Staff Assistant at (202) 224–0765.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Friday, July 16, for purposes of conducting a full committee hearing which is scheduled to begin at 9:00 a.m. The purpose of this oversight hearing is to receive testimony on damage to the national security from Chinese espionage at DOE nuclear weapons laboratories.

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

COMMITTEE ON THE JUDICIARY

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for a hearing re Review of the Report by the Commission on Structural Alternatives for the Federal Courts of Appeals regarding the Ninth Circuit and S. 253, the Ninth Circuit Reorganization Act, during the session of the Senate on Friday, July 16, 1999, at 9:30 a.m., in SD628.

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

PATIENTS' BILL OF RIGHTS ACT OF 1999

The text of S. 1344, passed by the Senate on July 15, 1999, follows:

S. 1344

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Patients' Bill of Rights Plus Act''.

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

Sec. 1. Short title; table of contents.

TITLE I—PATIENTS' BILL OF RIGHTS

Subtitle A—Right to Advice and Care

Sec. 101. Patient right to medical advice and care.

''SUBPART C—PATIENT RIGHT TO MEDICAL ADVICE AND CARE

''Sec. 721. Patient access to emergency medical care.
''Sec. 722. Offering of choice of coverage options.
''Sec. 723. Patient access to obstetric and gynecological care.
''Sec. 724. Patient access to pediatric care.
''Sec. 725. Timely access to specialists.
''Sec. 726. Continuity of care.
''Sec. 727. Protection of patient-provider communications.
''Sec. 728. Patient's right to prescription drugs.
''Sec. 729. Self-payment for behavioral health care services.
''Sec. 730. Coverage for individuals participating in approved cancer clinical trials.
''Sec. 730A. Prohibiting discrimination against providers.
''Sec. 730B. Generally applicable provision.''.

Sec. 102. Conforming amendment to the Internal Revenue Code of 1986.

''SUBCHAPTER C—PATIENT RIGHT TO MEDICAL ADVICE AND CARE

''Sec. 9821. Patient access to emergency medical care.
''Sec. 9822. Offering of choice of coverage options.
''Sec. 9823. Patient access to obstetric and gynecological care.
''Sec. 9824. Patient access to pediatric care.
''Sec. 9825. Timely access to specialists.
''Sec. 9826. Continuity of care.
''Sec. 9827. Protection of patient-provider communications.
''Sec. 9828. Patient's right to prescription drugs.
''Sec. 9829. Self-payment for behavioral health care services.
''Sec. 9830. Coverage for individuals participating in approved cancer clinical trials.
''Sec. 9830A. Prohibiting discrimination against providers.
''Sec. 9830B. Generally applicable provision.''.

Sec. 103. Effective date and related rules.

Subtitle B—Right to Information About Plans and Providers

Sec. 111. Information about plans.
Sec. 112. Information about providers.

Subtitle C—Right to Hold Health Plans Accountable

Sec. 121. Amendment to Employee Retirement Income Security Act of 1974.

TITLE II—WOMEN'S HEALTH AND CANCER RIGHTS

Sec. 201. Women's health and cancer rights.

TITLE III—GENETIC INFORMATION AND SERVICES

Sec. 301. Short title.
Sec. 302. Amendments to Employee Retirement Income Security Act of 1974.
Sec. 303. Amendments to the Public Health Service Act.
Sec. 304. Amendments to the Internal Revenue Code of 1986.

TITLE IV—HEALTHCARE RESEARCH AND QUALITY

Sec. 401. Short title.
Sec. 402. Amendment to the Public Health Service Act.

''TITLE IX—AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

''PART A—ESTABLISHMENT AND GENERAL DUTIES

''Sec. 901. Mission and duties.
''Sec. 902. General authorities.

''PART B—HEALTHCARE IMPROVEMENT RESEARCH

''Sec. 911. Healthcare outcome improvement research.
''Sec. 912. Private-public partnerships to improve organization and delivery.
''Sec. 913. Information on quality and cost of care.

''Sec. 914. Information systems for healthcare improvement.
''Sec. 915. Research supporting primary care and access in underserved areas.
''Sec. 916. Clinical practice and technology innovation.
''Sec. 917. Coordination of Federal government quality improvement efforts.
''PART C—GENERAL PROVISIONS
''Sec. 921. Advisory Council for Healthcare Research and Quality.
''Sec. 922. Peer review with respect to grants and contracts.
''Sec. 923. Certain provisions with respect to development, collection, and dissemination of data.
''Sec. 924. Dissemination of information.
''Sec. 925. Additional provisions with respect to grants and contracts.
''Sec. 926. Certain administrative authorities.
''Sec. 927. Funding.
''Sec. 928. Definitions.''.
Sec. 403. References.
TITLE V—ENHANCED ACCESS TO HEALTH INSURANCE COVERAGE
Sec. 501. Full deduction of health insurance costs for self-employed individuals.
Sec. 502. Full availability of medical savings accounts.
Sec. 503. Permitting contribution towards medical savings account through Federal employees health benefits program (FEHBP).
Sec. 504. Carryover of unused benefits from cafeteria plans, flexible spending arrangements, and health flexible spending accounts.
TITLE VI—PROVISIONS RELATING TO LONG-TERM CARE INSURANCE
Sec. 601. Inclusion of qualified long-term care insurance contracts in cafeteria plans, flexible spending arrangements, and health flexible spending accounts.
Sec. 602. Deduction for premiums for long-term care insurance.
Sec. 603. Study of long-term care needs in the 21st century.
TITLE VII—INDIVIDUAL RETIREMENT PLANS
Sec. 701. Modification of income limits on contributions and rollovers to Roth IRAs.
TITLE VIII—REVENUE PROVISIONS
Sec. 801. Modification to foreign tax credit carryback and carryover periods.
Sec. 802. Limitation on use of non-accrual experience method of accounting.
Sec. 803. Returns relating to cancellations of indebtedness by organizations lending money.
Sec. 804. Extension of Internal Revenue Service user fees.
Sec. 805. Property subject to a liability treated in same manner as assumption of liability.
Sec. 806. Charitable split-dollar life insurance, annuity, and endowment contracts.
Sec. 807. Transfer of excess defined benefit plan assets for retiree health benefits.
Sec. 808. Limitations on welfare benefit funds of 10 or more employer plans.
Sec. 809. Modification of installment method and repeal of installment method for accrual method taxpayers.
Sec. 810. Inclusion of certain vaccines against streptococcus pneumoniae to list of taxable vaccines.
TITLE IX—MISCELLANEOUS PROVISIONS
Sec. 901. Medicare competitive pricing demonstration project.

TITLE I—PATIENTS' BILL OF RIGHTS

Subtitle A—Right to Advice and Care

SEC. 101. PATIENT RIGHT TO MEDICAL ADVICE AND CARE.

(a) IN GENERAL.—Part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181 et seq.) is amended—

(1) by redesignating subpart C as subpart D; and

(2) by inserting after subpart B the following:

''Subpart C—Patient Right to Medical Advice and Care

''SEC. 721. PATIENT ACCESS TO EMERGENCY MEDICAL CARE.

''(a) COVERAGE OF EMERGENCY CARE.—

''(1) IN GENERAL.—To the extent that the group health plan (other than a fully insured group health plan) provides coverage for benefits consisting of emergency medical care (as defined in subsection (c)) or emergency ambulance services, except for items or services specifically excluded—

''(A) the plan shall provide coverage for benefits, without requiring preauthorization, for emergency medical screening examinations or emergency ambulance services, to the extent that a prudent layperson, who possesses an average knowledge of health and medicine, would determine such examinations or emergency ambulance services to be necessary to determine whether emergency medical care (as so defined) is necessary; and

''(B) the plan shall provide coverage for benefits, without requiring preauthorization, for additional emergency medical care to stabilize an emergency medical condition following an emergency medical screening examination (if determined necessary under subparagraph (A)), pursuant to the definition of stabilize under section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd(e)(3)).

''(2) REIMBURSEMENT FOR CARE TO MAINTAIN MEDICAL STABILITY.—

''(A) IN GENERAL.—In the case of services provided to a participant or beneficiary by a nonparticipating provider in order to maintain the medical stability of the participant or beneficiary, the group health plan involved shall provide for reimbursement with respect to such services if—

''(i) coverage for services of the type furnished is available under the group health plan;

''(ii) the services were provided for care related to an emergency medical condition and in an emergency department in order to maintain the medical stability of the participant or beneficiary; and

''(iii) the nonparticipating provider contacted the plan regarding approval for such services.

''(B) FAILURE TO RESPOND.—If a group health plan fails to respond within 1 hours of being contacted in accordance with subparagraph (A)(iii), then the plan shall be liable for the cost of services provided by the nonparticipating provider in order to maintain the stability of the participant or beneficiary.

''(C) LIMITATION.—The liability of a group health plan to provide reimbursement under subparagraph (A) shall terminate when the plan has contacted the nonparticipating provider to arrange for discharge or transfer.

''(D) LIABILITY OF PARTICIPANT.—A participant or beneficiary shall not be liable for the costs of services to which subparagraph (A) in an amount that exceeds the amount of liability that would be incurred if the services were provided by a participating health care provider with prior authorization by the plan.

''(b) IN-NETWORK UNIFORM COSTS-SHARING AND OUT-OF-NETWORK CARE.—

''(1) IN-NETWORK UNIFORM COST-SHARING.—Nothing in this section shall be construed as preventing a group health plan (other than a fully insured group health plan) from imposing any form of cost-sharing applicable to any participant or beneficiary (including co-insurance, copayments, deductibles, and any other charges) in relation to coverage for benefits described in subsection (a), if such form of cost-sharing is uniformly applied under such plan, with respect to similarly situated participants and beneficiaries, to all benefits consisting of emergency medical care (as defined in subsection (c)) provided to such similarly situated participants and beneficiaries under the plan, and such cost-sharing is disclosed in accordance with section 714.

''(2) OUT-OF-NETWORK CARE.—If a group health plan (other than a fully insured group health plan) provides any benefits with respect to emergency medical care (as defined in subsection (c)), the plan shall cover emergency medical care under the plan in a manner so that, if such care is provided to a participant or beneficiary by a nonparticipating health care provider, the participant or beneficiary is not liable for amounts that exceed any form of cost-sharing (including co-insurance, co-payments, deductibles, and any other charges) that would be incurred if the services were provided by a participating provider.

''(c) DEFINITION OF EMERGENCY MEDICAL CARE.—In this section:

''(1) IN GENERAL.—The term 'emergency medical care' means, with respect to a participant or beneficiary under a group health plan (other than a fully insured group health plan), covered inpatient and outpatient services that—

''(A) are furnished by any provider, including a nonparticipating provider, that is qualified to furnish such services; and

''(B) are needed to evaluate or stabilize (as such term is defined in section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd)(e)(3)) an emergency medical condition (as defined in paragraph (2)).

''(2) EMERGENCY MEDICAL CONDITION.—The term 'emergency medical condition' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in—

''(A) placing the health of the participant or beneficiary (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy,

''(B) serious impairment to bodily functions, or

''(C) serious dysfunction of any bodily organ or part.

''SEC. 722. OFFERING OF CHOICE OF COVERAGE OPTIONS.

''(a) REQUIREMENT.—

''(1) OFFERING OF POINT-OF-SERVICE COVERAGE OPTION.—Except as provided in paragraph (2), if a group health plan (other than a fully insured group health plan) provides coverage for benefits only through a defined set of participating health care professionals, the plan shall offer the participant the option to purchase point-of-service coverage (as defined in subsection (b)) for all such benefits for which coverage is otherwise

so limited. Such option shall be made available to the participant at the time of enrollment under the plan and at such other times as the plan offers the participant a choice of coverage options.

''(2) EXCEPTION IN CASE OF LACK OF AVAILABILITY.—Paragraph (1) shall not apply with respect to a group health plan (other than a fully insured group health plan) if care relating to the point-of-service coverage would not be available and accessible to the participant with reasonable promptness (consistent with section 1301(b)(4) of the Public Health Service Act (42 U.S.C. 300e(b)(4))).

''(b) POINT-OF-SERVICE COVERAGE DEFINED.—In this section, the term 'point-of-service coverage' means, with respect to benefits covered under a group health plan (other than a fully insured group health plan), coverage of such benefits when provided by a nonparticipating health care professional.

''(c) SMALL EMPLOYER EXEMPTION.—

''(1) IN GENERAL.—This section shall not apply to any group health plan (other than a fully insured group health plan) of a small employer.

''(2) SMALL EMPLOYER.—For purposes of paragraph (1), the term 'small employer' means, in connection with a group health plan (other than a fully insured group health plan) with respect to a calendar year and a plan year, an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year. For purposes of this paragraph, the provisions of subparagraph (C) of section 712(c)(1) shall apply in determining employer size.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed—

''(1) as requiring coverage for benefits for a particular type of health care professional;

''(2) as requiring an employer to pay any costs as a result of this section or to make equal contributions with respect to different health coverage options;

''(3) as preventing a group health plan (other than a fully insured group health plan) from imposing higher premiums or cost-sharing on a participant for the exercise of a point-of-service coverage option; or

''(4) to require that a group health plan (other than a fully insured group health plan) include coverage of health care professionals that the plan excludes because of fraud, quality of care, or other similar reasons with respect to such professionals.

''SEC. 723. PATIENT ACCESS TO OBSTETRIC AND GYNECOLOGICAL CARE.

''(a) GENERAL RIGHTS.—

''(1) WAIVER OF PLAN REFERRAL REQUIREMENT.—If a group health plan described in subsection (b) requires a referral to obtain coverage for specialty care, the plan shall waive the referral requirement in the case of a female participant or beneficiary who seeks coverage for obstetrical care and related follow-up obstetrical care or routine gynecological care (such as preventive gynecological care).

''(2) RELATED ROUTINE CARE.—With respect to a participant or beneficiary described in paragraph (1), a group health plan described in subsection (b) shall treat the ordering of other routine care that is related to routine gynecologic care, by a physician who specializes in obstetrics and gynecology as the authorization of the primary care provider for such other care.

''(b) APPLICATION OF SECTION.—A group health plan described in this subsection is a group health plan (other than a fully insured group health plan), that—

''(1) provides coverage for obstetric care (such as pregnancy-related services) or routine gynecologic care (such as preventive women's health examinations); and

''(2) requires the designation by a participant or beneficiary of a participating primary care provider who is not a physician who specializes in obstetrics or gynecology.

''(c) RULES OF CONSTRUCTION.—Nothing in this section shall be construed—

''(1) as waiving any coverage requirement relating to medical necessity or appropriateness with respect to the coverage of obstetric or gynecologic care described in subsection (a);

''(2) to preclude the plan from requiring that the physician who specializes in obstetrics or gynecology notify the designated primary care provider or the plan of treatment decisions;

''(3) to preclude a group health plan from allowing health care professionals other than physicians to provide routine obstetric or routine gynecologic care; or

''(4) to preclude a group health plan from permitting a physician who specializes in obstetrics and gynecology from being a primary care provider under the plan.

''SEC. 724. PATIENT ACCESS TO PEDIATRIC CARE.

''(a) IN GENERAL.—In the case of a group health plan (other than a fully insured group health plan) that provides coverage for routine pediatric care and that requires the designation by a participant or beneficiary of a participating primary care provider, if the designated primary care provider is not a physician who specializes in pediatrics—

''(1) the plan may not require authorization or referral by the primary care provider in order for a participant or beneficiary to obtain coverage for routine pediatric care; and

''(2) the plan shall treat the ordering of other routine care related to routine pediatric care by such a specialist as having been authorized by the designated primary care provider.

''(b) RULES OF CONSTRUCTION.—Nothing in subsection (a) shall be construed—

''(1) as waiving any coverage requirement relating to medical necessity or appropriateness with respect to the coverage of any pediatric care provided to, or ordered for, a participant or beneficiary;

''(2) to preclude a group health plan from requiring that a specialist described in subsection (a) notify the designated primary care provider or the plan of treatment decisions; or

''(3) to preclude a group health plan from allowing health care professionals other than physicians to provide routine pediatric care.

''SEC. 725. TIMELY ACCESS TO SPECIALISTS.

''(a) TIMELY ACCESS.—

''(1) IN GENERAL.—A group health plan (other than a fully insured group health plan) shall ensure that participants and beneficiaries have timely, in accordance with the medical exigencies of the case, access to primary and specialty health care professionals who are appropriate to the condition of the participant or beneficiary, when such care is covered under the plan. Such access may be provided through contractual arrangements with specialized providers outside of the network of the plan.

''(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed—

''(A) to require the coverage under a group health plan of particular benefits or services or to prohibit a plan from including providers only to the extent necessary to meet the needs of the plan's participants or beneficiaries or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan; or

''(B) to override any State licensure or scope-of-practice law.

''(b) TREATMENT PLANS.—

''(1) IN GENERAL.—Nothing in this section shall be construed to prohibit a group health plan (other than a fully insured group health plan) from requiring that specialty care be provided pursuant to a treatment plan so long as the treatment plan is—

''(A) developed by the specialist, in consultation with the case manager or primary care provider, and the participant or beneficiary;

''(B) approved by the plan in a timely manner in accordance with the medical exigencies of the case; and

''(C) in accordance with the applicable quality assurance and utilization review standards of the plan.

''(2) NOTIFICATION.—Nothing in paragraph (1) shall be construed as prohibiting a plan from requiring the specialist to provide the case manager or primary care provider with regular updates on the specialty care provided, as well as all other necessary medical information.

''(c) REFERRALS.—Nothing in this section shall be construed to prohibit a plan from requiring an authorization by the case manager or primary care provider of the participant or beneficiary in order to obtain coverage for specialty services so long as such authorization is for an adequate number of referrals.

''(d) SPECIALTY CARE DEFINED.—For purposes of this subsection, the term 'specialty care' means, with respect to a condition, care and treatment provided by a health care practitioner, facility, or center (such as a center of excellence) that has adequate expertise (including age-appropriate expertise) through appropriate training and experience.

''SEC. 726. CONTINUITY OF CARE.

''(a) IN GENERAL.—

''(1) TERMINATION OF PROVIDER.—If a contract between a group health plan (other than a fully insured group health plan) and a health care provider is terminated (as defined in paragraph (2)), or benefits or coverage provided by a health care provider are terminated because of a change in the terms of provider participation in such group health plan, and an individual who is a participant or beneficiary in the plan is undergoing a course of treatment from the provider at the time of such termination, the plan shall—

''(A) notify the individual on a timely basis of such termination;

''(B) provide the individual with an opportunity to notify the plan of a need for transitional care; and

''(C) in the case of termination described in paragraph (2), (3), or (4) of subsection (b), and subject to subsection (c), permit the individual to continue or be covered with respect to the course of treatment with the provider's consent during a transitional period (as provided under subsection (b)).

''(2) TERMINATED.—In this section, the term 'terminated' includes, with respect to a contract, the expiration or nonrenewal of the contract by the group health plan, but does not include a termination of the contract by the plan for failure to meet applicable quality standards or for fraud.

''(3) CONTRACTS.—For purposes of this section, the term 'contract between a group health plan (other than a fully insured group health plan) and a health care provider' shall include a contract between such a plan and an organized network of providers.

''(b) TRANSITIONAL PERIOD.—

''(1) GENERAL RULE.—Except as provided in paragraph (3), the transitional period under this subsection shall permit the participant or beneficiary to extend the coverage involved for up to 90 days from the date of the notice described in subsection (a)(1)(A) of the provider's termination.

''(2) INSTITUTIONAL CARE.—Subject to paragraph (1), the transitional period under this subsection for institutional or inpatient care from a provider shall extend until the discharge or termination of the period of institutionalization and also shall include institutional care provided within a reasonable time of the date of termination of the provider status if the care was scheduled before the date of the announcement of the termination of the provider status under subsection (a)(1)(A) or if the individual on such date was on an established waiting list or otherwise scheduled to have such care.

''(3) PREGNANCY.—Notwithstanding paragraph (1), if—

''(A) a participant or beneficiary has entered the second trimester of pregnancy at the time of a provider's termination of participation; and

''(B) the provider was treating the pregnancy before the date of the termination;

the transitional period under this subsection with respect to provider's treatment of the pregnancy shall extend through the provision of post-partum care directly related to the delivery.

''(4) TERMINAL ILLNESS.—Notwithstanding paragraph (1), if—

''(A) a participant or beneficiary was determined to be terminally ill (as determined under section 1861(dd)(3)(A) of the Social Security Act) prior to a provider's termination of participation; and

''(B) the provider was treating the terminal illness before the date of termination;

the transitional period under this subsection shall be for care directly related to the treatment of the terminal illness and shall extend for the remainder of the individual's life for such care.

''(c) PERMISSIBLE TERMS AND CONDITIONS.—A group health plan (other than a fully insured group health plan) may condition coverage of continued treatment by a provider under subsection (a)(1)(C) upon the provider agreeing to the following terms and conditions:

''(1) The provider agrees to accept reimbursement from the plan and individual involved (with respect to cost-sharing) at the rates applicable prior to the start of the transitional period as payment in full (or at the rates applicable under the replacement plan after the date of the termination of the contract with the group health plan) and not to impose cost-sharing with respect to the individual in an amount that would exceed the cost-sharing that could have been imposed if the contract referred to in subsection (a)(1) had not been terminated.

''(2) The provider agrees to adhere to the quality assurance standards of the plan responsible for payment under paragraph (1) and to provide to such plan necessary medical information related to the care provided.

''(3) The provider agrees otherwise to adhere to such plan's policies and procedures, including procedures regarding referrals and obtaining prior authorization and providing services pursuant to a treatment plan (if any) approved by the plan.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the coverage of benefits which would not have been covered if the provider involved remained a participating provider.

''(e) DEFINITION.—In this section, the term 'health care provider' or 'provider' means—

''(1) any individual who is engaged in the delivery of health care services in a State and who is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State; and

''(2) any entity that is engaged in the delivery of health care services in a State and that, if it is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State, is so licensed.

''(f) COMPREHENSIVE STUDY OF COST, QUALITY AND COORDINATION OF COVERAGE FOR PATIENTS AT THE END OF LIFE.—

''(1) STUDY BY THE MEDICARE PAYMENT ADVISORY COMMISSION.—The Medicare Payment Advisory Commission shall conduct a study of the costs and patterns of care for persons with serious and complex conditions and the possibilities of improving upon that care to the degree it is triggered by the current category of terminally ill as such term is used for purposes of section 1861(dd) of the Social Security Act (relating to hospice benefits) or of utilizing care in other payment settings in Medicare.

''(2) AGENCY FOR HEALTH CARE POLICY AND RESEARCH.—The Agency for Health Care Policy and Research shall conduct studies of the possible thresholds for major conditions causing serious and complex illness, their administrative parameters and feasibility, and their impact upon costs and quality.

''(3) HEALTH CARE FINANCING ADMINISTRATION.—The Health Care Financing Administration shall conduct studies of the merits of applying similar thresholds in Medicare+Choice programs, including adapting risk adjustment methods to account for this category.

''(4) INITIAL REPORT.—

''(A) IN GENERAL.—Not later than 12 months after the date of enactment of this section, the Medicare Payment Advisory Commission and the Agency for Health Care Policy and Research shall each prepare and submit to the Committee on Health, Education, Labor and Pensions of the Senate a report concerning the results of the studies conducted under paragraphs (1) and (2), respectively.

''(B) COPY TO SECRETARY.—Concurrent with the submission of the reports under subparagraph (A), the Medicare Payment Advisory Commission and the Agency for health Care Policy and Research shall transmit a copy of the reports under such subparagraph to the Secretary.

''(5) FINAL REPORT.—

''(A) CONTRACT WITH INSTITUTE OF MEDICINE.—Not later than 1 year after the submission of the reports under paragraph (4), the Secretary of Health and Human Services shall contract with the Institute of Medicine to conduct a study of the practices and their effects arising from the utilization of the category ''serious and complex'' illness.

''(B) REPORT.—Not later than 1 year after the date of the execution of the contract referred to in subparagraph (A), the Institute of Medicine shall prepare and submit to the Committee on Health, Education, Labor and Pensions of the Senate a report concerning the study conducted pursuant to such contract.

''(6) FUNDING.—From funds appropriated to the Department of Health and Human Services, the Secretary of Health and Human Services shall make available such funds as the Secretary determines is necessary to carry out this subsection.

''SEC. 727. PROTECTION OF PATIENT-PROVIDER COMMUNICATIONS.

''(a) IN GENERAL.—Subject to subsection (b), a group health plan (other than a fully insured group health plan and in relation to a participant or beneficiary) shall not prohibit or otherwise restrict a health care professional from advising such a participant or beneficiary who is a patient of the professional about the health status of the participant or beneficiary or medical care or treatment for the condition or disease of the participant or beneficiary, regardless of whether coverage for such care or treatment are provided under the contract, if the professional is acting within the lawful scope of practice.

''(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as requiring a group health plan (other than a fully insured group health plan) to provide specific benefits under the terms of such plan.

''SEC. 728. PATIENT'S RIGHT TO PRESCRIPTION DRUGS.

''To the extent that a group health plan (other than a fully insured group health plan) provides coverage for benefits with respect to prescription drugs, and limits such coverage to drugs included in a formulary, the plan shall—

''(1) ensure the participation of physicians and pharmacists in developing and reviewing such formulary; and

''(2) in accordance with the applicable quality assurance and utilization review standards of the plan, provide for exceptions from the formulary limitation when a nonformulary alternative is medically necessary and appropriate.

''SEC. 729. SELF-PAYMENT FOR BEHAVIORAL HEALTH CARE SERVICES.

''(a) IN GENERAL.—A group health plan (other than a fully insured group health plan) may not—

''(1) prohibit or otherwise discourage a participant or beneficiary from self-paying for behavioral health care services once the plan has denied coverage for such services; or

''(2) terminate a health care provider because such provider permits participants or beneficiaries to self-pay for behavioral health care services—

''(A) that are not otherwise covered under the plan; or

''(B) for which the group health plan provides limited coverage, to the extent that the group health plan denies coverage of the services.

''(b) RULE OF CONSTRUCTION.—Nothing in subsection (a)(2)(B) shall be construed as prohibiting a group health plan from terminating a contract with a health care provider for failure to meet applicable quality standards or for fraud.

''SEC. 730. COVERAGE FOR INDIVIDUALS PARTICIPATING IN APPROVED CANCER CLINICAL TRIALS.

''(a) COVERAGE.—

''(1) IN GENERAL.—If a group health plan (other than a fully insured group health plan) provides coverage to a qualified individual (as defined in subsection (b)), the plan—

''(A) may not deny the individual participation in the clinical trial referred to in subsection (b)(2);

''(B) subject to subsections (b), (c), and (d) may not deny (or limit or impose additional conditions on) the coverage of routine patient costs for items and services furnished in connection with participation in the trial; and

''(C) may not discriminate against the individual on the basis of the participant's or beneficiaries participation in such trial.

''(2) EXCLUSION OF CERTAIN COSTS.—For purposes of paragraph (1)(B), routine patient costs do not include the cost of the tests or measurements conducted primarily for the purpose of the clinical trial involved.

''(3) USE OF IN-NETWORK PROVIDERS.—If one or more participating providers is participating in a clinical trial, nothing in paragraph (1) shall be construed as preventing a plan from requiring that a qualified individual participate in the trial through such a participating provider if the provider will accept the individual as a participant in the trial.

''(b) QUALIFIED INDIVIDUAL DEFINED.—For purposes of subsection (a), the term ''qualified individual'' means an individual who is a

participant or beneficiary in a group health plan and who meets the following conditions:

''(1)(A) The individual has been diagnosed with cancer for which no standard treatment is effective.

''(B) The individual is eligible to participate in an approved clinical trial according to the trial protocol with respect to treatment of such illness.

''(C) The individual's participation in the trial offers meaningful potential for significant clinical benefit for the individual.

''(2) Either—

''(A) the referring physician is a participating health care professional and has concluded that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1); or

''(B) the participant or beneficiary provides medical and scientific information establishing that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1).

''(c) PAYMENT.—

''(1) IN GENERAL.—Under this section a group health plan (other than a fully insured group health plan) shall provide for payment for routine patient costs described in subsection (a)(2) but is not required to pay for costs of items and services that are reasonably expected to be paid for by the sponsors of an approved clinical trial.

''(2) STANDARDS FOR DETERMINING ROUTINE PATIENT COSTS ASSOCIATED WITH CLINICAL TRIAL PARTICIPATION.—

''(A) IN GENERAL.—The Secretary shall establish, on an expedited basis and using a negotiated rulemaking process under subchapter III of chapter 5 of title 5, United States Code, standards relating to the coverage of routine patient costs for individuals participating in clinical trials that group health plans must meet under this section.

''(B) FACTORS.—In establishing routine patient cost standards under subparagraph (A), the Secretary shall consult with interested parties and take into account —

''(i) quality of patient care;

''(ii) routine patient care costs versus costs associated with the conduct of clinical trials, including unanticipated patient care costs as a result of participation in clinical trials; and

''(iii) previous and on-going studies relating to patient care costs associated with participation in clinical trials.

''(C) PUBLICATION OF NOTICE.—In carrying out the rulemaking process under this paragraph, the Secretary, after consultation with organizations representing cancer patients, health care practitioners, medical researchers, employers, group health plans, manufacturers of drugs, biologics and medical devices, medical economists, hospitals, and other interested parties, shall publish notice provided for under section 564(a) of title 5, United States Code, by not later than 45 days after the date of the enactment of this section.

''(D) TARGET DATE FOR PUBLICATION OF RULE.—As part of the notice under subparagraph (C), and for purposes of this paragraph, the 'target date for publication' (referred to in section 564(a)(5) of such title 5) shall be June 30, 2000.

''(E) ABBREVIATED PERIOD FOR SUBMISSION OF COMMENTS.—In applying section 564(c) of such title 5 under this paragraph, '15 days' shall be substituted for '30 days'.

''(F) APPOINTMENT OF NEGOTIATED RULEMAKING COMMITTEE AND FACILITATOR.—The Secretary shall provide for—

''(i) the appointment of a negotiated rulemaking committee under section 565(a) of such title 5 by not later than 30 days after the end of the comment period provided for under section 564(c) of such title 5 (as shortened under subparagraph (E)), and

''(ii) the nomination of a facilitator under section 566(c) of such title 5 by not later than 10 days after the date of appointment of the committee.

''(G) PRELIMINARY COMMITTEE REPORT.—The negotiated rulemaking committee appointed under subparagraph (F) shall report to the Secretary, by not later than March 29, 2000, regarding the committee's progress on achieving a consensus with regard to the rulemaking proceeding and whether such consensus is likely to occur before 1 month before the target date for publication of the rule. If the committee reports that the committee has failed to make significant progress towards such consensus or is unlikely to reach such consensus by the target date, the Secretary may terminate such process and provide for the publication of a rule under this paragraph through such other methods as the Secretary may provide.

''(H) FINAL COMMITTEE REPORT.—If the committee is not terminated under subparagraph (G), the rulemaking committee shall submit a report containing a proposed rule by not later than 1 month before the target date of publication.

''(I) FINAL EFFECT.—The Secretary shall publish a rule under this paragraph in the Federal Register by not later than the target date of publication.

''(J) PUBLICATION OF RULE AFTER PUBLIC COMMENT.—The Secretary shall provide for consideration of such comments and republication of such rule by not later than 1 year after the target date of publication.

''(K) EFFECTIVE DATE.—The provisions of this paragraph shall apply to group health plans (other than a fully insured group health plan) for plan years beginning on or after January 1, 2001.

''(3) PAYMENT RATE.—In the case of covered items and services provided by—

''(A) a participating provider, the payment rate shall be at the agreed upon rate, or

''(B) a nonparticipating provider, the payment rate shall be at the rate the plan would normally pay for comparable services under subparagraph (A).

''(d) APPROVED CLINICAL TRIAL DEFINED.—

''(1) IN GENERAL.—In this section, the term 'approved clinical trial' means a cancer clinical research study or cancer clinical investigation approved and funded (which may include funding through in-kind contributions) by one or more of the following:

''(A) The National Institutes of Health.

''(B) A cooperative group or center of the National Institutes of Health.

''(C) Either of the following if the conditions described in paragraph (2) are met:

''(i) The Department of Veterans Affairs.

''(ii) The Department of Defense.

''(2) CONDITIONS FOR DEPARTMENTS.—The conditions described in this paragraph, for a study or investigation conducted by a Department, are that the study or investigation has been reviewed and approved through a system of peer review that the Secretary determines—

''(A) to be comparable to the system of peer review of studies and investigations used by the National Institutes of Health, and

''(B) assures unbiased review of the highest scientific standards by qualified individuals who have no interest in the outcome of the review.

''(e) CONSTRUCTION.—Nothing in this section shall be construed to limit a plan's coverage with respect to clinical trials.

''(f) PLAN SATISFACTION OF CERTAIN REQUIREMENTS; RESPONSIBILITIES OF FIDUCIARIES.—

''(1) IN GENERAL.—For purposes of this section, insofar as a group health plan provides benefits in the form of health insurance coverage through a health insurance issuer, the plan shall be treated as meeting the requirements of this section with respect to such benefits and not be considered as failing to meet such requirements because of a failure of the issuer to meet such requirements so long as the plan sponsor or its representatives did not cause such failure by the issuer.

''(2) CONSTRUCTION.—Nothing in this section shall be construed to affect or modify the responsibilities of the fiduciaries of a group health plan under part 4 of subtitle B.

''(g) STUDY AND REPORT.—

''(1) STUDY.—The Secretary shall study the impact on group health plans for covering routine patient care costs for individuals who are entitled to benefits under this section and who are enrolled in an approved cancer clinical trial program.

''(2) REPORT TO CONGRESS.—Not later than January 1, 2005, the Secretary shall submit a report to Congress that contains an assessment of—

''(A) any incremental cost to group health plans resulting from the provisions of this section;

''(B) a projection of expenditures to such plans resulting from this section; and

''(C) any impact on premiums resulting from this section.

''SEC. 730A. PROHIBITING DISCRIMINATION AGAINST PROVIDERS.

''(a) IN GENERAL.—A group health plan (other than a fully insured group health plan) shall not discriminate with respect to participation or indemnification as to any provider who is acting within the scope of the provider's license or certification under applicable State law, solely on the basis of such license or certification. This subsection shall not be construed as requiring the coverage under a plan of particular benefits or services or to prohibit a plan from including providers only to the extent necessary to meet the needs of the plan's participants and beneficiaries or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan.

''(b) NO REQUIREMENT FOR ANY WILLING PROVIDER.—Nothing in this section shall be construed as requiring a group health plan that offers network coverage to include for participation every willing provider or health professional who meets the terms and conditions of the plan.

''SEC. 730B. GENERALLY APPLICABLE PROVISION.

''In the case of a group health plan that provides benefits under 2 or more coverage options, the requirements of this subpart shall apply separately with respect to each coverage option.''.

(b) RULE WITH RESPECT TO CERTAIN PLANS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, health insurance issuers may offer, and eligible individuals may purchase, high deductible health plans described in section 220(c)(2)(A) of the Internal Revenue Code of 1986. Effective for the 4-year period beginning on the date of the enactment of this Act, such health plans shall not be required to provide payment for any health care items or services that are exempt from the plan's deductible.

(2) EXISTING STATE LAWS.—A State law relating to payment for health care items and services in effect on the date of enactment of this Act that is preempted under paragraph (1), shall not apply to high deductible health plans after the expiration of the 4-year period described in such paragraph unless the State reenacts such law after such period.

(c) DEFINITION.—Section 733(a) of the Employee Retirement Income Security Act of 1974 (42 U.S.C. 1191(a)) is amended by adding at the end the following:

''(3) FULLY INSURED GROUP HEALTH PLAN.—The term 'fully insured group health plan' means a group health plan where benefits under the plan are provided pursuant to the terms of an arrangement between a group health plan and a health insurance issuer and are guaranteed by the health insurance issuer under a contract or policy of insurance.''.

(d) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended—

(1) in the item relating to subpart C, by striking ''Subpart C'' and inserting ''Subpart D''; and

(2) by adding at the end of the items relating to subpart B of part 7 of subtitle B of title I of such Act the following new items:

''SUBPART C—PATIENT RIGHT TO MEDICAL ADVICE AND CARE

''Sec. 721. Patient access to emergency medical care.
''Sec. 722. Offering of choice of coverage options.
''Sec. 723. Patient access to obstetric and gynecological care.
''Sec. 724. Patient access to pediatric care.
''Sec. 725. Timely access to specialists.
''Sec. 726. Continuity of care.
''Sec. 727. Protection of patient-provider communications.
''Sec. 728. Patient's right to prescription drugs.
''Sec. 729. Self-payment for behavioral health care services.
''Sec. 730. Coverage for individuals participating in approved cancer clinical trials.
''Sec. 730A. Prohibiting discrimination against providers.
''Sec. 730B. Generally applicable provision.''.

SEC. 102. CONFORMING AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.

(a) IN GENERAL.—Chapter 100 of the Internal Revenue Code of 1986 is amended—

(1) by redesignating subchapter C as subchapter D; and

(2) by inserting after subchapter B the following:

''Subchapter C—Patient Right to Medical Advice and Care

''Sec. 9821. Patient access to emergency medical care.
''Sec. 9822. Offering of choice of coverage options.
''Sec. 9823. Patient access to obstetric and gynecological care.
''Sec. 9824. Patient access to pediatric care.
''Sec. 9825. Timely access to specialists.
''Sec. 9826. Continuity of care.
''Sec. 9827. Protection of patient-provider communications.
''Sec. 9828. Patient's right to prescription drugs.
''Sec. 9829. Self-payment for behavioral health care services.
''Sec. 9830. Coverage for individuals participating in approved cancer clinical trials.
''Sec. 9830A. Prohibiting discrimination against providers.
''Sec. 9830B. Generally applicable provision.

''SEC. 9821. PATIENT ACCESS TO EMERGENCY MEDICAL CARE.

''(a) COVERAGE OF EMERGENCY CARE.—

''(1) IN GENERAL.—To the extent that the group health plan (other than a fully insured group health plan) provides coverage for benefits consisting of emergency medical care (as defined in subsection (c)) or emergency ambulance services, except for items or services specifically excluded—

''(A) the plan shall provide coverage for benefits, without requiring preauthorization, for emergency medical screening examinations or emergency ambulance services, to the extent that a prudent layperson, who possesses an average knowledge of health and medicine, would determine such examinations or emergency ambulance services to be necessary to determine whether emergency medical care (as so defined) is necessary; and

''(B) the plan shall provide coverage for benefits, without requiring preauthorization, for additional emergency medical care to stabilize an emergency medical condition following an emergency medical screening examination (if determined necessary under subparagraph (A)), pursuant to the definition of stabilize under section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd(e)(3)).

''(2) REIMBURSEMENT FOR CARE TO MAINTAIN MEDICAL STABILITY.—

''(A) IN GENERAL.—In the case of services provided to a participant or beneficiary by a nonparticipating provider in order to maintain the medical stability of the participant or beneficiary, the group health plan involved shall provide for reimbursement with respect to such services if—

''(i) coverage for services of the type furnished is available under the group health plan;

''(ii) the services were provided for care related to an emergency medical condition and in an emergency department in order to maintain the medical stability of the participant or beneficiary; and

''(iii) the nonparticipating provider contacted the plan regarding approval for such services.

''(B) FAILURE TO RESPOND.—If a group health plan fails to respond within 1 hours of being contacted in accordance with subparagraph (A)(iii), then the plan shall be liable for the cost of services provided by the nonparticipating provider in order to maintain the stability of the participant or beneficiary.

''(C) LIMITATION.—The liability of a group health plan to provide reimbursement under subparagraph (A) shall terminate when the plan has contacted the nonparticipating provider to arrange for discharge or transfer.

''(D) LIABILITY OF PARTICIPANT.—A participant or beneficiary shall not be liable for the costs of services to which subparagraph (A) in an amount that exceeds the amount of liability that would be incurred if the services were provided by a participating health care provider with prior authorization by the plan.

''(b) IN-NETWORK UNIFORM COSTS-SHARING AND OUT-OF-NETWORK CARE.—

''(1) IN-NETWORK UNIFORM COST-SHARING.—Nothing in this section shall be construed as preventing a group health plan (other than a fully insured group health plan) from imposing any form of cost-sharing applicable to any participant or beneficiary (including coinsurance, copayments, deductibles, and any other charges) in relation to coverage for benefits described in subsection (a), if such form of cost-sharing is uniformly applied under such plan, with respect to similarly situated participants and beneficiaries, to all benefits consisting of emergency medical care (as defined in subsection (c)) provided to such similarly situated participants and beneficiaries under the plan, and such cost-sharing is disclosed in accordance with section 9814.

''(2) OUT-OF-NETWORK CARE.—If a group health plan (other than a fully insured group health plan) provides any benefits with respect to emergency medical care (as defined in subsection (c)), the plan shall cover emergency medical care under the plan in a manner so that, if such care is provided to a participant or beneficiary by a nonparticipating health care provider, the participant or beneficiary is not liable for amounts that exceed any form of cost-sharing (including coinsurance, copayments, deductibles, and any other charges) that would be incurred if the services were provided by a participating provider.

''(c) DEFINITION OF EMERGENCY MEDICAL CARE.—In this section:

''(1) IN GENERAL.—The term 'emergency medical care' means, with respect to a participant or beneficiary under a group health plan (other than a fully insured group health plan), covered inpatient and outpatient services that—

''(A) are furnished by any provider, including a nonparticipating provider, that is qualified to furnish such services; and

''(B) are needed to evaluate or stabilize (as such term is defined in section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd)(e)(3)) an emergency medical condition (as defined in paragraph (2)).

''(2) EMERGENCY MEDICAL CONDITION.—The term 'emergency medical condition' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in—

''(A) placing the health of the participant or beneficiary (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy,

''(B) serious impairment to bodily functions, or

''(C) serious dysfunction of any bodily organ or part.

''SEC. 9822. OFFERING OF CHOICE OF COVERAGE OPTIONS.

''(a) REQUIREMENT.—

''(1) OFFERING OF POINT-OF-SERVICE COVERAGE OPTION.—Except as provided in paragraph (2), if a group health plan (other than a fully insured group health plan) provides coverage for benefits only through a defined set of participating health care professionals, the plan shall offer the participant the option to purchase point-of-service coverage (as defined in subsection (b)) for all such benefits for which coverage is otherwise so limited. Such option shall be made available to the participant at the time of enrollment under the plan and at such other times as the plan offers the participant a choice of coverage options.

''(2) EXCEPTION IN CASE OF LACK OF AVAILABILITY.—Paragraph (1) shall not apply with respect to a group health plan (other than a fully insured group health plan) if care relating to the point-of-service coverage would not be available and accessible to the participant with reasonable promptness (consistent with section 1301(b)(4) of the Public Health Service Act (42 U.S.C. 300e(b)(4))).

''(b) POINT-OF-SERVICE COVERAGE DEFINED.—In this section, the term 'point-of-service coverage' means, with respect to benefits covered under a group health plan (other than a fully insured group health plan), coverage of such benefits when provided by a nonparticipating health care professional.

''(c) SMALL EMPLOYER EXEMPTION.—

''(1) IN GENERAL.—This section shall not apply to any group health plan (other than a fully insured group health plan) of a small employer.

''(2) SMALL EMPLOYER.—For purposes of paragraph (1), the term 'small employer' means, in connection with a group health plan (other than a fully insured group health plan) with respect to a calendar year and a plan year, an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year. For purposes of this paragraph, the

provisions of subparagraph (C) of section 4980D(d)(2) shall apply in determining employer size.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed—

''(1) as requiring coverage for benefits for a particular type of health care professional;

''(2) as requiring an employer to pay any costs as a result of this section or to make equal contributions with respect to different health coverage options;

''(3) as preventing a group health plan (other than a fully insured group health plan) from imposing higher premiums or cost-sharing on a participant for the exercise of a point-of-service coverage option; or

''(4) to require that a group health plan (other than a fully insured group health plan) include coverage of health care professionals that the plan excludes because of fraud, quality of care, or other similar reasons with respect to such professionals.

''SEC. 9823. PATIENT ACCESS TO OBSTETRIC AND GYNECOLOGICAL CARE.

''(a) GENERAL RIGHTS.—

''(1) WAIVER OF PLAN REFERRAL REQUIREMENT.—If a group health plan described in subsection (b) requires a referral to obtain coverage for specialty care, the plan shall waive the referral requirement in the case of a female participant or beneficiary who seeks coverage for obstetrical care and related follow-up obstetrical care or routine gynecological care (such as preventive gynecological care).

''(2) RELATED ROUTINE CARE.—With respect to a participant or beneficiary described in paragraph (1), a group health plan described in subsection (b) shall treat the ordering of other routine care that is related to routine gynecologic care, by a physician who specializes in obstetrics and gynecology as the authorization of the primary care provider for such other care.

''(b) APPLICATION OF SECTION.—A group health plan described in this subsection is a group health plan (other than a fully insured group health plan), that—

''(1) provides coverage for obstetric care (such as pregnancy-related services) or routine gynecologic care (such as preventive women's health examinations); and

''(2) requires the designation by a participant or beneficiary of a participating primary care provider who is not a physician who specializes in obstetrics or gynecology.

''(c) RULES OF CONSTRUCTION.—Nothing in this section shall be construed—

''(1) as waiving any coverage requirement relating to medical necessity or appropriateness with respect to the coverage of obstetric or gynecologic care described in subsection (a);

''(2) to preclude the plan from requiring that the physician who specializes in obstetrics or gynecology notify the designated primary care provider or the plan of treatment decisions;

''(3) to preclude a group health plan from allowing health care professionals other than physicians to provide routine obstetric or routine gynecologic care; or

''(4) to preclude a group health plan from permitting a physician who specializes in obstetrics and gynecology from being a primary care provider under the plan.

''SEC. 9824. PATIENT ACCESS TO PEDIATRIC CARE.

''(a) IN GENERAL.—In the case of a group health plan (other than a fully insured group health plan) that provides coverage for routine pediatric care and that requires the designation by a participant or beneficiary of a participating primary care provider, if the designated primary care provider is not a physician who specializes in pediatrics—

''(1) the plan may not require authorization or referral by the primary care provider in order for a participant or beneficiary to obtain coverage for routine pediatric care; and

''(2) the plan shall treat the ordering of other routine care related to routine pediatric care by such a specialist as having been authorized by the designated primary care provider.

''(b) RULES OF CONSTRUCTION.—Nothing in subsection (a) shall be construed—

''(1) as waiving any coverage requirement relating to medical necessity or appropriateness with respect to the coverage of any pediatric care provided to, or ordered for, a participant or beneficiary;

''(2) to preclude a group health plan from requiring that a specialist described in subsection (a) notify the designated primary care provider or the plan of treatment decisions; or

''(3) to preclude a group health plan from allowing health care professionals other than physicians to provide routine pediatric care.

''SEC. 9825. TIMELY ACCESS TO SPECIALISTS.

''(a) TIMELY ACCESS.—

''(1) IN GENERAL.—A group health plan (other than a fully insured group health plan) shall ensure that participants and beneficiaries have timely, in accordance with the medical exigencies of the case, access to primary and specialty health care professionals who are appropriate to the condition of the participant or beneficiary, when such care is covered under the plan. Such access may be provided through contractual arrangements with specialized providers outside of the network of the plan.

''(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed—

''(A) to require the coverage under a group health plan of particular benefits or services or to prohibit a plan from including providers only to the extent necessary to meet the needs of the plan's participants or beneficiaries or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan; or

''(B) to override any State licensure or scope-of-practice law.

''(b) TREATMENT PLANS.—

''(1) IN GENERAL.—Nothing in this section shall be construed to prohibit a group health plan (other than a fully insured group health plan) from requiring that specialty care be provided pursuant to a treatment plan so long as the treatment plan is—

''(A) developed by the specialist, in consultation with the case manager or primary care provider, and the participant or beneficiary;

''(B) approved by the plan in a timely manner in accordance with the medical exigencies of the case; and

''(C) in accordance with the applicable quality assurance and utilization review standards of the plan.

''(2) NOTIFICATION.—Nothing in paragraph (1) shall be construed as prohibiting a plan from requiring the specialist to provide the case manager or primary care provider with regular updates on the specialty care provided, as well as all other necessary medical information.

''(c) REFERRALS.—Nothing in this section shall be construed to prohibit a plan from requiring an authorization by the case manager or primary care provider of the participant or beneficiary in order to obtain coverage for specialty services so long as such authorization is for an adequate number of referrals.

''(d) SPECIALTY CARE DEFINED.—For purposes of this subsection, the term 'specialty care' means, with respect to a condition, care and treatment provided by a health care practitioner, facility, or center (such as a center of excellence) that has adequate expertise (including age-appropriate expertise) through appropriate training and experience.

''SEC. 9826. CONTINUITY OF CARE.

''(a) IN GENERAL.—

''(1) TERMINATION OF PROVIDER.—If a contract between a group health plan (other than a fully insured group health plan) and a health care provider is terminated (as defined in paragraph (2)), or benefits or coverage provided by a health care provider are terminated because of a change in the terms of provider participation in such group health plan, and an individual who is a participant or beneficiary in the plan is undergoing a course of treatment from the provider at the time of such termination, the plan shall—

''(A) notify the individual on a timely basis of such termination;

''(B) provide the individual with an opportunity to notify the plan of a need for transitional care; and

''(C) in the case of termination described in paragraph (2), (3), or (4) of subsection (b), and subject to subsection (c), permit the individual to continue or be covered with respect to the course of treatment with the provider's consent during a transitional period (as provided under subsection (b)).

''(2) TERMINATED.—In this section, the term 'terminated' includes, with respect to a contract, the expiration or nonrenewal of the contract by the group health plan, but does not include a termination of the contract by the plan for failure to meet applicable quality standards or for fraud.

''(3) CONTRACTS.—For purposes of this section, the term 'contract between a group health plan (other than a fully insured group health plan) and a health care provider' shall include a contract between such a plan and an organized network of providers.

''(b) TRANSITIONAL PERIOD.—

''(1) GENERAL RULE.—Except as provided in paragraph (3), the transitional period under this subsection shall permit the participant or beneficiary to extend the coverage involved for up to 90 days from the date of the notice described in subsection (a)(1)(A) of the provider's termination.

''(2) INSTITUTIONAL CARE.—Subject to paragraph (1), the transitional period under this subsection for institutional or inpatient care from a provider shall extend until the discharge or termination of the period of institutionalization and also shall include institutional care provided within a reasonable time of the date of termination of the provider status if the care was scheduled before the date of the announcement of the termination of the provider status under subsection (a)(1)(A) or if the individual on such date was on an established waiting list or otherwise scheduled to have such care.

''(3) PREGNANCY.—Notwithstanding paragraph (1), if—

''(A) a participant or beneficiary has entered the second trimester of pregnancy at the time of a provider's termination of participation; and

''(B) the provider was treating the pregnancy before the date of the termination;

the transitional period under this subsection with respect to provider's treatment of the pregnancy shall extend through the provision of post-partum care directly related to the delivery.

''(4) TERMINAL ILLNESS.—Notwithstanding paragraph (1), if—

''(A) a participant or beneficiary was determined to be terminally ill (as determined under section 1861(dd)(3)(A) of the Social Security Act) prior to a provider's termination of participation; and

''(B) the provider was treating the terminal illness before the date of termination;

the transitional period under this subsection shall be for care directly related to the treatment of the terminal illness and shall extend for the remainder of the individual's life for such care.

''(c) PERMISSIBLE TERMS AND CONDITIONS.—A group health plan (other than a fully insured group health plan) may condition coverage of continued treatment by a provider under subsection (a)(1)(C) upon the provider agreeing to the following terms and conditions:

''(1) The provider agrees to accept reimbursement from the plan and individual involved (with respect to cost-sharing) at the rates applicable prior to the start of the transitional period as payment in full (or at the rates applicable under the replacement plan after the date of the termination of the contract with the group health plan) and not to impose cost-sharing with respect to the individual in an amount that would exceed the cost-sharing that could have been imposed if the contract referred to in subsection (a)(1) had not been terminated.

''(2) The provider agrees to adhere to the quality assurance standards of the plan responsible for payment under paragraph (1) and to provide to such plan necessary medical information related to the care provided.

''(3) The provider agrees otherwise to adhere to such plan's policies and procedures, including procedures regarding referrals and obtaining prior authorization and providing services pursuant to a treatment plan (if any) approved by the plan.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the coverage of benefits which would not have been covered if the provider involved remained a participating provider.

''(e) DEFINITION.—In this section, the term 'health care provider' or 'provider' means—

''(1) any individual who is engaged in the delivery of health care services in a State and who is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State; and

''(2) any entity that is engaged in the delivery of health care services in a State and that, if it is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State, is so licensed.

''(f) COMPREHENSIVE STUDY OF COST, QUALITY AND COORDINATION OF COVERAGE FOR PATIENTS AT THE END OF LIFE.—

''(1) STUDY BY THE MEDICARE PAYMENT ADVISORY COMMISSION.—The Medicare Payment Advisory Commission shall conduct a study of the costs and patterns of care for persons with serious and complex conditions and the possibilities of improving upon that care to the degree it is triggered by the current category of terminally ill as such term is used for purposes of section 1861(dd) of the Social Security Act (relating to hospice benefits) or of utilizing care in other payment settings in Medicare.

''(2) AGENCY FOR HEALTH CARE POLICY AND RESEARCH.—The Agency for Health Care Policy and Research shall conduct studies of the possible thresholds for major conditions causing serious and complex illness, their administrative parameters and feasibility, and their impact upon costs and quality.

''(3) HEALTH CARE FINANCING ADMINISTRATION.—The Health Care Financing Administration shall conduct studies of the merits of applying similar thresholds in Medicare+Choice programs, including adapting risk adjustment methods to account for this category.

''(4) INITIAL REPORT.—

''(A) IN GENERAL.—Not later than 12 months after the date of enactment of this section, the Medicare Payment Advisory Commission and the Agency for Health Care Policy and Research shall each prepare and submit to the Committee on Health, Education, Labor and Pensions of the Senate a report concerning the results of the studies conducted under paragraphs (1) and (2), respectively.

''(B) COPY TO SECRETARY.—Concurrent with the submission of the reports under subparagraph (A), the Medicare Payment Advisory Commission and the Agency for health Care Policy and Research shall transmit a copy of the reports under such subparagraph to the Secretary.

''(5) FINAL REPORT.—

''(A) CONTRACT WITH INSTITUTE OF MEDICINE.—Not later than 1 year after the submission of the reports under paragraph (4), the Secretary of Health and Human Services shall contract with the Institute of Medicine to conduct a study of the practices and their effects arising from the utilization of the category ''serious and complex'' illness.

''(B) REPORT.—Not later than 1 year after the date of the execution of the contract referred to in subparagraph (A), the Institute of Medicine shall prepare and submit to the Committee on Health, Education, Labor and Pensions of the Senate a report concerning the study conducted pursuant to such contract.

''(6) FUNDING.—From funds appropriated to the Department of Health and Human Services, the Secretary of Health and Human Services shall make available such funds as the Secretary determines is necessary to carry out this subsection.

''SEC. 9827. PROTECTION OF PATIENT-PROVIDER COMMUNICATIONS.

''(a) IN GENERAL.—Subject to subsection (b), a group health plan (other than a fully insured group health plan and in relation to a participant or beneficiary) shall not prohibit or otherwise restrict a health care professional from advising such a participant or beneficiary who is a patient of the professional about the health status of the participant or beneficiary or medical care or treatment for the condition or disease of the participant or beneficiary, regardless of whether coverage for such care or treatment are provided under the contract, if the professional is acting within the lawful scope of practice.

''(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as requiring a group health plan (other than a fully insured group health plan) to provide specific benefits under the terms of such plan.

''SEC. 9828. PATIENT'S RIGHT TO PRESCRIPTION DRUGS.

''To the extent that a group health plan (other than a fully insured group health plan) provides coverage for benefits with respect to prescription drugs, and limits such coverage to drugs included in a formulary, the plan shall—

''(1) ensure the participation of physicians and pharmacists in developing and reviewing such formulary; and

''(2) in accordance with the applicable quality assurance and utilization review standards of the plan, provide for exceptions from the formulary limitation when a nonformulary alternative is medically necessary and appropriate.

''SEC. 9829. SELF-PAYMENT FOR BEHAVIORAL HEALTH CARE SERVICES.

''(a) IN GENERAL.—A group health plan (other than a fully insured group health plan) may not—

''(1) prohibit or otherwise discourage a participant or beneficiary from self-paying for behavioral health care services once the plan has denied coverage for such services; or

''(2) terminate a health care provider because such provider permits participants or beneficiaries to self-pay for behavioral health care services—

''(A) that are not otherwise covered under the plan; or

''(B) for which the group health plan provides limited coverage, to the extent that the group health plan denies coverage of the services.

''(b) RULE OF CONSTRUCTION.—Nothing in subsection (a)(2)(B) shall be construed as prohibiting a group health plan from terminating a contract with a health care provider for failure to meet applicable quality standards or for fraud.

''SEC. 9830. COVERAGE FOR INDIVIDUALS PARTICIPATING IN APPROVED CANCER CLINICAL TRIALS.

''(a) COVERAGE.—

''(1) IN GENERAL.—If a group health plan (other than a fully insured group health plan) provides coverage to a qualified individual (as defined in subsection (b)), the plan—

''(A) may not deny the individual participation in the clinical trial referred to in subsection (b)(2);

''(B) subject to subsections (b), (c), and (d) may not deny (or limit or impose additional conditions on) the coverage of routine patient costs for items and services furnished in connection with participation in the trial; and

''(C) may not discriminate against the individual on the basis of the participant's or beneficiaries participation in such trial.

''(2) EXCLUSION OF CERTAIN COSTS.—For purposes of paragraph (1)(B), routine patient costs do not include the cost of the tests or measurements conducted primarily for the purpose of the clinical trial involved.

''(3) USE OF IN-NETWORK PROVIDERS.—If one or more participating providers is participating in a clinical trial, nothing in paragraph (1) shall be construed as preventing a plan from requiring that a qualified individual participate in the trial through such a participating provider if the provider will accept the individual as a participant in the trial.

''(b) QUALIFIED INDIVIDUAL DEFINED.—For purposes of subsection (a), the term ''qualified individual'' means an individual who is a participant or beneficiary in a group health plan and who meets the following conditions:

''(1)(A) The individual has been diagnosed with cancer for which no standard treatment is effective.

''(B) The individual is eligible to participate in an approved clinical trial according to the trial protocol with respect to treatment of such illness.

''(C) The individual's participation in the trial offers meaningful potential for significant clinical benefit for the individual.

''(2) Either—

''(A) the referring physician is a participating health care professional and has concluded that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1); or

''(B) the participant or beneficiary provides medical and scientific information establishing that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1).

''(c) PAYMENT.—

''(1) IN GENERAL.—Under this section a group health plan (other than a fully insured group health plan) shall provide for payment for routine patient costs described in subsection (a)(2) but is not required to pay for costs of items and services that are reasonably expected to be paid for by the sponsors of an approved clinical trial.

''(2) STANDARDS FOR DETERMINING ROUTINE PATIENT COSTS ASSOCIATED WITH CLINICAL TRIAL PARTICIPATION.—

''(A) IN GENERAL.—The Secretary shall establish, on an expedited basis and using a negotiated rulemaking process under subchapter III of chapter 5 of title 5, United States Code, standards relating to the coverage of routine patient costs for individuals participating in clinical trials that group health plans must meet under this section.

''(B) FACTORS.—In establishing routine patient cost standards under subparagraph (A), the Secretary shall consult with interested parties and take into account —

''(i) quality of patient care;

''(ii) routine patient care costs versus costs associated with the conduct of clinical trials, including unanticipated patient care costs as a result of participation in clinical trials; and

''(iii) previous and on-going studies relating to patient care costs associated with participation in clinical trials.

''(C) PUBLICATION OF NOTICE.—In carrying out the rulemaking process under this paragraph, the Secretary, after consultation with organizations representing cancer patients, health care practitioners, medical researchers, employers, group health plans, manufacturers of drugs, biologics and medical devices, medical economists, hospitals, and other interested parties, shall publish notice provided for under section 564(a) of title 5, United States Code, by not later than 45 days after the date of the enactment of this section.

''(D) TARGET DATE FOR PUBLICATION OF RULE.—As part of the notice under subparagraph (C), and for purposes of this paragraph, the 'target date for publication' (referred to in section 564(a)(5) of such title 5) shall be June 30, 2000.

''(E) ABBREVIATED PERIOD FOR SUBMISSION OF COMMENTS.—In applying section 564(c) of such title 5 under this paragraph, '15 days' shall be substituted for '30 days'.

''(F) APPOINTMENT OF NEGOTIATED RULEMAKING COMMITTEE AND FACILITATOR.—The Secretary shall provide for—

''(i) the appointment of a negotiated rulemaking committee under section 565(a) of such title 5 by not later than 30 days after the end of the comment period provided for under section 564(c) of such title 5 (as shortened under subparagraph (E)), and

''(ii) the nomination of a facilitator under section 566(c) of such title 5 by not later than 10 days after the date of appointment of the committee.

''(G) PRELIMINARY COMMITTEE REPORT.—The negotiated rulemaking committee appointed under subparagraph (F) shall report to the Secretary, by not later than March 29, 2000, regarding the committee's progress on achieving a consensus with regard to the rulemaking proceeding and whether such consensus is likely to occur before 1 month before the target date for publication of the rule. If the committee reports that the committee has failed to make significant progress towards such consensus or is unlikely to reach such consensus by the target date, the Secretary may terminate such process and provide for the publication of a rule under this paragraph through such other methods as the Secretary may provide.

''(H) FINAL COMMITTEE REPORT.—If the committee is not terminated under subparagraph (G), the rulemaking committee shall submit a report containing a proposed rule by not later than 1 month before the target date of publication.

''(I) FINAL EFFECT.—The Secretary shall publish a rule under this paragraph in the Federal Register by not later than the target date of publication.

''(J) PUBLICATION OF RULE AFTER PUBLIC COMMENT.—The Secretary shall provide for consideration of such comments and republication of such rule by not later than 1 year after the target date of publication.

''(K) EFFECTIVE DATE.—The provisions of this paragraph shall apply to group health plans (other than a fully insured group health plan) for plan years beginning on or after January 1, 2001.

''(3) PAYMENT RATE.—In the case of covered items and services provided by—

''(A) a participating provider, the payment rate shall be at the agreed upon rate, or

''(B) a nonparticipating provider, the payment rate shall be at the rate the plan would normally pay for comparable services under subparagraph (A).

''(d) APPROVED CLINICAL TRIAL DEFINED.—

''(1) IN GENERAL.—In this section, the term 'approved clinical trial' means a cancer clinical research study or cancer clinical investigation approved and funded (which may include funding through in-kind contributions) by one or more of the following:

''(A) The National Institutes of Health.

''(B) A cooperative group or center of the National Institutes of Health.

''(C) Either of the following if the conditions described in paragraph (2) are met:

''(i) The Department of Veterans Affairs.

''(ii) The Department of Defense.

''(2) CONDITIONS FOR DEPARTMENTS.—The conditions described in this paragraph, for a study or investigation conducted by a Department, are that the study or investigation has been reviewed and approved through a system of peer review that the Secretary determines—

''(A) to be comparable to the system of peer review of studies and investigations used by the National Institutes of Health, and

''(B) assures unbiased review of the highest scientific standards by qualified individuals who have no interest in the outcome of the review.

''(e) CONSTRUCTION.—Nothing in this section shall be construed to limit a plan's coverage with respect to clinical trials.

''(f) PLAN SATISFACTION OF CERTAIN REQUIREMENTS; RESPONSIBILITIES OF FIDUCIARIES.—

''(1) IN GENERAL.—For purposes of this section, insofar as a group health plan provides benefits in the form of health insurance coverage through a health insurance issuer, the plan shall be treated as meeting the requirements of this section with respect to such benefits and not be considered as failing to meet such requirements because of a failure of the issuer to meet such requirements so long as the plan sponsor or its representatives did not cause such failure by the issuer.

''(2) CONSTRUCTION.—Nothing in this section shall be construed to affect or modify the responsibilities of the fiduciaries of a group health plan under part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974.

''(g) STUDY AND REPORT.—

''(1) STUDY.—The Secretary shall study the impact on group health plans for covering routine patient care costs for individuals who are entitled to benefits under this section and who are enrolled in an approved cancer clinical trial program.

''(2) REPORT TO CONGRESS.—Not later than January 1, 2005, the Secretary shall submit a report to Congress that contains an assessment of—

''(A) any incremental cost to group health plans resulting from the provisions of this section;

''(B) a projection of expenditures to such plans resulting from this section; and

''(C) any impact on premiums resulting from this section.

''SEC. 9830A. PROHIBITING DISCRIMINATION AGAINST PROVIDERS.

''(a) IN GENERAL.—A group health plan (other than a fully insured group health plan) shall not discriminate with respect to participation or indemnification as to any provider who is acting within the scope of the provider's license or certification under applicable State law, solely on the basis of such license or certification. This subsection shall not be construed as requiring the coverage under a plan of particular benefits or services or to prohibit a plan from including providers only to the extent necessary to meet the needs of the plan's participants and beneficiaries or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan.

''(b) NO REQUIREMENT FOR ANY WILLING PROVIDER.—Nothing in this section shall be construed as requiring a group health plan that offers network coverage to include for participation every willing provider or health professional who meets the terms and conditions of the plan.

''SEC. 9830B. GENERALLY APPLICABLE PROVISION.

''In the case of a group health plan that provides benefits under 2 or more coverage options, the requirements of this subchapter shall apply separately with respect to each coverage option.''.

(b) DEFINITION.—Section 9832(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(4) FULLY INSURED GROUP HEALTH PLAN.—The term 'fully insured group health plan' means a group health plan where benefits under the plan are provided pursuant to the terms of an arrangement between a group health plan and a health insurance issuer and are guaranteed by the health insurance issuer under a contract or policy of insurance.''.

(c) CONFORMING AMENDMENT.—Chapter 98 of the Internal Revenue Code of 1986 is amended in the table of subchapters in the item relating to subchapter C, by striking ''Subchapter C'' and inserting ''Subchapter D''.

SEC. 103. EFFECTIVE DATE AND RELATED RULES.

(a) IN GENERAL.—The amendments made by this subtitle shall apply with respect to plan years beginning on or after January 1 of the second calendar year following the date of the enactment of this Act. The Secretary shall issue all regulations necessary to carry out the amendments made by this section before the effective date thereof.

(b) LIMITATION ON ENFORCEMENT ACTIONS.—No enforcement action shall be taken, pursuant to the amendments made by this subtitle, against a group health plan with respect to a violation of a requirement imposed by such amendments before the date of issuance of regulations issued in connection with such requirement, if the plan has sought to comply in good faith with such requirement.

Subtitle B—Right to Information About Plans and Providers

SEC. 111. INFORMATION ABOUT PLANS.

(a) EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following:

''SEC. 714. HEALTH PLAN COMPARATIVE INFORMATION.

''(a) REQUIREMENT.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer that provides coverage in connection with group health insurance coverage, shall, not later than 12 months after the date of enactment of this

section, and at least annually thereafter, provide for the disclosure, in a clear and accurate form to each participant and each beneficiary who does not reside at the same address as the participant, or upon request to an individual eligible for coverage under the plan, of the information described in subsection (b).

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prevent a plan or issuer from entering into any agreement under which the issuer agrees to assume responsibility for compliance with the requirements of this section and the plan is released from liability for such compliance.

''(3) PROVISION OF INFORMATION.—Information shall be provided to participants and beneficiaries under this section at the address maintained by the plan or issuer with respect to such participants or beneficiaries.

''(b) REQUIRED INFORMATION.—The informational materials to be distributed under this section shall include for each package option available under a group health plan the following:

''(1) A description of the covered items and services under each such plan and any in- and out-of-network features of each such plan, including a summary description of the specific exclusions from coverage under the plan.

''(2) A description of any cost-sharing, including premiums, deductibles, coinsurance, and copayment amounts, for which the participant or beneficiary will be responsible, including any annual or lifetime limits on benefits, for each such plan.

''(3) A description of any optional supplemental benefits offered by each such plan and the terms and conditions (including premiums or cost-sharing) for such supplemental coverage.

''(4) A description of any restrictions on payments for services furnished to a participant or beneficiary by a health care professional that is not a participating professional and the liability of the participant or beneficiary for additional payments for these services.

''(5) A description of the service area of each such plan, including the provision of any out-of-area coverage.

''(6) A description of the extent to which participants and beneficiaries may select the primary care provider of their choice, including providers both within the network and outside the network of each such plan (if the plan permits out-of-network services).

''(7) A description of the procedures for advance directives and organ donation decisions if the plan maintains such procedures.

''(8) A description of the requirements and procedures to be used to obtain preauthorization for health services (including telephone numbers and mailing addresses), including referrals for specialty care.

''(9) A description of the definition of medical necessity used in making coverage determinations by each such plan.

''(10) A summary of the rules and methods for appealing coverage decisions and filing grievances (including telephone numbers and mailing addresses), as well as other available remedies.

''(11) A summary description of any provisions for obtaining off-formulary medications if the plan utilizes a defined formulary for providing specific prescription medications.

''(12) A summary of the rules for access to emergency room care. Also, any available educational material regarding proper use of emergency services.

''(13) A description of whether or not coverage is provided for experimental treatments, investigational treatments, or clinical trials and the circumstances under which access to such treatments or trials is made available.

''(14) A description of the specific preventative services covered under the plan if such services are covered.

''(15) A statement regarding—

''(A) the manner in which a participant or beneficiary may access an obstetrician, gynecologist, or pediatrician in accordance with section 723 or 724; and

''(B) the manner in which a participant or beneficiary obtains continuity of care as provided for in section 726.

''(16) A statement that the following information, and instructions on obtaining such information (including telephone numbers and, if available, Internet websites), shall be made available upon request:

''(A) The names, addresses, telephone numbers, and State licensure status of the plan's participating health care professionals and participating health care facilities, and, if available, the education, training, specialty qualifications or certifications of such professionals.

''(B) A summary description of the methods used for compensating participating health care professionals, such as capitation, fee-for-service, salary, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

''(C) A summary description of the methods used for compensating health care facilities, including per diem, fee-for-service, capitation, bundled payments, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

''(D) A summary description of the procedures used for utilization review.

''(E) The list of the specific prescription medications included in the formulary of the plan, if the plan uses a defined formulary.

''(F) A description of the specific exclusions from coverage under the plan.

''(G) Any available information related to the availability of translation or interpretation services for non-English speakers and people with communication disabilities, including the availability of audio tapes or information in Braille.

''(H) Any information that is made public by accrediting organizations in the process of accreditation if the plan is accredited, or any additional quality indicators that the plan makes available.

''(c) MANNER OF DISTRIBUTION.—The information described in this section shall be distributed in an accessible format that is understandable to an average plan participant or beneficiary.

''(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed to prohibit a group health plan, or health insurance issuer in connection with group health insurance coverage, from distributing any other additional information determined by the plan or issuer to be important or necessary in assisting participants and beneficiaries or upon request potential participants and beneficiaries in the selection of a health plan or from providing information under subsection (b)(15) as part of the required information.

''(e) CONFORMING REGULATIONS.—The Secretary shall issue regulations to coordinate the requirements on group health plans and health insurance issuers under this section with the requirements imposed under part 1, to reduce duplication with respect to any information that is required to be provided under any such requirements.

''(f) HEALTH CARE PROFESSIONAL.—In this section, the term 'health care professional' means a physician (as defined in section 1861(r) of the Social Security Act) or other health care professional if coverage for the professional's services is provided under the health plan involved for the services of the professional. Such term includes a podiatrist, optometrist, chiropractor, psychologist, dentist, physician assistant, physical or occupational therapist and therapy assistant, speech-language pathologist, audiologist, registered or licensed practical nurse (including nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist, and certified nurse-midwife), licensed certified social worker, registered respiratory therapist, and certified respiratory therapy technician.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(a)) is amended by striking ''section 711, and inserting ''sections 711 and 714''.

(B) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001) is amended by inserting after the item relating to section 713, the following:

''Sec. 714. Health plan comparative information.''.

(b) INTERNAL REVENUE CODE OF 1986.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(1) in the table of sections, by inserting after the item relating to section 9812 the following new item:

''Sec. 9813. Health plan comparative information.'';

and

(2) by inserting after section 9812 the following:

''SEC. 9813. HEALTH PLAN COMPARATIVE INFORMATION.

''(a) REQUIREMENT.—

''(1) IN GENERAL.—A group health plan shall, not later than 12 months after the date of enactment of this section, and at least annually thereafter, provide for the disclosure, in a clear and accurate form to each participant and each beneficiary who does not reside at the same address as the participant, or upon request to an individual eligible for coverage under the plan, of the information described in subsection (b).

''(2) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to prevent a plan from entering into any agreement under which a health insurance issuer agrees to assume responsibility for compliance with the requirements of this section and the plan is released from liability for such compliance.

''(3) PROVISION OF INFORMATION.—Information shall be provided to participants and beneficiaries under this section at the address maintained by the plan with respect to such participants or beneficiaries.

''(b) REQUIRED INFORMATION.—The informational materials to be distributed under this section shall include for each package option available under a group health plan the following:

''(1) A description of the covered items and services under each such plan and any in- and out-of-network features of each such plan, including a summary description of the specific exclusions from coverage under the plan.

''(2) A description of any cost-sharing, including premiums, deductibles, coinsurance, and copayment amounts, for which the participant or beneficiary will be responsible, including any annual or lifetime limits on benefits, for each such plan.

''(3) A description of any optional supplemental benefits offered by each such plan and the terms and conditions (including premiums or cost-sharing) for such supplemental coverage.

''(4) A description of any restrictions on payments for services furnished to a participant or beneficiary by a health care professional that is not a participating professional and the liability of the participant or beneficiary for additional payments for these services.

''(5) A description of the service area of each such plan, including the provision of any out-of-area coverage.

''(6) A description of the extent to which participants and beneficiaries may select the primary care provider of their choice, including providers both within the network and outside the network of each such plan (if the plan permits out-of-network services).

''(7) A description of the procedures for advance directives and organ donation decisions if the plan maintains such procedures.

''(8) A description of the requirements and procedures to be used to obtain preauthorization for health services (including telephone numbers and mailing addresses), including referrals for specialty care.

''(9) A description of the definition of medical necessity used in making coverage determinations by each such plan.

''(10) A summary of the rules and methods for appealing coverage decisions and filing grievances (including telephone numbers and mailing addresses), as well as other available remedies.

''(11) A summary description of any provisions for obtaining off-formulary medications if the plan utilizes a defined formulary for providing specific prescription medications.

''(12) A summary of the rules for access to emergency room care. Also, any available educational material regarding proper use of emergency services.

''(13) A description of whether or not coverage is provided for experimental treatments, investigational treatments, or clinical trials and the circumstances under which access to such treatments or trials is made available.

''(14) A description of the specific preventative services covered under the plan if such services are covered.

''(15) A statement regarding—

''(A) the manner in which a participant or beneficiary may access an obstetrician, gynecologist, or pediatrician in accordance with section 723 or 724; and

''(B) the manner in which a participant or beneficiary obtains continuity of care as provided for in section 726.

''(16) A statement that the following information, and instructions on obtaining such information (including telephone numbers and, if available, Internet websites), shall be made available upon request:

''(A) The names, addresses, telephone numbers, and State licensure status of the plan's participating health care professionals and participating health care facilities, and, if available, the education, training, specialty qualifications or certifications of such professionals.

''(B) A summary description of the methods used for compensating participating health care professionals, such as capitation, fee-for-service, salary, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

''(C) A summary description of the methods used for compensating health care facilities, including per diem, fee-for-service, capitation, bundled payments, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

''(D) A summary description of the procedures used for utilization review.

''(E) The list of the specific prescription medications included in the formulary of the plan, if the plan uses a defined formulary.

''(F) A description of the specific exclusions from coverage under the plan.

''(G) Any available information related to the availability of translation or interpretation services for non-English speakers and people with communication disabilities, including the availability of audio tapes or information in Braille.

''(H) Any information that is made public by accrediting organizations in the process of accreditation if the plan is accredited, or any additional quality indicators that the plan makes available.

''(c) MANNER OF DISTRIBUTION.—The information described in this section shall be distributed in an accessible format that is understandable to an average plan participant or beneficiary.

''(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed to prohibit a group health plan from distributing any other additional information determined by the plan to be important or necessary in assisting participants and beneficiaries or upon request potential participants and beneficiaries in the selection of a health plan or from providing information under subsection (b)(15) as part of the required information.

''(e) HEALTH CARE PROFESSIONAL.—In this section, the term 'health care professional' means a physician (as defined in section 1861(r) of the Social Security Act) or other health care professional if coverage for the professional's services is provided under the health plan involved for the services of the professional. Such term includes a podiatrist, optometrist, chiropractor, psychologist, dentist, physician assistant, physical or occupational therapist and therapy assistant, speech-language pathologist, audiologist, registered or licensed practical nurse (including nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist, and certified nurse-midwife), licensed certified social worker, registered respiratory therapist, and certified respiratory therapy technician.''.

SEC. 112. INFORMATION ABOUT PROVIDERS.

(a) STUDY.—The Secretary of Health and Human Services shall enter into a contract with the Institute of Medicine for the conduct of a study, and the submission to the Secretary of a report, that includes—

(1) an analysis of information concerning health care professionals that is currently available to patients, consumers, States, and professional societies, nationally and on a State-by-State basis, including patient preferences with respect to information about such professionals and their competencies;

(2) an evaluation of the legal and other barriers to the sharing of information concerning health care professionals; and

(3) recommendations for the disclosure of information on health care professionals, including the competencies and professional qualifications of such practitioners, to better facilitate patient choice, quality improvement, and market competition.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary of Health and Human Services shall forward to the appropriate committees of Congress a copy of the report and study conducted under subsection (a).

Subtitle C—Right to Hold Health Plans Accountable

SEC. 121. AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Section 503 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1133) is amended to read as follows:

''SEC. 503. CLAIMS PROCEDURE, COVERAGE DETERMINATION, GRIEVANCES AND APPEALS.

''(a) CLAIMS PROCEDURE.—In accordance with regulations of the Secretary, every employee benefit plan shall—

''(1) provide adequate notice in writing to any participant or beneficiary whose claim for benefits under the plan has been denied, setting forth the specific reasons for such denial, written in a manner calculated to be understood by the participant; and

''(2) afford a reasonable opportunity to any participant whose claim for benefits has been denied for a full and fair review by the appropriate named fiduciary of the decision denying the claim.

''(b) COVERAGE DETERMINATIONS UNDER GROUP HEALTH PLANS.—

''(1) PROCEDURES.—

''(A) IN GENERAL.—A group health plan or health insurance issuer conducting utilization review shall ensure that procedures are in place for—

''(i) making determinations regarding whether a participant or beneficiary is eligible to receive a payment or coverage for health services under the plan or coverage involved and any cost-sharing amount that the participant or beneficiary is required to pay with respect to such service;

''(ii) notifying a covered participant or beneficiary (or the authorized representative of such participant or beneficiary) and the treating health care professionals involved regarding determinations made under the plan or issuer and any additional payments that the participant or beneficiary may be required to make with respect to such service; and

''(iii) responding to requests, either written or oral, for coverage determinations or for internal appeals from a participant or beneficiary (or the authorized representative of such participant or beneficiary) or the treating health care professional with the consent of the participant or beneficiary.

''(B) ORAL REQUESTS.—With respect to an oral request described in subparagraph (A)(iii), a group health plan or health insurance issuer may require that the requesting individual provide written evidence of such request.

''(2) TIMELINE FOR MAKING DETERMINATIONS.—

''(A) ROUTINE DETERMINATION.—A group health plan or a health insurance issuer shall maintain procedures to ensure that prior authorization determinations concerning the provision of non-emergency items or services are made within 30 days from the date on which the request for a determination is submitted, except that such period may be extended where certain circumstances exist that are determined by the Secretary to be beyond control of the plan or issuer.

''(B) EXPEDITED DETERMINATION.—

''(i) IN GENERAL.—A prior authorization determination under this subsection shall be made within 72 hours, in accordance with the medical exigencies of the case, after a request is received by the plan or issuer under clause (ii) or (iii).

''(ii) REQUEST BY PARTICIPANT OR BENEFICIARY.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection upon the request of a participant or beneficiary if, based on such a request, the plan or issuer determines that the normal time for making such a determination could seriously jeopardize the life or health of the participant or beneficiary.

''(iii) DOCUMENTATION BY HEALTH CARE PROFESSIONAL.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection if

the request involved indicates that the treating health care professional has reasonably documented, based on the medical exigencies, that a determination under the procedures described in subparagraph (A) could seriously jeopardize the life or health of the participant or beneficiary.

''(C) CONCURRENT DETERMINATIONS.—A plan or issuer shall maintain procedures to certify or deny coverage of an extended stay or additional services.

''(D) RETROSPECTIVE DETERMINATION.—A plan or issuer shall maintain procedures to ensure that, with respect to the retrospective review of a determination made under paragraph (1), the determination shall be made within 30 working days of the date on which the plan or issuer receives necessary information.

''(3) NOTICE OF DETERMINATIONS.—

''(A) ROUTINE DETERMINATION.—With respect to a coverage determination of a plan or issuer under paragraph (2)(A), the plan or issuer shall issue notice of such determination to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and, consistent with the medical exigencies of the case, to the treating health care professional involved not later than 2 working days after the date on which the determination is made.

''(B) EXPEDITED DETERMINATION.—With respect to a coverage determination of a plan or issuer under paragraph (2)(B), the plan or issuer shall issue notice of such determination to the participant or beneficiary (or the authorized representative of the participant or beneficiary), and consistent with the medical exigencies of the case, to the treating health care professional involved within the 72 hour period described in paragraph (2)(B).

''(C) CONCURRENT REVIEWS.—With respect to the determination under a plan or issuer under paragraph (2)(C) to certify or deny coverage of an extended stay or additional services, the plan or issuer shall issue notice of such determination to the treating health care professional and to the participant or beneficiary involved (or the authorized representative of the participant or beneficiary) within 1 working day of the determination.

''(D) RETROSPECTIVE REVIEWS.—With respect to the retrospective review under a plan or issuer of a determination made under paragraph (2)(D), the plan or issuer shall issue written notice of an approval or disapproval of a determination under this subparagraph to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and health care provider involved within 5 working days of the date on which such determination is made.

''(E) REQUIREMENTS OF NOTICE OF ADVERSE COVERAGE DETERMINATIONS.—A written notice of an adverse coverage determination under this subsection, or of an expedited adverse coverage determination under paragraph (2)(B), shall be provided to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and treating health care professional (if any) involved and shall include—

''(i) the reasons for the determination (including the clinical or scientific-evidence based rationale used in making the determination) written in a manner to be understandable to the average participant or beneficiary;

''(ii) the procedures for obtaining additional information concerning the determination; and

''(iii) notification of the right to appeal the determination and instructions on how to initiate an appeal in accordance with subsection (d).

''(c) GRIEVANCES.—A group health plan or a health insurance issuer shall have written procedures for addressing grievances between the plan or issuer offering health insurance coverage in connection with a group health plan and a participant or beneficiary. Determinations under such procedures shall be non-appealable.

''(d) INTERNAL APPEAL OF COVERAGE DETERMINATIONS.—

''(1) RIGHT TO APPEAL.—

''(A) IN GENERAL.—A participant or beneficiary (or the authorized representative of the participant or beneficiary) or the treating health care professional with the consent of the participant or beneficiary (or the authorized representative of the participant or beneficiary), may appeal any adverse coverage determination under subsection (b) under the procedures described in this subsection.

''(B) TIME FOR APPEAL.—A plan or issuer shall ensure that a participant or beneficiary has a period of not less than 180 days beginning on the date of an adverse coverage determination under subsection (b) in which to appeal such determination under this subsection.

''(C) FAILURE TO ACT.—The failure of a plan or issuer to issue a determination under subsection (b) within the applicable timeline established for such a determination under such subsection shall be treated as an adverse coverage determination for purposes of proceeding to internal review under this subsection.

''(2) RECORDS.—A group health plan and a health insurance issuer shall maintain written records, for at least 6 years, with respect to any appeal under this subsection for purposes of internal quality assurance and improvement. Nothing in the preceding sentence shall be construed as preventing a plan and issuer from entering into an agreement under which the issuer agrees to assume responsibility for compliance with the requirements of this section and the plan is released from liability for such compliance.

''(3) ROUTINE DETERMINATIONS.—A group health plan or a health insurance issuer shall complete the consideration of an appeal of an adverse routine determination under this subsection not later than 30 working days after the date on which a request for such appeal is received.

''(4) EXPEDITED DETERMINATION.—

''(A) IN GENERAL.—An expedited determination with respect to an appeal under this subsection shall be made in accordance with the medical exigencies of the case, but in no case more than 72 hours after the request for such appeal is received by the plan or issuer under subparagraph (B) or (C).

''(B) REQUEST BY PARTICIPANT OR BENEFICIARY.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection upon the request of a participant or beneficiary if, based on such a request, the plan or issuer determines that the normal time for making such a determination could seriously jeopardize the life or health of the participant or beneficiary.

''(C) DOCUMENTATION BY HEALTH CARE PROFESSIONAL.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection if the request involved indicates that the treating health care professional has reasonably documented, based on the medical exigencies of the case that a determination under the procedures described in paragraph (2) could seriously jeopardize the life or health of the participant or beneficiary.

''(5) CONDUCT OF REVIEW.—A review of an adverse coverage determination under this subsection shall be conducted by an individual with appropriate expertise who was not directly involved in the initial determination.

''(6) LACK OF MEDICAL NECESSITY.—A review of an appeal under this subsection relating to a determination to deny coverage based on a lack of medical necessity and appropriateness, or based on an experimental or investigational treatment, shall be made only by a physician with appropriate expertise, including age-appropriate expertise, who was not involved in the initial determination.

''(7) NOTICE.—

''(A) IN GENERAL.—Written notice of a determination made under an internal review process shall be issued to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and the treating health care professional not later than 2 working days after the completion of the review (or within the 72-hour period referred to in paragraph (4) if applicable).

''(B) ADVERSE COVERAGE DETERMINATIONS.—With respect to an adverse coverage determination made under this subsection, the notice described in subparagraph (A) shall include—

''(i) the reasons for the determination (including the clinical or scientific-evidence based rationale used in making the determination) written in a manner to be understandable to the average participant or beneficiary;

''(ii) the procedures for obtaining additional information concerning the determination; and

''(iii) notification of the right to an independent external review under subsection (e) and instructions on how to initiate such a review.

''(e) INDEPENDENT EXTERNAL REVIEW.—

''(1) ACCESS TO REVIEW.—

''(A) IN GENERAL.—A group health plan or a health insurance issuer offering health insurance coverage in connection with a group health plan shall have written procedures to permit a participant or beneficiary (or the authorized representative of the participant or beneficiary) access to an independent external review with respect to an adverse coverage determination concerning a particular item or service (including a circumstance treated as an adverse coverage determination under subparagraph (B)) where—

''(i) the particular item or service involved—

''(I)(aa) would be a covered benefit, when medically necessary and appropriate under the terms and conditions of the plan, and the item or service has been determined not to be medically necessary and appropriate under the internal appeals process required under subsection (d) or there has been a failure to issue a coverage determination as described in subparagraph (B); and

''(bb)(AA) the amount of such item or service involved exceeds a significant financial threshold; or

''(BB) there is a significant risk of placing the life or health of the participant or beneficiary in jeopardy; or

''(II) would be a covered benefit, when not considered experimental or investigational under the terms and conditions of the plan, and the item or service has been determined to be experimental or investigational under the internal appeals process required under subsection (d) or there has been a failure to issue a coverage determination as described in subparagraph (B); and

''(ii) the participant or beneficiary has completed the internal appeals process under subsection (d) with respect to such determination.

''(B) FAILURE TO ACT.—The failure of a plan or issuer to issue a coverage determination under subsection (d)(6) within the applicable timeline established for such a determination under such subsection shall be treated as an adverse coverage determination for

purposes of proceeding to independent external review under this subsection.

''(2) INITIATION OF THE INDEPENDENT EXTERNAL REVIEW PROCESS.—

''(A) FILING OF REQUEST.—A participant or beneficiary (or the authorized representative of the participant or beneficiary) who desires to have an independent external review conducted under this subsection shall file a written request for such a review with the plan or issuer involved not later than 30 working days after the receipt of a final denial of a claim under subsection (d). Any such request shall include the consent of the participant or beneficiary (or the authorized representative of the participant or beneficiary) for the release of medical information and records to independent external reviewers regarding the participant or beneficiary.

''(B) TIMEFRAME FOR SELECTION OF APPEALS ENTITY.—Not later than 5 working days after the receipt of a request under subparagraph (A), or earlier in accordance with the medical exigencies of the case, the plan or issuer involved shall—

''(i) select an external appeals entity under paragraph (3)(A) that shall be responsible for designating an independent external reviewer under paragraph (3)(B); and

''(ii) provide notice of such selection to the participant or beneficiary (which shall include the name and address of the entity).

''(C) PROVISION OF INFORMATION.—Not later than 5 working days after the plan or issuer provides the notice required under subparagraph (B)(ii), or earlier in accordance with the medical exigencies of the case, the plan, issuer, participant, beneficiary or physician (of the participant or beneficiary) involved shall forward necessary information (including, only in the case of a plan or issuer, medical records, any relevant review criteria, the clinical rationale consistent with the terms and conditions of the contract between the plan or issuer and the participant or beneficiary for the coverage denial, and evidence of the coverage of the participant or beneficiary) to the qualified external appeals entity designated under paragraph (3)(A).

''(D) FOLLOW-UP WRITTEN NOTIFICATION.—The plan or issuer involved shall send a follow-up written notification, in a timely manner, to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and the plan administrator, indicating that an independent external review has been initiated.

''(3) CONDUCT OF INDEPENDENT EXTERNAL REVIEW.—

''(A) DESIGNATION OF EXTERNAL APPEALS ENTITY BY PLAN OR ISSUER.—

''(i) IN GENERAL.—A plan or issuer that receives a request for an independent external review under paragraph (2)(A) shall designate a qualified entity described in clause (ii), in a manner designed to ensure that the entity so designated will make a decision in an unbiased manner, to serve as the external appeals entity.

''(ii) QUALIFIED ENTITIES.—A qualified entity shall be—

''(I) an independent external review entity licensed or credentialed by a State;

''(II) a State agency established for the purpose of conducting independent external reviews;

''(III) any entity under contract with the Federal Government to provide independent external review services;

''(IV) any entity accredited as an independent external review entity by an accrediting body recognized by the Secretary for such purpose; or

''(V) any other entity meeting criteria established by the Secretary for purposes of this subparagraph.

''(B) DESIGNATION OF INDEPENDENT EXTERNAL REVIEWER BY EXTERNAL APPEALS ENTITY.—The external appeals entity designated under subparagraph (A) shall, not later than 30 days after the date on which such entity is designated under subparagraph (A), or earlier in accordance with the medical exigencies of the case, designate one or more individuals to serve as independent external reviewers with respect to a request received under paragraph (2)(A). Such reviewers shall be independent medical experts who shall—

''(i) be appropriately credentialed or licensed in any State to deliver health care services;

''(ii) not have any material, professional, familial, or financial affiliation with the case under review, the participant or beneficiary involved, the treating health care professional, the institution where the treatment would take place, or the manufacturer of any drug, device, procedure, or other therapy proposed for the participant or beneficiary whose treatment is under review;

''(iii) have expertise (including age-appropriate expertise) in the diagnosis or treatment under review and be a physician of the same specialty, when reasonably available, as the physician treating the participant or beneficiary or recommending or prescribing the treatment in question;

''(iv) receive only reasonable and customary compensation from the group health plan or health insurance issuer in connection with the independent external review that is not contingent on the decision rendered by the reviewer; and

''(v) not be held liable for decisions regarding medical determinations (but may be held liable for actions that are arbitrary and capricious).

''(4) STANDARD OF REVIEW.—

''(A) IN GENERAL.—An independent external reviewer shall—

''(i) make an independent determination based on the valid, relevant, scientific and clinical evidence to determine the medical necessity, appropriateness, experimental or investigational nature of the proposed treatment; and

''(ii) take into consideration appropriate and available information, including any evidence-based decision making or clinical practice guidelines used by the group health plan or health insurance issuer; timely evidence or information submitted by the plan, issuer, patient or patient's physician; the patient's medical record; expert consensus including both generally accepted medical practice and recognized best practice; medical literature as defined in section 556(5) of the Federal Food, Drug, and Cosmetic Act; the following standard reference compendia: The American Hospital Formulary Service-Drug Information, the American Dental Association Accepted Dental Therapeutics, and the United States Pharmacopoeia-Drug Information; and findings, studies, or research conducted by or under the auspices of Federal Government agencies and nationally recognized Federal research institutes including the Agency for Healthcare Research and Quality, National Institutes of Health, National Academy of Sciences, Health Care Financing Administration, and any national board recognized by the National Institutes of Health for the purposes of evaluating the medical value of health services.

''(B) NOTICE.—The plan or issuer involved shall ensure that the participant or beneficiary receives notice, within 30 days after the determination of the independent medical expert, regarding the actions of the plan or issuer with respect to the determination of such expert under the independent external review.

''(5) TIMEFRAME FOR REVIEW.—

''(A) IN GENERAL.—The independent external reviewer shall complete a review of an adverse coverage determination in accordance with the medical exigencies of the case.

''(B) EXPEDITED REVIEW.—Notwithstanding subparagraph (A), a review described in such subparagraph shall be completed not later than 72 hours after the later of—

''(i) the date on which such reviewer is designated; or

''(ii) the date on which all information necessary to completing such review is received; if the completion of such review in a period of time in excess of 72 hours would seriously jeopardize the life or health of the participant or beneficiary.

''(C) LIMITATION.—Notwithstanding subparagraph (A), and except as provided in subparagraph (B), a review described in subparagraph (A) shall be completed not later than 30 working days after the later of—

''(i) the date on which such reviewer is designated; or

''(ii) the date on which all information necessary to completing such review is received.

''(6) BINDING DETERMINATION AND ACCESS TO CARE.—

''(A) IN GENERAL.—The determination of an independent external reviewer under this subsection shall be binding upon the plan or issuer if the provisions of this subsection or the procedures implemented under such provisions were complied with by the independent external reviewer.

''(B) TIMETABLE FOR COMMENCEMENT OF CARE.—Where an independent external reviewer determines that the participant or beneficiary is entitled to coverage of the items or services that were the subject of the review, the reviewer shall establish a timeframe, in accordance with the medical exigencies of the case, during which the plan or issuer shall comply with the decision of the reviewer with respect to the coverage of such items or services under the terms and conditions of the plan.

''(C) FAILURE TO COMPLY.—If a plan or issuer fails to comply with the timeframe established under subparagraph (B) with respect to a participant or beneficiary, where such failure to comply is caused by the plan or issuer, the participant or beneficiary may obtain the items or services involved (in a manner consistent with the determination of the independent external reviewer) from any provider regardless of whether such provider is a participating provider under the plan or coverage.

''(D) REIMBURSEMENT.—

''(i) IN GENERAL.—Where a participant or beneficiary obtains items or services in accordance with subparagraph (C), the plan or issuer involved shall provide for reimbursement of the costs of such items of services. Such reimbursement shall be made to the treating provider or to the participant or beneficiary (in the case of a participant or beneficiary who pays for the costs of such items or services).

''(ii) AMOUNT.—The plan or issuer shall fully reimburse a provider, participant or beneficiary under clause (i) for the total costs of the items or services provided (regardless of any plan limitations that may apply to the coverage of such items of services) so long as—

''(I) the items or services would have been covered under the terms of the plan or coverage if provided by the plan or issuer; and

''(II) the items or services were provided in a manner consistent with the determination of the independent external reviewer.

''(E) FAILURE TO REIMBURSE.—Where a plan or issuer fails to provide reimbursement to a provider, participant or beneficiary in accordance with this paragraph, the provider, participant or beneficiary may commence a

civil action (or utilize other remedies available under law) to recover only the amount of any such reimbursement that is unpaid and any necessary legal costs or expenses (including attorneys' fees) incurred in recovering such reimbursement.

''(7) STUDY.—Not later than 2 years after the date of enactment of this section, the General Accounting Office shall conduct a study of a statistically appropriate sample of completed independent external reviews. Such study shall include an assessment of the process involved during an independent external review and the basis of decision-making by the independent external reviewer. The results of such study shall be submitted to the appropriate committees of Congress.

''(8) EFFECT ON CERTAIN PROVISIONS.—Nothing in this section shall be construed as affecting or modifying section 514 of this Act with respect to a group health plan.

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit a plan administrator or plan fiduciary or health plan medical director from requesting an independent external review by an independent external reviewer without first completing the internal review process.

''(g) DEFINITIONS.—In this section:

''(1) ADVERSE COVERAGE DETERMINATION.—The term 'adverse coverage determination' means a coverage determination under the plan which results in a denial of coverage or reimbursement.

''(2) COVERAGE DETERMINATION.—The term 'coverage determination' means with respect to items and services for which coverage may be provided under a health plan, a determination of whether or not such items and services are covered or reimbursable under the coverage and terms of the contract.

''(3) GRIEVANCE.—The term 'grievance' means any complaint made by a participant or beneficiary that does not involve a coverage determination.

''(4) GROUP HEALTH PLAN.—The term 'group health plan' shall have the meaning given such term in section 733(a). In applying this paragraph, excepted benefits described in section 733(c) shall not be treated as benefits consisting of medical care.

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term in section 733(b)(1). In applying this paragraph, excepted benefits described in section 733(c) shall not be treated as benefits consisting of medical care.

''(6) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning given such term in section 733(b)(2).

''(7) PRIOR AUTHORIZATION DETERMINATION.—The term 'prior authorization determination' means a coverage determination prior to the provision of the items and services as a condition of coverage of the items and services under the coverage.

''(8) TREATING HEALTH CARE PROFESSIONAL.—The term 'treating health care professional' with respect to a group health plan, health insurance issuer or provider sponsored organization means a physician (medical doctor or doctor of osteopathy) or other health care practitioner who is acting within the scope of his or her State licensure or certification for the delivery of health care services and who is primarily responsible for delivering those services to the participant or beneficiary.

''(9) UTILIZATION REVIEW.—The term 'utilization review' with respect to a group health plan or health insurance coverage means a set of formal techniques designed to monitor the use of, or evaluate the clinical necessity, appropriateness, efficacy, or efficiency of, health care services, procedures, or settings. Techniques may include ambulatory review, prospective review, second opinion, certification, concurrent review, case management, discharge planning or retrospective review.''.

(b) ENFORCEMENT.—Section 502(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(c)) is amended by adding at the end the following:

''(8) The Secretary may assess a civil penalty against any plan of up to $10,000 for the plan's failure or refusal to comply with any timeline applicable under section 503(e) or any determination under such section, except that in any case in which treatment was not commenced by the plan in accordance with the determination of an independent external reviewer, the Secretary shall assess a civil penalty of $10,000 against the plan and the plan shall pay such penalty to the participant or beneficiary involved.''.

(c) CONFORMING AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by striking the item relating to section 503 and inserting the following new item:

''Sec. 503. Claims procedures, coverage determination, grievances and appeals.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning on or after 1 year after the date of enactment of this Act. The Secretary shall issue all regulations necessary to carry out the amendments made by this section before the effective date thereof.

TITLE II—WOMEN'S HEALTH AND CANCER RIGHTS

SEC. 201. WOMEN'S HEALTH AND CANCER RIGHTS.

(a) SHORT TITLE.—This section may be cited as the ''Women's Health and Cancer Rights Act of 1999''.

(b) FINDINGS.—Congress finds that—

(1) the offering and operation of health plans affect commerce among the States;

(2) health care providers located in a State serve patients who reside in the State and patients who reside in other States; and

(3) in order to provide for uniform treatment of health care providers and patients among the States, it is necessary to cover health plans operating in 1 State as well as health plans operating among the several States.

(c) AMENDMENTS TO ERISA.—

(1) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, as amended by section 111(a), is further amended by adding at the end the following:

''SEC. 715. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR SECONDARY CONSULTATIONS.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate following—

''(A) a mastectomy;

''(B) a lumpectomy; or

''(C) a lymph node dissection for the treatment of breast cancer.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

''(b) PROHIBITION ON CERTAIN MODIFICATIONS.—In implementing the requirements of this section, a group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not modify the terms and conditions of coverage based on the determination by a participant or beneficiary to request less than the minimum coverage required under subsection (a).

''(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

''(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 2000;

whichever is earlier.

''(d) SECONDARY CONSULTATIONS.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides coverage with respect to medical and surgical services provided in relation to the diagnosis and treatment of cancer shall ensure that full coverage is provided for secondary consultations by specialists in the appropriate medical fields (including pathology, radiology, and oncology) to confirm or refute such diagnosis. Such plan or issuer shall ensure that full coverage is provided for such secondary consultation whether such consultation is based on a positive or negative initial diagnosis. In any case in which the attending physician certifies in writing that services necessary for such a secondary consultation are not sufficiently available from specialists operating under the plan with respect to whose services coverage is otherwise provided under such plan or by such issuer, such plan or issuer shall ensure that coverage is provided with respect to the services necessary for the secondary consultation with any other specialist selected by the attending physician for such purpose at no additional cost to the individual beyond that which the individual would have paid if the specialist was participating in the network of the plan.

''(2) EXCEPTION.—Nothing in paragraph (1) shall be construed as requiring the provision of secondary consultations where the patient determines not to seek such a consultation.

''(e) PROHIBITION ON PENALTIES OR INCENTIVES.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

''(1) penalize or otherwise reduce or limit the reimbursement of a provider or specialist because the provider or specialist provided care to a participant or beneficiary in accordance with this section;

''(2) provide financial or other incentives to a physician or specialist to induce the physician or specialist to keep the length of inpatient stays of patients following a mastectomy, lumpectomy, or a lymph node dissection for the treatment of breast cancer below certain limits or to limit referrals for secondary consultations; or

''(3) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a participant or beneficiary for a secondary consultation that would otherwise be

covered by the plan or coverage involved under subsection (d).''.

(2) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 714 the following new item:

''Sec. 715. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for secondary consultations.''.

(d) AMENDMENTS TO PHSA RELATING TO THE GROUP MARKET.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-4 et seq.) is amended by adding at the end the following new section:

''SEC. 2707. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR SECONDARY CONSULTATIONS.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate following—

''(A) a mastectomy;

''(B) a lumpectomy; or

''(C) a lymph node dissection for the treatment of breast cancer.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

''(b) PROHIBITION ON CERTAIN MODIFICATIONS.—In implementing the requirements of this section, a group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not modify the terms and conditions of coverage based on the determination by a participant or beneficiary to request less than the minimum coverage required under subsection (a).

''(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

''(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 2000;

whichever is earlier.

''(d) SECONDARY CONSULTATIONS.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan that provides coverage with respect to medical and surgical services provided in relation to the diagnosis and treatment of cancer shall ensure that full coverage is provided for secondary consultations by specialists in the appropriate medical fields (including pathology, radiology, and oncology) to confirm or refute such diagnosis. Such plan or issuer shall ensure that full coverage is provided for such secondary consultation whether such consultation is based on a positive or negative initial diagnosis. In any case in which the attending physician certifies in writing that services necessary for such a secondary consultation are not sufficiently available from specialists operating under the plan with respect to whose services coverage is otherwise provided under such plan or by such issuer, such plan or issuer shall ensure that coverage is provided with respect to the services necessary for the secondary consultation with any other specialist selected by the attending physician for such purpose at no additional cost to the individual beyond that which the individual would have paid if the specialist was participating in the network of the plan.

''(2) EXCEPTION.—Nothing in paragraph (1) shall be construed as requiring the provision of secondary consultations where the patient determines not to seek such a consultation.

''(e) PROHIBITION ON PENALTIES OR INCENTIVES.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

''(1) penalize or otherwise reduce or limit the reimbursement of a provider or specialist because the provider or specialist provided care to a participant or beneficiary in accordance with this section;

''(2) provide financial or other incentives to a physician or specialist to induce the physician or specialist to keep the length of inpatient stays of patients following a mastectomy, lumpectomy, or a lymph node dissection for the treatment of breast cancer below certain limits or to limit referrals for secondary consultations; or

''(3) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a participant or beneficiary for a secondary consultation that would otherwise be covered by the plan or coverage involved under subsection (d).''.

(e) AMENDMENTS TO PHSA RELATING TO THE INDIVIDUAL MARKET.—The first subpart 3 of part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–51 et seq.) (relating to other requirements) (42 U.S.C. 300gg-51 et seq.) is amended—

(1) by redesignating such subpart as subpart 2; and

(2) by adding at the end the following:

''SEC. 2753. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND SECONDARY CONSULTATIONS.

''The provisions of section 2707 shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.''.

(f) AMENDMENTS TO THE IRC.—

(1) IN GENERAL.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986, as amended by section 111(b), is further amended by inserting after section 9813 the following:

''SEC. 9814. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR SECONDARY CONSULTATIONS.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate following—

''(A) a mastectomy;

''(B) a lumpectomy; or

''(C) a lymph node dissection for the treatment of breast cancer.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

''(b) PROHIBITION ON CERTAIN MODIFICATIONS.—In implementing the requirements of this section, a group health plan may not modify the terms and conditions of coverage based on the determination by a participant or beneficiary to request less than the minimum coverage required under subsection (a).

''(c) NOTICE.—A group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan and shall be transmitted—

''(1) in the next mailing made by the plan to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 2000;

whichever is earlier.

''(d) SECONDARY CONSULTATIONS.—

''(1) IN GENERAL.—A group health plan that provides coverage with respect to medical and surgical services provided in relation to the diagnosis and treatment of cancer shall ensure that full coverage is provided for secondary consultations by specialists in the appropriate medical fields (including pathology, radiology, and oncology) to confirm or refute such diagnosis. Such plan or issuer shall ensure that full coverage is provided for such secondary consultation whether such consultation is based on a positive or negative initial diagnosis. In any case in which the attending physician certifies in writing that services necessary for such a secondary consultation are not sufficiently available from specialists operating under the plan with respect to whose services coverage is otherwise provided under such plan or by such issuer, such plan or issuer shall ensure that coverage is provided with respect to the services necessary for the secondary consultation with any other specialist selected by the attending physician for such purpose at no additional cost to the individual beyond that which the individual would have paid if the specialist was participating in the network of the plan.

''(2) EXCEPTION.—Nothing in paragraph (1) shall be construed as requiring the provision of secondary consultations where the patient determines not to seek such a consultation.

''(e) PROHIBITION ON PENALTIES.—A group health plan may not—

''(1) penalize or otherwise reduce or limit the reimbursement of a provider or specialist because the provider or specialist provided care to a participant or beneficiary in accordance with this section;

''(2) provide financial or other incentives to a physician or specialist to induce the physician or specialist to keep the length of inpatient stays of patients following a mastectomy, lumpectomy, or a lymph node dissection for the treatment of breast cancer below certain limits or to limit referrals for secondary consultations; or

''(3) provide financial or other incentives to a physician or specialist to induce the

physician or specialist to refrain from referring a participant or beneficiary for a secondary consultation that would otherwise be covered by the plan involved under subsection (d).''.

(2) CLERICAL AMENDMENT.—The table of contents for chapter 100 of such Code is amended by inserting after the item relating to section 9813 the following new item:

''Sec. 9814. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for secondary consultations.''.

TITLE III—GENETIC INFORMATION AND SERVICES

SEC. 301. SHORT TITLE.

This title may be cited as the ''Genetic Information Nondiscrimination in Health Insurance Act of 1999''.

SEC. 302. AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF GENETIC INFORMATION OR GENETIC SERVICES.—

(1) NO ENROLLMENT RESTRICTION FOR GENETIC SERVICES.—Section 702(a)(1)(F) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182(a)(1)(F)) is amended by inserting before the period the following: ''(including information about a request for or receipt of genetic services)''.

(2) NO DISCRIMINATION IN GROUP PREMIUMS BASED ON PREDICTIVE GENETIC INFORMATION.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, as amended by sections 111(a) and 201, is further amended by adding at the end the following:

''SEC. 716. PROHIBITING PREMIUM DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.

''A group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan, shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning any individual (including a dependent) or family member of the individual (including information about a request for or receipt of genetic services).''.

(3) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 702(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182(b)) is amended by adding at the end the following:

''(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or receipt of genetic services), see section 716.''.

(B) TABLE OF CONTENTS.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974, as amended by sections 111(a) and 201, is further amended by inserting after the item relating to section 715 the following new item:

''Sec. 716. Prohibiting premium discrimination against groups on the basis of predictive genetic information.''.

(b) LIMITATION ON COLLECTION OF PREDICTIVE GENETIC INFORMATION.—Section 702 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182) is amended by adding at the end the following:

''(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

''(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall not request or require predictive genetic information concerning any individual (including a dependent) or family member of the individual (including information about a request for or receipt of genetic services).

''(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

''(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in subsection (d), of such predictive genetic information.

''(d) CONFIDENTIALITY WITH RESPECT TO PREDICTIVE GENETIC INFORMATION.—

''(1) NOTICE OF CONFIDENTIALITY PRACTICES.—

''(A) PREPARATION OF WRITTEN NOTICE.—A group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall post or provide, in writing and in a clear and conspicuous manner, notice of the plan or issuer's confidentiality practices, that shall include—

''(i) a description of an individual's rights with respect to predictive genetic information;

''(ii) the procedures established by the plan or issuer for the exercise of the individual's rights; and

''(iii) the right to obtain a copy of the notice of the confidentiality practices required under this subsection.

''(B) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for public comment, shall develop and disseminate model notices of confidentiality practices. Use of the model notice shall serve as a defense against claims of receiving inappropriate notice.

''(2) ESTABLISHMENT OF SAFEGUARDS.—A group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality, security, accuracy, and integrity of predictive genetic information created, received, obtained, maintained, used, transmitted, or disposed of by such plan or issuer.''.

(c) DEFINITIONS.—Section 733(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191b(d)) is amended by adding at the end the following:

''(5) FAMILY MEMBER.—The term 'family member' means with respect to an individual—

''(A) the spouse of the individual;

''(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

''(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

''(6) GENETIC INFORMATION.—The term 'genetic information' means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member (including information about a request for or receipt of genetic services).

''(7) GENETIC SERVICES.—The term 'genetic services' means health services provided to obtain, assess, or interpret genetic information for diagnostic and therapeutic purposes, and for genetic education and counseling.

''(8) PREDICTIVE GENETIC INFORMATION.—

''(A) IN GENERAL.—The term 'predictive genetic information' means, in the absence of symptoms, clinical signs, or a diagnosis of the condition related to such information—

''(i) information about an individual's genetic tests;

''(ii) information about genetic tests of family members of the individual; or

''(iii) information about the occurrence of a disease or disorder in family members.

''(B) EXCEPTIONS.—The term 'predictive genetic information' shall not include—

''(i) information about the sex or age of the individual;

''(ii) information derived from physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests; and

''(iii) information about physical exams of the individual.

''(9) GENETIC TEST.—The term 'genetic test' means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, including analysis of genotypes, mutations, phenotypes, or karyotypes, for the purpose of predicting risk of disease in asymptomatic or undiagnosed individuals. Such term does not include physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests, and physical exams of the individual, in order to detect symptoms, clinical signs, or a diagnosis of disease.''.

(d) EFFECTIVE DATE.—Except as provided in this section, this section and the amendments made by this section shall apply with respect to group health plans for plan years beginning 1 year after the date of the enactment of this Act.

SEC. 303. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.

(a) AMENDMENTS RELATING TO THE GROUP MARKET.—

(1) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF GENETIC INFORMATION IN THE GROUP MARKET.—

(A) NO ENROLLMENT RESTRICTION FOR GENETIC SERVICES.—Section 2702(a)(1)(F) of the Public Health Service Act (42 U.S.C. 300gg–1(a)(1)(F)) is amended by inserting before the period the following: ''(including information about a request for or receipt of genetic services)''.

(B) NO DISCRIMINATION IN PREMIUMS BASED ON PREDICTIVE GENETIC INFORMATION.—Subpart 2 of part A of title XXVII of the Public Health Service Act, as amended by section 201, is further amended by adding at the end the following new section:

''SEC. 2708. PROHIBITING PREMIUM DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION IN THE GROUP MARKET.

''A group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning any individual (including a dependent) or family

member of the individual (including information about a request for or receipt of genetic services).''.

(C) CONFORMING AMENDMENT.—Section 2702(b) of the Public Health Service Act (42 U.S.C. 300gg–1(b)) is amended by adding at the end the following:

''(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or receipt of genetic services), see section 2708.''.

(D) LIMITATION ON COLLECTION AND DISCLOSURE OF PREDICTIVE GENETIC INFORMATION.—Section 2702 of the Public Health Service Act (42 U.S.C. 300gg–1) is amended by adding at the end the following:

''(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

''(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall not request or require predictive genetic information concerning any individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).

''(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

''(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in subsection (d), of such predictive genetic information.

''(d) CONFIDENTIALITY WITH RESPECT TO PREDICTIVE GENETIC INFORMATION.—

''(1) NOTICE OF CONFIDENTIALITY PRACTICES.—

''(A) PREPARATION OF WRITTEN NOTICE.—A group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall post or provide, in writing and in a clear and conspicuous manner, notice of the plan or issuer's confidentiality practices, that shall include—

''(i) a description of an individual's rights with respect to predictive genetic information;

''(ii) the procedures established by the plan or issuer for the exercise of the individual's rights; and

''(iii) the right to obtain a copy of the notice of the confidentiality practices required under this subsection.

''(B) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for public comment, shall develop and disseminate model notices of confidentiality practices. Use of the model notice shall serve as a defense against claims of receiving inappropriate notice.

''(2) ESTABLISHMENT OF SAFEGUARDS.—A group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality, security, accuracy, and integrity of predictive genetic information created, received, obtained, maintained, used, transmitted, or disposed of by such plan or issuer.''.

(2) DEFINITIONS.—Section 2791(d) of the Public Health Service Act (42 U.S.C. 300gg–91(d)) is amended by adding at the end the following:

''(15) FAMILY MEMBER.—The term 'family member' means, with respect to an individual—

''(A) the spouse of the individual;

''(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

''(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

''(16) GENETIC INFORMATION.—The term 'genetic information' means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member (including information about a request for or receipt of genetic services).

''(17) GENETIC SERVICES.—The term 'genetic services' means health services provided to obtain, assess, or interpret genetic information for diagnostic and therapeutic purposes, and for genetic education and counseling.

''(18) PREDICTIVE GENETIC INFORMATION.—

''(A) IN GENERAL.—The term 'predictive genetic information' means, in the absence of symptoms, clinical signs, or a diagnosis of the condition related to such information—

''(i) information about an individual's genetic tests;

''(ii) information about genetic tests of family members of the individual; or

''(iii) information about the occurrence of a disease or disorder in family members.

''(B) EXCEPTIONS.—The term 'predictive genetic information' shall not include—

''(i) information about the sex or age of the individual;

''(ii) information derived from physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests; and

''(iii) information about physical exams of the individual.

''(19) GENETIC TEST.—The term 'genetic test' means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, including analysis of genotypes, mutations, phenotypes, or karyotypes, for the purpose of predicting risk of disease in asymptomatic or undiagnosed individuals. Such term does not include physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests, and physical exams of the individual, in order to detect symptoms, clinical signs, or a diagnosis of disease.''.

(b) AMENDMENT RELATING TO THE INDIVIDUAL MARKET.—Subpart 2 of part B of title XXVII of the Public Health Service Act, as amended by section 201, is further amended by adding at the end the following new section:

''SEC. 2754. PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.

''(a) PROHIBITION ON PREDICTIVE GENETIC INFORMATION AS A CONDITION OF ELIGIBILITY.—A health insurance issuer offering health insurance coverage in the individual market may not use predictive genetic information as a condition of eligibility of an individual to enroll in individual health insurance coverage (including information about a request for or receipt of genetic services).

''(b) PROHIBITION ON PREDICTIVE GENETIC INFORMATION IN SETTING PREMIUM RATES.—A health insurance issuer offering health insurance coverage in the individual market shall not adjust premium rates for individuals on the basis of predictive genetic information concerning such an individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).

''(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

''(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a health insurance issuer offering health insurance coverage in the individual market shall not request or require predictive genetic information concerning any individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).

''(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a health insurance issuer offering health insurance coverage in the individual market that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

''(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the health insurance issuer offering health insurance coverage in the individual market shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in subsection (d), of such predictive genetic information.

''(d) CONFIDENTIALITY WITH RESPECT TO PREDICTIVE GENETIC INFORMATION.—

''(1) NOTICE OF CONFIDENTIALITY PRACTICES.—

''(A) PREPARATION OF WRITTEN NOTICE.—A health insurance issuer offering health insurance coverage in the individual market shall post or provide, in writing and in a clear and conspicuous manner, notice of the issuer's confidentiality practices, that shall include—

''(i) a description of an individual's rights with respect to predictive genetic information;

''(ii) the procedures established by the issuer for the exercise of the individual's rights; and

''(iii) the right to obtain a copy of the notice of the confidentiality practices required under this subsection.

''(B) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for public comment, shall develop and disseminate model notices of confidentiality practices. Use of the model notice shall serve as a defense against claims of receiving inappropriate notice.

''(2) ESTABLISHMENT OF SAFEGUARDS.—A health insurance issuer offering health insurance coverage in the individual market shall establish and maintain appropriate administrative, technical, and physical safeguards to

protect the confidentiality, security, accuracy, and integrity of predictive genetic information created, received, obtained, maintained, used, transmitted, or disposed of by such issuer.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to—

(1) group health plans, and health insurance coverage offered in connection with group health plans, for plan years beginning after 1 year after the date of enactment of this Act; and

(2) health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market after 1 year after the date of enactment of this Act.

SEC. 304. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

(a) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF GENETIC INFORMATION OR GENETIC SERVICES.—

(1) NO ENROLLMENT RESTRICTION FOR GENETIC SERVICES.—Section 9802(a)(1)(F) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: ''(including information about a request for or receipt of genetic services)''.

(2) NO DISCRIMINATION IN GROUP PREMIUMS BASED ON PREDICTIVE GENETIC INFORMATION.—

(A) IN GENERAL.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986, as amended by sections 111(b) and 201, is further amended by adding at the end the following:

''SEC. 9815. PROHIBITING PREMIUM DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.

''A group health plan shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning any individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).''.

(B) CONFORMING AMENDMENT.—Section 9802(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or the receipt of genetic services), see section 9815.''.

(C) AMENDMENT TO TABLE OF SECTIONS.—The table of sections for subchapter B of chapter 100 of the Internal Revenue Code of 1986, as amended by sections 111(b) and 201, is further amended by adding at the end the following:

''Sec. 9816. Prohibiting premium discrimination against groups on the basis of predictive genetic information.''.

(b) LIMITATION ON COLLECTION OF PREDICTIVE GENETIC INFORMATION.—Section 9802 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(d) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

''(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan shall not request or require predictive genetic information concerning any individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).

''(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

''(B) NOTICE OF CONFIDENTIALITY PRACTICES; DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in subsection (e), of such predictive genetic information.

''(e) CONFIDENTIALITY WITH RESPECT TO PREDICTIVE GENETIC INFORMATION.—

''(1) NOTICE OF CONFIDENTIALITY PRACTICES.—

''(A) PREPARATION OF WRITTEN NOTICE.—A group health plan shall post or provide, in writing and in a clear and conspicuous manner, notice of the plan's confidentiality practices, that shall include—

''(i) a description of an individual's rights with respect to predictive genetic information;

''(ii) the procedures established by the plan for the exercise of the individual's rights; and

''(iii) the right to obtain a copy of the notice of the confidentiality practices required under this subsection.

''(B) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for public comment, shall develop and disseminate model notices of confidentiality practices. Use of the model notice shall serve as a defense against claims of receiving inappropriate notice.

''(2) ESTABLISHMENT OF SAFEGUARDS.—A group health plan shall establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality, security, accuracy, and integrity of predictive genetic information created, received, obtained, maintained, used, transmitted, or disposed of by such plan.''.

(c) DEFINITIONS.—Section 9832(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(6) FAMILY MEMBER.—The term 'family member' means, with respect to an individual—

''(A) the spouse of the individual;

''(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

''(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

''(7) GENETIC INFORMATION.—The term 'genetic information' means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member (including information about a request for or receipt of genetic services).

''(8) GENETIC SERVICES.—The term 'genetic services' means health services provided to obtain, assess, or interpret genetic information for diagnostic and therapeutic purposes, and for genetic education and counseling.

''(9) PREDICTIVE GENETIC INFORMATION.—

''(A) IN GENERAL.—The term 'predictive genetic information' means, in the absence of symptoms, clinical signs, or a diagnosis of the condition related to such information—

''(i) information about an individual's genetic tests;

''(ii) information about genetic tests of family members of the individual; or

''(iii) information about the occurrence of a disease or disorder in family members.

''(B) EXCEPTIONS.—The term 'predictive genetic information' shall not include—

''(i) information about the sex or age of the individual;

''(ii) information derived from physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests; and

''(iii) information about physical exams of the individual.

''(10) GENETIC TEST.—The term 'genetic test' means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, including analysis of genotypes, mutations, phenotypes, or karyotypes, for the purpose of predicting risk of disease in asymptomatic or undiagnosed individuals. Such term does not include physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests, and physical exams of the individual, in order to detect symptoms, clinical signs, or a diagnosis of disease.''.

(d) EFFECTIVE DATE.—Except as provided in this section, this section and the amendments made by this section shall apply with respect to group health plans for plan years beginning after 1 year after the date of the enactment of this Act.

TITLE IV—HEALTHCARE RESEARCH AND QUALITY

SEC. 401. SHORT TITLE.

This title may be cited as the ''Healthcare Research and Quality Act of 1999''.

SEC. 402. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT.

Title IX of the Public Health Service Act (42 U.S.C. 299 et seq.) is amended to read as follows:

''TITLE IX—AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

''PART A—ESTABLISHMENT AND GENERAL DUTIES

''SEC. 901. MISSION AND DUTIES.

''(a) IN GENERAL.—There is established within the Public Health Service an agency to be known as the Agency for Healthcare Research and Quality. In carrying out this subsection, the Secretary shall redesignate the Agency for Health Care Policy and Research as the Agency for Healthcare Research and Quality.

''(b) MISSION.—The purpose of the Agency is to enhance the quality, appropriateness, and effectiveness of healthcare services, and access to such services, through the establishment of a broad base of scientific research and through the promotion of improvements in clinical and health system practices, including the prevention of diseases and other health conditions. The Agency shall promote healthcare quality improvement by—

''(1) conducting and supporting research that develops and presents scientific evidence regarding all aspects of healthcare, including—

''(A) the development and assessment of methods for enhancing patient participation in their own care and for facilitating shared patient-physician decision-making;

''(B) the outcomes, effectiveness, and cost-effectiveness of healthcare practices, including preventive measures and long-term care;

''(C) existing and innovative technologies;

''(D) the costs and utilization of, and access to healthcare;

''(E) the ways in which healthcare services are organized, delivered, and financed and the interaction and impact of these factors on the quality of patient care;

''(F) methods for measuring quality and strategies for improving quality; and

''(G) ways in which patients, consumers, purchasers, and practitioners acquire new information about best practices and health

benefits, the determinants and impact of their use of this information;

''(2) synthesizing and disseminating available scientific evidence for use by patients, consumers, practitioners, providers, purchasers, policy makers, and educators; and

''(3) advancing private and public efforts to improve healthcare quality.

''(c) REQUIREMENTS WITH RESPECT TO RURAL AREAS AND PRIORITY POPULATIONS.—In carrying out subsection (b), the Director shall undertake and support research, demonstration projects, and evaluations with respect to the delivery of health services—

''(1) in rural areas (including frontier areas);

''(2) for low-income groups, and minority groups;

''(3) for children;

''(4) for elderly; and

''(5) for people with special healthcare needs, including disabilities, chronic care and end-of-life healthcare.

''(d) APPOINTMENT OF DIRECTOR.—There shall be at the head of the Agency an official to be known as the Director for Healthcare Research and Quality. The Director shall be appointed by the Secretary. The Secretary, acting through the Director, shall carry out the authorities and duties established in this title.

''SEC. 902. GENERAL AUTHORITIES.

''(a) IN GENERAL.—In carrying out section 901(b), the Director shall support demonstration projects, conduct and support research, evaluations, training, research networks, multi-disciplinary centers, technical assistance, and the dissemination of information, on healthcare, and on systems for the delivery of such care, including activities with respect to—

''(1) the quality, effectiveness, efficiency, appropriateness and value of healthcare services;

''(2) quality measurement and improvement;

''(3) the outcomes, cost, cost-effectiveness, and use of healthcare services and access to such services;

''(4) clinical practice, including primary care and practice-oriented research;

''(5) healthcare technologies, facilities, and equipment;

''(6) healthcare costs, productivity, organization, and market forces;

''(7) health promotion and disease prevention, including clinical preventive services;

''(8) health statistics, surveys, database development, and epidemiology; and

''(9) medical liability.

''(b) HEALTH SERVICES TRAINING GRANTS.—

''(1) IN GENERAL.—The Director may provide training grants in the field of health services research related to activities authorized under subsection (a), to include pre- and post-doctoral fellowships and training programs, young investigator awards, and other programs and activities as appropriate. In carrying out this subsection, the Director shall make use of funds made available under section 487 as well as other appropriated funds.

''(2) REQUIREMENTS.—In developing priorities for the allocation of training funds under this subsection, the Director shall take into consideration shortages in the number of trained researchers addressing the priority populations.

''(c) MULTIDISCIPLINARY CENTERS.—The Director may provide financial assistance to assist in meeting the costs of planning and establishing new centers, and operating existing and new centers, for multidisciplinary health services research, demonstration projects, evaluations, training, and policy analysis with respect to the matters referred to in subsection (a).

''(d) RELATION TO CERTAIN AUTHORITIES REGARDING SOCIAL SECURITY.—Activities authorized in this section shall be appropriately coordinated with experiments, demonstration projects, and other related activities authorized by the Social Security Act and the Social Security Amendments of 1967. Activities under subsection (a)(2) of this section that affect the programs under titles XVIII, XIX and XXI of the Social Security Act shall be carried out consistent with section 1142 of such Act.

''(e) DISCLAIMER.—The Agency shall not mandate national standards of clinical practice or quality healthcare standards. Recommendations resulting from projects funded and published by the Agency shall include a corresponding disclaimer.

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to imply that the Agency's role is to mandate a national standard or specific approach to quality measurement and reporting. In research and quality improvement activities, the Agency shall consider a wide range of choices, providers, healthcare delivery systems, and individual preferences.

''PART B—HEALTHCARE IMPROVEMENT RESEARCH

''SEC. 911. HEALTHCARE OUTCOME IMPROVEMENT RESEARCH.

''(a) EVIDENCE RATING SYSTEMS.—In collaboration with experts from the public and private sector, the Agency shall identify and disseminate methods or systems that it uses to assess healthcare research results, particularly methods or systems that it uses to rate the strength of the scientific evidence behind healthcare practice, recommendations in the research literature, and technology assessments. The Agency shall make methods and systems for evidence rating widely available. Agency publications containing healthcare recommendations shall indicate the level of substantiating evidence using such methods or systems.

''(b) HEALTHCARE IMPROVEMENT RESEARCH CENTERS AND PROVIDER-BASED RESEARCH NETWORKS.—In order to address the full continuum of care and outcomes research, to link research to practice improvement, and to speed the dissemination of research findings to community practice settings, the Agency shall employ research strategies and mechanisms that will link research directly with clinical practice in geographically diverse locations throughout the United States, including—

''(1) Healthcare Improvement Research Centers that combine demonstrated multidisciplinary expertise in outcomes or quality improvement research with linkages to relevant sites of care;

''(2) Provider-based Research Networks, including plan, facility, or delivery system sites of care (especially primary care), that can evaluate and promote quality improvement; and

''(3) other innovative mechanisms or strategies to link research with clinical practice.

''SEC. 912. PRIVATE-PUBLIC PARTNERSHIPS TO IMPROVE ORGANIZATION AND DELIVERY.

''(a) SUPPORT FOR EFFORTS TO DEVELOP INFORMATION ON QUALITY.—

''(1) SCIENTIFIC AND TECHNICAL SUPPORT.—In its role as the principal agency for healthcare research and quality, the Agency may provide scientific and technical support for private and public efforts to improve healthcare quality, including the activities of accrediting organizations.

''(2) ROLE OF THE AGENCY.—With respect to paragraph (1), the role of the Agency shall include—

''(A) the identification and assessment of methods for the evaluation of the health of—

''(i) enrollees in health plans by type of plan, provider, and provider arrangements; and

''(ii) other populations, including those receiving long-term care services;

''(B) the ongoing development, testing, and dissemination of quality measures, including measures of health and functional outcomes;

''(C) the compilation and dissemination of healthcare quality measures developed in the private and public sector;

''(D) assistance in the development of improved healthcare information systems;

''(E) the development of survey tools for the purpose of measuring participant and beneficiary assessments of their healthcare; and

''(F) identifying and disseminating information on mechanisms for the integration of information on quality into purchaser and consumer decision-making processes.

''(b) CENTERS FOR EDUCATION AND RESEARCH ON THERAPEUTICS.—

''(1) IN GENERAL.—The Secretary, acting through the Director and in consultation with the Commissioner of Food and Drugs, shall establish a program for the purpose of making one or more grants for the establishment and operation of one or more centers to carry out the activities specified in paragraph (2).

''(2) REQUIRED ACTIVITIES.—The activities referred to in this paragraph are the following:

''(A) The conduct of state-of-the-art clinical, laboratory, or health services research for the following purposes:

''(i) To increase awareness of—

''(I) new uses of drugs, biological products, and devices;

''(II) ways to improve the effective use of drugs, biological products, and devices; and

''(III) risks of new uses and risks of combinations of drugs and biological products.

''(ii) To provide objective clinical information to the following individuals and entities:

''(I) Healthcare practitioners and other providers of healthcare goods or services.

''(II) Pharmacists, pharmacy benefit managers and purchasers.

''(III) Health maintenance organizations and other managed healthcare organizations.

''(IV) Healthcare insurers and governmental agencies.

''(V) Patients and consumers.

''(iii) To improve the quality of healthcare while reducing the cost of Healthcare through—

''(I) an increase in the appropriate use of drugs, biological products, or devices; and

''(II) the prevention of adverse effects of drugs, biological products, and devices and the consequences of such effects, such as unnecessary hospitalizations.

''(B) The conduct of research on the comparative effectiveness, cost-effectiveness, and safety of drugs, biological products, and devices.

''(C) Such other activities as the Secretary determines to be appropriate, except that grant funds may not be used by the Secretary in conducting regulatory review of new drugs.

''(c) REDUCING ERRORS IN MEDICINE.—The Director shall conduct and support research and build private-public partnerships to—

''(1) identify the causes of preventable healthcare errors and patient injury in healthcare delivery;

''(2) develop, demonstrate, and evaluate strategies for reducing errors and improving patient safety; and

''(3) promote the implementation of effective strategies throughout the healthcare industry.

"SEC. 913. INFORMATION ON QUALITY AND COST OF CARE.

''(a) IN GENERAL.—In carrying out 902(a), the Director shall—

''(1) conduct a survey to collect data on a nationally representative sample of the population on the cost, use and, for fiscal year 2001 and subsequent fiscal years, quality of healthcare, including the types of healthcare services Americans use, their access to healthcare services, frequency of use, how much is paid for the services used, the source of those payments, the types and costs of private health insurance, access, satisfaction, and quality of care for the general population including rural residents and for the populations identified in section 901(c); and

''(2) develop databases and tools that provide information to States on the quality, access, and use of healthcare services provided to their residents.

''(b) QUALITY AND OUTCOMES INFORMATION.—

''(1) IN GENERAL.—Beginning in fiscal year 2001, the Director shall ensure that the survey conducted under subsection (a)(1) will—

''(A) identify determinants of health outcomes and functional status, and their relationships to healthcare access and use, determine the ways and extent to which the priority populations enumerated in section 901(c) differ from the general population with respect to such variables, measure changes over time with respect to such variable, and monitor the overall national impact of changes in Federal and State policy on healthcare;

''(B) provide information on the quality of care and patient outcomes for frequently occurring clinical conditions for a nationally representative sample of the population including rural residents; and

''(C) provide reliable national estimates for children and persons with special healthcare needs through the use of supplements or periodic expansions of the survey.

In expanding the Medical Expenditure Panel Survey, as in existence on the date of enactment of this title, in fiscal year 2001 to collect information on the quality of care, the Director shall take into account any outcomes measurements generally collected by private sector accreditation organizations.

''(2) ANNUAL REPORT.—Beginning in fiscal year 2003, the Secretary, acting through the Director, shall submit to Congress an annual report on national trends in the quality of healthcare provided to the American people.

"SEC. 914. INFORMATION SYSTEMS FOR HEALTHCARE IMPROVEMENT.

''(a) IN GENERAL.—In order to foster a range of innovative approaches to the management and communication of health information, the Agency shall support research, evaluations and initiatives to advance—

''(1) the use of information systems for the study of healthcare quality, including the generation of both individual provider and plan-level comparative performance data;

''(2) training for healthcare practitioners and researchers in the use of information systems;

''(3) the creation of effective linkages between various sources of health information, including the development of information networks;

''(4) the delivery and coordination of evidence-based healthcare services, including the use of real-time healthcare decision-support programs;

''(5) the utility and comparability of health information data and medical vocabularies by addressing issues related to the content, structure, definitions and coding of such information and data in consultation with appropriate Federal, State and private entities;

''(6) the use of computer-based health records in all settings for the development of personal health records for individual health assessment and maintenance, and for monitoring public health and outcomes of care within populations; and

''(7) the protection of individually identifiable information in health services research and healthcare quality improvement.

''(b) DEMONSTRATION.—The Agency shall support demonstrations into the use of new information tools aimed at improving shared decision-making between patients and their care-givers.

"SEC. 915. RESEARCH SUPPORTING PRIMARY CARE AND ACCESS IN UNDERSERVED AREAS.

''(a) PREVENTIVE SERVICES TASK FORCE.—

''(1) ESTABLISHMENT AND PURPOSE.—The Director may periodically convene a Preventive Services Task Force to be composed of individuals with appropriate expertise. Such a task force shall review the scientific evidence related to the effectiveness, appropriateness, and cost-effectiveness of clinical preventive services for the purpose of developing recommendations for the healthcare community, and updating previous clinical preventive recommendations.

''(2) ROLE OF AGENCY.—The Agency shall provide ongoing administrative, research, and technical support for the operations of the Preventive Services Task Force, including coordinating and supporting the dissemination of the recommendations of the Task Force.

''(3) OPERATION.—In carrying out its responsibilities under paragraph (1), the Task Force is not subject to the provisions of Appendix 2 of title 5, United States Code.

''(b) PRIMARY CARE RESEARCH.—

''(1) IN GENERAL.—There is established within the Agency a Center for Primary Care Research (referred to in this subsection as the 'Center') that shall serve as the principal source of funding for primary care practice research in the Department of Health and Human Services. For purposes of this paragraph, primary care research focuses on the first contact when illness or health concerns arise, the diagnosis, treatment or referral to specialty care, preventive care, and the relationship between the clinician and the patient in the context of the family and community.

''(2) RESEARCH.—In carrying out this section, the Center shall conduct and support research concerning—

''(A) the nature and characteristics of primary care practice;

''(B) the management of commonly occurring clinical problems;

''(C) the management of undifferentiated clinical problems; and

''(D) the continuity and coordination of health services.

"SEC. 916. CLINICAL PRACTICE AND TECHNOLOGY INNOVATION.

''(a) IN GENERAL.—The Director shall promote innovation in evidence-based clinical practice and healthcare technologies by—

''(1) conducting and supporting research on the development, diffusion, and use of healthcare technology;

''(2) developing, evaluating, and disseminating methodologies for assessments of healthcare practices and healthcare technologies;

''(3) conducting intramural and supporting extramural assessments of existing and new healthcare practices and technologies;

''(4) promoting education, training, and providing technical assistance in the use of healthcare practice and healthcare technology assessment methodologies and results; and

''(5) working with the National Library of Medicine and the public and private sector to develop an electronic clearinghouse of currently available assessments and those in progress.

''(b) SPECIFICATION OF PROCESS.—

''(1) IN GENERAL.—Not later than December 31, 2000, the Director shall develop and publish a description of the methodology used by the Agency and its contractors in conducting practice and technology assessment.

''(2) CONSULTATIONS.—In carrying out this subsection, the Director shall cooperate and consult with the Assistant Secretary for Health, the Administrator of the Health Care Financing Administration, the Director of the National Institutes of Health, the Commissioner of Food and Drugs, and the heads of any other interested Federal department or agency, and shall seek input, where appropriate, from professional societies and other private and public entities.

''(3) METHODOLOGY.—The Director, in developing assessment methodology, shall consider—

''(A) safety, efficacy, and effectiveness;

''(B) legal, social, and ethical implications;

''(C) costs, benefits, and cost-effectiveness;

''(D) comparisons to alternate technologies and practices; and

''(E) requirements of Food and Drug Administration approval to avoid duplication.

''(c) SPECIFIC ASSESSMENTS.—

''(1) IN GENERAL.—The Director shall conduct or support specific assessments of healthcare technologies and practices.

''(2) REQUESTS FOR ASSESSMENTS.—The Director is authorized to conduct or support assessments, on a reimbursable basis, for the Health Care Financing Administration, the Department of Defense, the Department of Veterans Affairs, the Office of Personnel Management, and other public or private entities.

''(3) GRANTS AND CONTRACTS.—In addition to conducting assessments, the Director may make grants to, or enter into cooperative agreements or contracts with, entities described in paragraph (4) for the purpose of conducting assessments of experimental, emerging, existing, or potentially outmoded healthcare technologies, and for related activities.

''(4) ELIGIBLE ENTITIES.—An entity described in this paragraph is an entity that is determined to be appropriate by the Director, including academic medical centers, research institutions and organizations, professional organizations, third party payers, governmental agencies, and consortia of appropriate research entities established for the purpose of conducting technology assessments.

"SEC. 917. COORDINATION OF FEDERAL GOVERNMENT QUALITY IMPROVEMENT EFFORTS.

''(a) REQUIREMENT.—

''(1) IN GENERAL.—To avoid duplication and ensure that Federal resources are used efficiently and effectively, the Secretary, acting through the Director, shall coordinate all research, evaluations, and demonstrations related to health services research, quality measurement and quality improvement activities undertaken and supported by the Federal Government.

''(2) SPECIFIC ACTIVITIES.—The Director, in collaboration with the appropriate Federal officials representing all concerned executive agencies and departments, shall develop and manage a process to—

''(A) improve interagency coordination, priority setting, and the use and sharing of research findings and data pertaining to Federal quality improvement programs, technology assessment, and health services research;

''(B) strengthen the research information infrastructure, including databases, pertaining to Federal health services research

and healthcare quality improvement initiatives;

''(C) set specific goals for participating agencies and departments to further health services research and healthcare quality improvement; and

''(D) strengthen the management of Federal healthcare quality improvement programs.

''(b) STUDY BY THE INSTITUTE OF MEDICINE.—

''(1) IN GENERAL.—To provide Congress, the Department of Health and Human Services, and other relevant departments with an independent, external review of their quality oversight, quality improvement and quality research programs, the Secretary shall enter into a contract with the Institute of Medicine—

''(A) to describe and evaluate current quality improvement, quality research and quality monitoring processes through—

''(i) an overview of pertinent health services research activities and quality improvement efforts conducted by all Federal programs, with particular attention paid to those under titles XVIII, XIX, and XXI of the Social Security Act; and

''(ii) a summary of the partnerships that the Department of Health and Human Services has pursued with private accreditation, quality measurement and improvement organizations; and

''(B) to identify options and make recommendations to improve the efficiency and effectiveness of quality improvement programs through—

''(i) the improved coordination of activities across the medicare, medicaid and child health insurance programs under titles XVIII, XIX and XXI of the Social Security Act and health services research programs;

''(ii) the strengthening of patient choice and participation by incorporating state-of-the-art quality monitoring tools and making information on quality available; and

''(iii) the enhancement of the most effective programs, consolidation as appropriate, and elimination of duplicative activities within various federal agencies.

''(2) REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary shall enter into a contract with the Institute of Medicine for the preparation—

''(i) not later than 12 months after the date of enactment of this title, of a report providing an overview of the quality improvement programs of the Department of Health and Human Services for the medicare, medicaid, and CHIP programs under titles XVIII, XIX, and XXI of the Social Security Act; and

''(ii) not later than 24 months after the date of enactment of this title, of a final report containing recommendations.

''(B) REPORTS.—The Secretary shall submit the reports described in subparagraph (A) to the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Ways and Means and the Committee on Commerce of the House of Representatives.

''PART C—GENERAL PROVISIONS

''SEC. 921. ADVISORY COUNCIL FOR HEALTHCARE RESEARCH AND QUALITY.

''(a) ESTABLISHMENT.—There is established an advisory council to be known as the Advisory Council for Healthcare Research and Quality.

''(b) DUTIES.—

''(1) IN GENERAL.—The Advisory Council shall advise the Secretary and the Director with respect to activities proposed or undertaken to carry out the purpose of the Agency under section 901(b).

''(2) CERTAIN RECOMMENDATIONS.—Activities of the Advisory Council under paragraph (1) shall include making recommendations to the Director regarding—

''(A) priorities regarding healthcare research, especially studies related to quality, outcomes, cost and the utilization of, and access to, healthcare services;

''(B) the field of healthcare research and related disciplines, especially issues related to training needs, and dissemination of information pertaining to healthcare quality; and

''(C) the appropriate role of the Agency in each of these areas in light of private sector activity and identification of opportunities for public-private sector partnerships.

''(c) MEMBERSHIP.—

''(1) IN GENERAL.—The Advisory Council shall, in accordance with this subsection, be composed of appointed members and ex officio members. All members of the Advisory Council shall be voting members other than the individuals designated under paragraph (3)(B) as ex officio members.

''(2) APPOINTED MEMBERS.—The Secretary shall appoint to the Advisory Council 21 appropriately qualified individuals. At least 17 members of the Advisory Council shall be representatives of the public who are not officers or employees of the United States. The Secretary shall ensure that the appointed members of the Council, as a group, are representative of professions and entities concerned with, or affected by, activities under this title and under section 1142 of the Social Security Act. Of such members—

''(A) 4 shall be individuals distinguished in the conduct of research, demonstration projects, and evaluations with respect to healthcare;

''(B) 4 shall be individuals distinguished in the practice of medicine of which at least 1 shall be a primary care practitioner;

''(C) 3 shall be individuals distinguished in the other health professions;

''(D) 4 shall be individuals either representing the private healthcare sector, including health plans, providers, and purchasers or individuals distinguished as administrators of healthcare delivery systems;

''(E) 4 shall be individuals distinguished in the fields of healthcare quality improvement, economics, information systems, law, ethics, business, or public policy, including at least 1 individual specializing in rural aspects in 1 or more of these fields; and

''(F) 2 shall be individuals representing the interests of patients and consumers of healthcare.

''(3) EX OFFICIO MEMBERS.—The Secretary shall designate as ex officio members of the Advisory Council—

''(A) the Assistant Secretary for Health, the Director of the National Institutes of Health, the Director of the Centers for Disease Control and Prevention, the Administrator of the Health Care Financing Administration, the Assistant Secretary of Defense (Health Affairs), and the Under Secretary for Health of the Department of Veterans Affairs; and

''(B) such other Federal officials as the Secretary may consider appropriate.

''(d) TERMS.—Members of the Advisory Council appointed under subsection (c)(2) shall serve for a term of 3 years. A member of the Council appointed under such subsection may continue to serve after the expiration of the term of the members until a successor is appointed.

''(e) VACANCIES.—If a member of the Advisory Council appointed under subsection (c)(2) does not serve the full term applicable under subsection (d), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

''(f) CHAIR.—The Director shall, from among the members of the Advisory Council appointed under subsection (c)(2), designate an individual to serve as the chair of the Advisory Council.

''(g) MEETINGS.—The Advisory Council shall meet not less than once during each discrete 4-month period and shall otherwise meet at the call of the Director or the chair.

''(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—

''(1) APPOINTED MEMBERS.—Members of the Advisory Council appointed under subsection (c)(2) shall receive compensation for each day (including travel time) engaged in carrying out the duties of the Advisory Council unless declined by the member. Such compensation may not be in an amount in excess of the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which such member is engaged in the performance of the duties of the Advisory Council.

''(2) EX OFFICIO MEMBERS.—Officials designated under subsection (c)(3) as ex officio members of the Advisory Council may not receive compensation for service on the Advisory Council in addition to the compensation otherwise received for duties carried out as officers of the United States.

''(i) STAFF.—The Director shall provide to the Advisory Council such staff, information, and other assistance as may be necessary to carry out the duties of the Council.

''SEC. 922. PEER REVIEW WITH RESPECT TO GRANTS AND CONTRACTS.

''(a) REQUIREMENT OF REVIEW.—

''(1) IN GENERAL.—Appropriate technical and scientific peer review shall be conducted with respect to each application for a grant, cooperative agreement, or contract under this title.

''(2) REPORTS TO DIRECTOR.—Each peer review group to which an application is submitted pursuant to paragraph (1) shall report its finding and recommendations respecting the application to the Director in such form and in such manner as the Director shall require.

''(b) APPROVAL AS PRECONDITION OF AWARDS.—The Director may not approve an application described in subsection (a)(1) unless the application is recommended for approval by a peer review group established under subsection (c).

''(c) ESTABLISHMENT OF PEER REVIEW GROUPS.—

''(1) IN GENERAL.—The Director shall establish such technical and scientific peer review groups as may be necessary to carry out this section. Such groups shall be established without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and without regard to the provisions of chapter 51, and subchapter III of chapter 53, of such title that relate to classification and pay rates under the General Schedule.

''(2) MEMBERSHIP.—The members of any peer review group established under this section shall be appointed from among individuals who by virtue of their training or experience are eminently qualified to carry out the duties of such peer review group. Officers and employees of the United States may not constitute more than 25 percent of the membership of any such group. Such officers and employees may not receive compensation for service on such groups in addition to the compensation otherwise received for these duties carried out as such officers and employees.

''(3) DURATION.—Notwithstanding section 14(a) of the Federal Advisory Committee Act, peer review groups established under this section may continue in existence until otherwise provided by law.

''(4) QUALIFICATIONS.—Members of any peer-review group shall, at a minimum, meet the following requirements:

''(A) Such members shall agree in writing to treat information received, pursuant to their work for the group, as confidential information, except that this subparagraph shall not apply to public records and public information.

''(B) Such members shall agree in writing to recuse themselves from participation in the peer-review of specific applications which present a potential personal conflict of interest or appearance of such conflict, including employment in a directly affected organization, stock ownership, or any financial or other arrangement that might introduce bias in the process of peer-review.

''(d) AUTHORITY FOR PROCEDURAL ADJUSTMENTS IN CERTAIN CASES.—In the case of applications for financial assistance whose direct costs will not exceed $100,000, the Director may make appropriate adjustments in the procedures otherwise established by the Director for the conduct of peer review under this section. Such adjustments may be made for the purpose of encouraging the entry of individuals into the field of research, for the purpose of encouraging clinical practice-oriented or provider-based research, and for such other purposes as the Director may determine to be appropriate.

''(e) REGULATIONS.—The Director shall issue regulations for the conduct of peer review under this section.

''SEC. 923. CERTAIN PROVISIONS WITH RESPECT TO DEVELOPMENT, COLLECTION, AND DISSEMINATION OF DATA.

''(a) STANDARDS WITH RESPECT TO UTILITY OF DATA.—

''(1) IN GENERAL.—To ensure the utility, accuracy, and sufficiency of data collected by or for the Agency for the purpose described in section 901(b), the Director shall establish standard methods for developing and collecting such data, taking into consideration—

''(A) other Federal health data collection standards; and

''(B) the differences between types of healthcare plans, delivery systems, healthcare providers, and provider arrangements.

''(2) RELATIONSHIP WITH OTHER DEPARTMENT PROGRAMS.—In any case where standards under paragraph (1) may affect the administration of other programs carried out by the Department of Health and Human Services, including the programs under title XVIII, XIX or XXI of the Social Security Act, or may affect health information that is subject to a standard developed under part C of title XI of the Social Security Act, they shall be in the form of recommendations to the Secretary for such program.

''(b) STATISTICS AND ANALYSES.—The Director shall—

''(1) take appropriate action to ensure that statistics and analyses developed under this title are of high quality, timely, and duly comprehensive, and that the statistics are specific, standardized, and adequately analyzed and indexed; and

''(2) publish, make available, and disseminate such statistics and analyses on as wide a basis as is practicable.

''(c) AUTHORITY REGARDING CERTAIN REQUESTS.—Upon request of a public or private entity, the Director may conduct or support research or analyses otherwise authorized by this title pursuant to arrangements under which such entity will pay the cost of the services provided. Amounts received by the Director under such arrangements shall be available to the Director for obligation until expended.

''SEC. 924. DISSEMINATION OF INFORMATION.

''(a) IN GENERAL.—The Director shall—

''(1) without regard to section 501 of title 44, United States Code, promptly publish, make available, and otherwise disseminate, in a form understandable and on as broad a basis as practicable so as to maximize its use, the results of research, demonstration projects, and evaluations conducted or supported under this title;

''(2) ensure that information disseminated by the Agency is science-based and objective and undertakes consultation as necessary to assess the appropriateness and usefulness of the presentation of information that is targeted to specific audiences;

''(3) promptly make available to the public data developed in such research, demonstration projects, and evaluations;

''(4) provide, in collaboration with the National Library of Medicine where appropriate, indexing, abstracting, translating, publishing, and other services leading to a more effective and timely dissemination of information on research, demonstration projects, and evaluations with respect to healthcare to public and private entities and individuals engaged in the improvement of healthcare delivery and the general public, and undertake programs to develop new or improved methods for making such information available; and

''(5) as appropriate, provide technical assistance to State and local government and health agencies and conduct liaison activities to such agencies to foster dissemination.

''(b) PROHIBITION AGAINST RESTRICTIONS.—Except as provided in subsection (c), the Director may not restrict the publication or dissemination of data from, or the results of, projects conducted or supported under this title.

''(c) LIMITATION ON USE OF CERTAIN INFORMATION.—No information, if an establishment or person supplying the information or described in it is identifiable, obtained in the course of activities undertaken or supported under this title may be used for any purpose other than the purpose for which it was supplied unless such establishment or person has consented (as determined under regulations of the Director) to its use for such other purpose. Such information may not be published or released in other form if the person who supplied the information or who is described in it is identifiable unless such person has consented (as determined under regulations of the Director) to its publication or release in other form.

''(d) PENALTY.—Any person who violates subsection (c) shall be subject to a civil monetary penalty of not more than $10,000 for each such violation involved. Such penalty shall be imposed and collected in the same manner as civil money penalties under subsection (a) of section 1128A of the Social Security Act are imposed and collected.

''SEC. 925. ADDITIONAL PROVISIONS WITH RESPECT TO GRANTS AND CONTRACTS.

''(a) FINANCIAL CONFLICTS OF INTEREST.—With respect to projects for which awards of grants, cooperative agreements, or contracts are authorized to be made under this title, the Director shall by regulation define—

''(1) the specific circumstances that constitute financial interests in such projects that will, or may be reasonably expected to, create a bias in favor of obtaining results in the projects that are consistent with such interests; and

''(2) the actions that will be taken by the Director in response to any such interests identified by the Director.

''(b) REQUIREMENT OF APPLICATION.—The Director may not, with respect to any program under this title authorizing the provision of grants, cooperative agreements, or contracts, provide any such financial assistance unless an application for the assistance is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out the program in involved.

''(c) PROVISION OF SUPPLIES AND SERVICES IN LIEU OF FUNDS.—

''(1) IN GENERAL.—Upon the request of an entity receiving a grant, cooperative agreement, or contract under this title, the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purpose of aiding the entity in carrying out the project involved and, for such purpose, may detail to the entity any officer or employee of the Department of Health and Human Services.

''(2) CORRESPONDING REDUCTION IN FUNDS.—With respect to a request described in paragraph (1), the Secretary shall reduce the amount of the financial assistance involved by an amount equal to the costs of detailing personnel and the fair market value of any supplies, equipment, or services provided by the Director. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

''(d) APPLICABILITY OF CERTAIN PROVISIONS WITH RESPECT TO CONTRACTS.—Contracts may be entered into under this part without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

''SEC. 926. CERTAIN ADMINISTRATIVE AUTHORITIES.

''(a) DEPUTY DIRECTOR AND OTHER OFFICERS AND EMPLOYEES.—

''(1) DEPUTY DIRECTOR.—The Director may appoint a deputy director for the Agency.

''(2) OTHER OFFICERS AND EMPLOYEES.—The Director may appoint and fix the compensation of such officers and employees as may be necessary to carry out this title. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

''(b) FACILITIES.—The Secretary, in carrying out this title—

''(1) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Director of General Services, buildings or portions of buildings in the District of Columbia or communities located adjacent to the District of Columbia for use for a period not to exceed 10 years; and

''(2) may acquire, construct, improve, repair, operate, and maintain laboratory, research, and other necessary facilities and equipment, and such other real or personal property (including patents) as the Secretary deems necessary.

''(c) PROVISION OF FINANCIAL ASSISTANCE.—The Director, in carrying out this title, may make grants to public and nonprofit entities and individuals, and may enter into cooperative agreements or contracts with public and private entities and individuals.

''(d) UTILIZATION OF CERTAIN PERSONNEL AND RESOURCES.—

''(1) DEPARTMENT OF HEALTH AND HUMAN SERVICES.—The Director, in carrying out this title, may utilize personnel and equipment, facilities, and other physical resources of the Department of Health and Human Services, permit appropriate (as determined by the Secretary) entities and individuals to utilize the physical resources of such Department, and provide technical assistance and advice.

''(2) OTHER AGENCIES.—The Director, in carrying out this title, may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, or of any foreign government, with or without reimbursement of such agencies.

''(e) CONSULTANTS.—The Secretary, in carrying out this title, may secure, from time

to time and for such periods as the Director deems advisable but in accordance with section 3109 of title 5, United States Code, the assistance and advice of consultants from the United States or abroad.

''(f) EXPERTS.—

''(1) IN GENERAL.—The Secretary may, in carrying out this title, obtain the services of not more than 50 experts or consultants who have appropriate scientific or professional qualifications. Such experts or consultants shall be obtained in accordance with section 3109 of title 5, United States Code, except that the limitation in such section on the duration of service shall not apply.

''(2) TRAVEL EXPENSES.—

''(A) IN GENERAL.—Experts and consultants whose services are obtained under paragraph (1) shall be paid or reimbursed for their expenses associated with traveling to and from their assignment location in accordance with sections 5724, 5724a(a), 5724a(c), and 5726(C) of title 5, United States Code.

''(B) LIMITATION.—Expenses specified in subparagraph (A) may not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (1) unless and until the expert agrees in writing to complete the entire period of assignment, or 1 year, whichever is shorter, unless separated or reassigned for reasons that are beyond the control of the expert or consultant and that are acceptable to the Secretary. If the expert or consultant violates the agreement, the money spent by the United States for the expenses specified in subparagraph (A) is recoverable from the expert or consultant as a statutory obligation owed to the United States. The Secretary may waive in whole or in part a right of recovery under this subparagraph.

''(g) VOLUNTARY AND UNCOMPENSATED SERVICES.—The Director, in carrying out this title, may accept voluntary and uncompensated services.

''SEC. 927. FUNDING.

''(a) INTENT.—To ensure that the United States's investment in biomedical research is rapidly translated into improvements in the quality of patient care, there must be a corresponding investment in research on the most effective clinical and organizational strategies for use of these findings in daily practice. The authorization levels in subsection (b) provide for a proportionate increase in healthcare research as the United States investment in biomedical research increases.

''(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated $250,000,000 for fiscal year 2000, and such sums as may be necessary for each of the fiscal years 2001 through 2006.

''(c) EVALUATIONS.—In addition to amounts available pursuant to subsection (b) for carrying out this title, there shall be made available for such purpose, from the amounts made available pursuant to section 241 (relating to evaluations), an amount equal to 40 percent of the maximum amount authorized in such section 241 to be made available for a fiscal year.

''SEC. 928. DEFINITIONS.

''In this title:

''(1) ADVISORY COUNCIL.—The term 'Advisory Council' means the Advisory Council on Healthcare Research and Quality established under section 921.

''(2) AGENCY.—The term 'Agency' means the Agency for Healthcare Research and Quality.

''(3) DIRECTOR.—The term 'Director' means the Director for the Agency for Healthcare Research and Quality.''.

SEC. 403. REFERENCES.

Effective upon the date of enactment of this Act, any reference in law to the ''Agency for Health Care Policy and Research'' shall be deemed to be a reference to the ''Agency for Healthcare Research and Quality''.

TITLE V—ENHANCED ACCESS TO HEALTH INSURANCE COVERAGE

SEC. 501. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to allowance of deductions) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and his dependents.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 502. FULL AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) AVAILABILITY NOT LIMITED TO ACCOUNTS FOR EMPLOYEES OF SMALL EMPLOYERS AND SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Section 220(c)(1)(A) of the Internal Revenue Code of 1986 (relating to eligible individual) is amended to read as follows:

''(A) IN GENERAL.—The term 'eligible individual' means, with respect to any month, any individual if—

''(i) such individual is covered under a high deductible health plan as of the 1st day of such month, and

''(ii) such individual is not, while covered under a high deductible health plan, covered under any health plan—

''(I) which is not a high deductible health plan, and

''(II) which provides coverage for any benefit which is covered under the high deductible health plan.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 220(c)(1) of such Code is amended by striking subparagraphs (C) and (D).

(B) Section 220(c) of such Code is amended by striking paragraph (4) (defining small employer) and by redesignating paragraph (5) as paragraph (4).

(C) Section 220(b) of such Code is amended by striking paragraph (4) (relating to deduction limited by compensation) and by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(b) REMOVAL OF LIMITATION ON NUMBER OF TAXPAYERS HAVING MEDICAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 220 of the Internal Revenue Code of 1986 (relating to medical savings accounts) is amended by striking subsections (i) and (j).

(2) MEDICARE+CHOICE.—Section 138 of such Code (relating to Medicare+Choice MSA) is amended by striking subsection (f).

(c) REDUCTION IN HIGH DEDUCTIBLE PLAN MINIMUM ANNUAL DEDUCTIBLE.—

(1) IN GENERAL.—Subparagraph (A) of section 220(c)(2) of such Code (defining high deductible health plan) is amended—

(A) by striking ''$1,500'' and inserting ''$1,000'', and

(B) by striking ''$3,000'' in clause (ii) and inserting ''$2,000''.

(2) CONFORMING AMENDMENT.—Subsection (g) of section 220 of such Code is amended—

(A) by striking ''1998'' and inserting ''1999''; and

(B) by striking ''1997'' and inserting ''1998''.

(d) INCREASE IN CONTRIBUTION LIMIT TO 100 PERCENT OF ANNUAL DEDUCTIBLE.—

(1) IN GENERAL.—Section 220(b)(2) of the Internal Revenue Code of 1986 (relating to monthly limitation) is amended to read as follows:

''(2) MONTHLY LIMITATION.—The monthly limitation for any month is the amount equal to 1/12 of the annual deductible of the high deductible health plan of the individual.''.

(2) CONFORMING AMENDMENT.—Section 220(d)(1)(A) of such Code is amended by striking ''75 percent of''.

(e) LIMITATION ON ADDITIONAL TAX ON DISTRIBUTIONS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—Section 220(f)(4) of the Internal Revenue Code of 1986 (relating to additional tax on distributions not used for qualified medical expenses) is amended by adding at the end the following:

''(D) EXCEPTION IN CASE OF SUFFICIENT ACCOUNT BALANCE.—Subparagraph (A) shall not apply to any payment or distribution in any taxable year, but only to the extent such payment or distribution does not reduce the fair market value of the assets of the medical savings account to an amount less than the annual deductible for the high deductible health plan of the account holder (determined as of January 1 of the calendar year in which the taxable year begins).''.

(f) TREATMENT OF NETWORK-BASED MANAGED CARE PLANS.—Section 220(c)(2)(B) of the Internal Revenue Code of 1986 (relating to special rules for high deductible health plans) is amended by adding at the end the following:

''(iii) TREATMENT OF NETWORK-BASED MANAGED CARE PLANS.—A plan that provides health care services through a network of contracted or affiliated health care providers, if the benefits provided when services are obtained through network providers meet the requirements of subparagraph (A), shall not fail to be treated as a high deductible health plan by reason of providing benefits for services rendered by providers who are not members of the network, so long as the annual deductible and annual limit on out-of-pocket expenses applicable to services received from non-network providers are not lower than those applicable to services received from the network providers.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 503. PERMITTING CONTRIBUTION TOWARDS MEDICAL SAVINGS ACCOUNT THROUGH FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP).

(a) AUTHORITY TO CONTRACT FOR CATASTROPHIC PLANS.—Section 8902 of title 5, United States Code, is amended by adding at the end the following:

''(p)(1) The Office shall contract under this chapter for a catastrophic plan with any qualified carrier that—

''(A) offers such a plan; and

''(B) as of the date of enactment of the Patients' Bill of Rights Plus Act, offers a health benefits plan under this chapter.

''(2) The Office may contract under this chapter for a catastrophic plan with any qualified carrier that—

''(A) offers such a plan; but

''(B) does not satisfy the requirement under paragraph (1)(B).''.

(b) GOVERNMENT CONTRIBUTION TO MEDICAL SAVINGS ACCOUNT.—

(1) IN GENERAL.—Section 8906 of title 5, United States Code, is amended by adding at the end the following:

''(j)(1) In the case of an employee or annuitant who is enrolled in a catastrophic plan described by section 8903(5), there shall be a Government contribution under this subsection to a medical savings account established or maintained for the benefit of the individual. The contribution under this subsection shall be in addition to the Government contribution under subsection (b).

''(2) The amount of the Government contribution under this subsection with respect to an individual is equal to the amount by which—

''(A) the maximum contribution allowed under subsection (b)(1) with respect to any employee or annuitant, exceeds

''(B) the amount of the Government contribution actually made with respect to the individual under subsection (b) for coverage under the catastrophic plan.

''(3) The Government contributions under this subsection shall be paid into a medical savings account (designated by the individual involved) in a manner that is specified by the Office and consistent with the timing of contributions under subsection (b).

''(4) Subsections (f) and (g) shall apply to contributions under this section in the same manner as they apply to contributions under subsection (b).

''(5) For the purpose of this subsection, the term 'medical savings account' has the meaning given such term by section 220(d) of the Internal Revenue Code of 1986.''.

(2) ALLOWING PAYMENT OF FULL AMOUNT OF CHARGE FOR CATASTROPHIC PLAN.—Section 8906(b)(2) of such title is amended by inserting ''(or 100 percent of the subscription charge in the case of a catastrophic plan)'' after ''75 percent of the subscription charge''.

(c) OFFERING OF CATASTROPHIC PLANS.—

(1) IN GENERAL.—Section 8903 of title 5, United States Code, is amended by adding at the end the following:

''(5) CATASTROPHIC PLANS.—(A) One or more plans described in paragraph (1), (2), or (3), but which provide benefits of the types referred to by paragraph (5) of section 8904(a), instead of the types referred to in paragraphs (1), (2), and (3) of such section.

''(B) Nothing in this section shall be considered—

''(i) to prevent a carrier from simultaneously offering a plan described by subparagraph (A) and a plan described by paragraph (1) or (2);

''(ii) to require that a catastrophic plan offer two levels of benefits; or

''(iii) to allow, in any contract year, for—

''(I) more than one plan to be offered which satisfies both subparagraph (A) and paragraph (1) (subject to clause (ii)); and

''(II) more than one plan which satisfies both subparagraph (A) and paragraph (2) (subject to clause (ii)).''.

(2) TYPES OF BENEFITS.—Section 8904(a) of such title is amended by inserting after paragraph (4) the following new paragraph:

''(5) CATASTROPHIC PLANS.—Benefits of the types named under paragraph (1) or (2) of this subsection or both, except that the plan shall meet the annual deductible and annual out-of-pocket expenses requirements under section 220(c)(2) of the Internal Revenue Code of 1986.''.

(3) DETERMINING LEVEL OF GOVERNMENT CONTRIBUTIONS.—Section 8906(b) of such title is amended by adding at the end the following: ''Subscription charges for medical savings accounts shall be deemed to be the amount of Government contributions made under subsection (j)(2).''.

(d) CONFORMING AMENDMENTS.—

(1) ADDITIONAL HEALTH BENEFITS PLANS.—Section 8903a of title 5, United States Code, is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following:

''(d) The plans under this section may include one or more plans, otherwise allowable under this section, that satisfy the requirements of clauses (i) and (ii) of section 8903(5)(A).''.

(2) REFERENCE.—Section 8909(d) of title 5, United States Code, is amended by striking ''8903a(d)'' and inserting ''8903a(e)''.

(e) REFERENCES.—Section 8903 of title 5, United States Code, is amended by adding at the end (as a flush left sentence) the following:

''The Office shall prescribe regulations under which the requirements of section 8902(c), 8902(n), 8909(e), and any other provision of this chapter that applies with respect to a plan described by paragraph (1), (2), (3), or (4) of this section shall apply with respect to the corresponding plan under paragraph (5) of this section. Similar regulations shall be prescribed with respect to any plan under section 8903a(d).''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contract terms beginning on or after January 1, 2000.

SEC. 504. CARRYOVER OF UNUSED BENEFITS FROM CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND HEALTH FLEXIBLE SPENDING ACCOUNTS.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) is amended by redesignating subsections (h) and (i) as subsections (i) and (j) and by inserting after subsection (g) the following new subsection:

''(h) ALLOWANCE OF CARRYOVERS OF UNUSED BENEFITS TO LATER TAXABLE YEARS.—

''(1) IN GENERAL.—For purposes of this title—

''(A) notwithstanding subsection (d)(2), a plan or other arrangement shall not fail to be treated as a cafeteria plan or flexible spending or similar arrangement, and

''(B) no amount shall be required to be included in gross income by reason of this section or any other provision of this chapter,

solely because under such plan or other arrangement any nontaxable benefit which is unused as of the close of a taxable year may be carried forward to 1 or more succeeding taxable years.

''(2) LIMITATION.—Paragraph (1) shall not apply to amounts carried from a plan to the extent such amounts exceed $500 (applied on an annual basis). For purposes of this paragraph, all plans and arrangements maintained by an employer or any related person shall be treated as 1 plan.

''(3) ALLOWANCE OF ROLLOVER.—

''(A) IN GENERAL.—In the case of any unused benefit described in paragraph (1) which consists of amounts in a health flexible spending account or dependent care flexible spending account, the plan or arrangement shall provide that a participant may elect, in lieu of such carryover, to have such amounts distributed to the participant.

''(B) AMOUNTS NOT INCLUDED IN INCOME.—Any distribution under subparagraph (A) shall not be included in gross income to the extent that such amount is transferred in a trustee-to-trustee transfer, or is contributed within 60 days of the date of the distribution, to—

''(i) a qualified cash or deferred arrangement described in section 401(k),

''(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

''(iii) an eligible deferred compensation plan described in section 457, or

''(iv) a medical savings account (within the meaning of section 220).

Any amount rolled over under this subparagraph shall be treated as a rollover contribution for the taxable year from which the unused amount would otherwise be carried.

''(C) TREATMENT OF ROLLOVER.—Any amount rolled over under subparagraph (B) shall be treated as an eligible rollover under section 220, 401(k), 403(b), or 457, whichever is applicable, and shall be taken into account in applying any limitation (or participation requirement) on employer or employee contributions under such section or any other provision of this chapter for the taxable year of the rollover.

''(4) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1999, the $500 amount under paragraph (2) shall be adjusted at the same time and in the same manner as under section 415(d)(2), except that the base period taken into account shall be the calendar quarter beginning October 1, 1998, and any increase which is not a multiple of $50 shall be rounded to the next lowest multiple of $50.

''(5) APPLICABILITY.—This subsection shall apply to taxable years beginning after December 31, 1999.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

TITLE VI—PROVISIONS RELATING TO LONG-TERM CARE INSURANCE

SEC. 601. INCLUSION OF QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS IN CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND HEALTH FLEXIBLE SPENDING ACCOUNTS.

(a) IN GENERAL.—Section 125(f) of the Internal Revenue Code of 1986 (defining qualified benefits) is amended by striking the last sentence and inserting the following: ''Such term includes any qualified long-term care insurance contract.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 602. DEDUCTION FOR PREMIUMS FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

''SEC. 222. PREMIUMS FOR LONG-TERM CARE INSURANCE.

''(a) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a deduction an amount equal to 100 percent of the amount paid during the taxable year for any coverage for qualified long-term care services (as defined in section 7702B(c)) or any qualified long-term care insurance contract (as defined in section 7702B(b)) which constitutes medical care for the taxpayer, his spouse, and dependents.

''(b) LIMITATIONS.—

''(1) DEDUCTION NOT AVAILABLE TO INDIVIDUALS ELIGIBLE FOR EMPLOYER-SUBSIDIZED COVERAGE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any plan which includes coverage for qualified long-term care services (as so defined) or is a qualified long-term care insurance contract (as so defined) maintained by any employer (or former employer) of the taxpayer or of the spouse of the taxpayer.

''(B) CONTINUATION COVERAGE.—Coverage shall not be treated as subsidized for purposes of this paragraph if—

''(i) such coverage is continuation coverage (within the meaning of section 4980B(f)) required to be provided by the employer, and

''(ii) the taxpayer or the taxpayer's spouse is required to pay a premium for such coverage in an amount not less than 100 percent of the applicable premium (within the meaning of section 4980B(f)(4)) for the period of such coverage.

''(2) LIMITATION ON LONG-TERM CARE PREMIUMS.—In the case of a qualified long-term care insurance contract (as so defined), only eligible long-term care premiums (as defined in section 213(d)(10)) shall be taken into account under subsection (a)(2).

''(c) SPECIAL RULES.—For purposes of this section—

''(1) COORDINATION WITH MEDICAL DEDUCTION, ETC.—Any amount paid by a taxpayer for insurance to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).

''(2) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX PURPOSES.—The deduction allowable by reason of this section shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 62 of the Internal Revenue Code of 1986 is amended by inserting after paragraph (17) the following:

''(18) LONG-TERM CARE INSURANCE COSTS OF CERTAIN INDIVIDUALS.—The deduction allowed by section 222.''.

(2) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the last item and inserting the following:

''Sec. 222. Premiums for long-term care insurance.

''Sec. 223. Cross reference.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 603. STUDY OF LONG-TERM CARE NEEDS IN THE 21ST CENTURY.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall provide, in accordance with this section, for a study in order to determine—

(1) future demand for long-term health care services (including institutional and home and community-based services) in the United States in order to meet the needs in the 21st century; and

(2) long-term options to finance the provision of such services.

(b) DETAILS.—The study conducted under subsection (a) shall include the following:

(1) An identification of the relevant demographic characteristics affecting demand for long-term health care services, at least through the year 2030.

(2) The viability and capacity of community-based and other long-term health care services under different federal programs, including through the medicare and medicaid programs, grants to States, housing services, and changes in tax policy.

(3) How to improve the quality of long-term health care services.

(4) The integration of long-term health care services for individuals between different classes of health care providers (such as hospitals, nursing facilities, and home care agencies) and different Federal programs (such as the medicare and medicaid programs).

(5) The possibility of expanding private sector initiatives, including long-term care insurance, to meet the need to finance such services.

(6) An examination of the effect of enactment of the Health Insurance Portability and Accountability Act of 1996 on the provision and financing of long-term health care services, including on portability and affordability of private long-term care insurance, the impact of insurance options on low-income older Americans, and the options for eligibility to improve access to such insurance.

(7) The financial impact of the provision of long-term health care services on caregivers and other family members.

(c) REPORT AND RECOMMENDATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall provide for a report on the study under this section.

(2) RECOMMENDATIONS.—The report under paragraph (1) shall include findings and recommendations regarding each of the following:

(A) The most effective and efficient manner that the Federal government may use its resources to educate the public on planning for needs for long-term health care services.

(B) The public, private, and joint public-private strategies for meeting identified needs for long-term health care services.

(C) The role of States and local communities in the financing of long-term health care services.

(3) INCLUSION OF COST ESTIMATES.—The report under paragraph (1) shall include cost estimates of the various options for which recommendations are made.

(d) CONDUCT OF STUDY.—

(1) USE OF INSTITUTE OF MEDICINE.—The Secretary of Health and Human Services shall seek to enter into an appropriate arrangement with the Institute of Medicine of the National Academy of Sciences to conduct the study under this section. If such an arrangement cannot be made, the Secretary may provide for the conduct of the study by any other qualified non-governmental entity.

(2) CONSULTATION.—The study should be conducted under this section in consultation with experts from a wide-range of groups from the public and private sectors.

TITLE VII—INDIVIDUAL RETIREMENT PLANS

SEC. 701. MODIFICATION OF INCOME LIMITS ON CONTRIBUTIONS AND ROLLOVERS TO ROTH IRAS.

(a) INCREASE IN AGI LIMIT FOR ROLLOVER CONTRIBUTIONS.—Clause (i) of section 408A(c)(3)(A) of the Internal Revenue Code of 1986 (relating to rollover from IRA), as redesignated by subsection (a), is amended by striking ''$100,000'' and inserting ''$1,000,000''.

(b) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (B) of section 408A(c)(3) of the Internal Revenue Code of 1986, as redesignated by subsection (a), is amended to read as follows:

''(B) DEFINITION OF ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), adjusted gross income shall be determined—

''(i) after application of sections 86 and 469, and

''(ii) without regard to sections 135, 137, 221, and 911, the deduction allowable under section 219, or any amount included in gross income under subsection (d)(3).''.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 1999.

(2)(A) Subparagraph (B) of section 408A(c)(3) of such Code, as amended by paragraph (1), is amended to read as follows:

''(B) DEFINITION OF ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), adjusted gross income shall be determined—

''(i) after application of sections 86 and 469, and

''(ii) without regard to sections 135, 137, 221, and 911, the deduction allowable under section 219, or any amount included in gross income under subsection (d)(3) or by reason of a required distribution under a provision described in paragraph (5).''.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 2004.

(c) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply to taxable years beginning after December 31, 1999.

TITLE VIII—REVENUE PROVISIONS

SEC. 801. MODIFICATION TO FOREIGN TAX CREDIT CARRYBACK AND CARRYOVER PERIODS.

(a) IN GENERAL.—Section 904(c) of the Internal Revenue Code of 1986 (relating to limitation on credit) is amended—

(1) by striking ''in the second preceding taxable year,'', and

(2) by striking ''or fifth'' and inserting ''fifth, sixth, or seventh''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to credits arising in taxable years beginning after December 31, 2001.

SEC. 802. LIMITATION ON USE OF NON-ACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting ''in fields described in paragraph (2)(A)'' after ''services by such person'', and

(2) by inserting ''CERTAIN PERSONAL'' before ''SERVICES'' in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 803. RETURNS RELATING TO CANCELLATIONS OF INDEBTEDNESS BY ORGANIZATIONS LENDING MONEY.

(a) IN GENERAL.—Paragraph (2) of section 6050P(c) of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by inserting after subparagraph (C) the following new subparagraph:

''(D) any organization a significant trade or business of which is the lending of money.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to discharges of indebtedness after December 31, 1999.

SEC. 804. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7527. INTERNAL REVENUE SERVICE USER FEES.

''(a) GENERAL RULE.—The Secretary shall establish a program requiring the payment of user fees for—

''(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

''(2) other similar requests.

''(b) PROGRAM CRITERIA.—

''(1) IN GENERAL.—The fees charged under the program required by subsection (a)—

''(A) shall vary according to categories (or subcategories) established by the Secretary,

''(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

''(C) shall be payable in advance.

''(2) EXEMPTIONS, ETC.—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

''(3) AVERAGE FEE REQUIREMENT.—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

''Category	Average Fee
Employee plan ruling and opinion ..	$250
Exempt organization ruling	$350
Employee plan determination	$300
Exempt organization determination.	$275
Chief counsel ruling	$200.

''(c) TERMINATION.—No fee shall be imposed under this section with respect to requests made after September 30, 2009.''.

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 7527. Internal Revenue Service user fees.''.

(2) Section 10511 of the Revenue Act of 1987 is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

SEC. 805. PROPERTY SUBJECT TO A LIABILITY TREATED IN SAME MANNER AS ASSUMPTION OF LIABILITY.

(a) REPEAL OF PROPERTY SUBJECT TO A LIABILITY TEST.—

(1) SECTION 357.—Section 357(a)(2) of the Internal Revenue Code of 1986 (relating to assumption of liability) is amended by striking '', or acquires from the taxpayer property subject to a liability''.

(2) SECTION 358.—Section 358(d)(1) of such Code (relating to assumption of liability) is amended by striking ''or acquired from the taxpayer property subject to a liability''.

(3) SECTION 368.—

(A) Section 368(a)(1)(C) of such Code is amended by striking '', or the fact that property acquired is subject to a liability,''.

(B) The last sentence of section 368(a)(2)(B) of such Code is amended by striking '', and the amount of any liability to which any property acquired from the acquiring corporation is subject,''.

(b) CLARIFICATION OF ASSUMPTION OF LIABILITY.—

(1) IN GENERAL.—Section 357 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) DETERMINATION OF AMOUNT OF LIABILITY ASSUMED.—

''(1) IN GENERAL.—For purposes of this section, section 358(d), section 362(d), section 368(a)(1)(C), and section 368(a)(2)(B), except as provided in regulations—

''(A) a recourse liability (or portion thereof) shall be treated as having been assumed if, as determined on the basis of all facts and circumstances, the transferee has agreed to, and is expected to, satisfy such liability (or portion), whether or not the transferor has been relieved of such liability, and

''(B) except to the extent provided in paragraph (2), a nonrecourse liability shall be treated as having been assumed by the transferee of any asset subject to such liability.

''(2) EXCEPTION FOR NONRECOURSE LIABILITY.—The amount of the nonrecourse liability treated as described in paragraph (1)(B) shall be reduced by the lesser of—

''(A) the amount of such liability which an owner of other assets not transferred to the transferee and also subject to such liability has agreed with the transferee to, and is expected to, satisfy, or

''(B) the fair market value of such other assets (determined without regard to section 7701(g)).

''(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and section 362(d). The Secretary may also prescribe regulations which provide that the manner in which a liability is treated as assumed under this subsection is applied, where appropriate, elsewhere in this title.''.

(2) LIMITATION ON BASIS INCREASE ATTRIBUTABLE TO ASSUMPTION OF LIABILITY.—Section 362 of such Code is amended by adding at the end the following new subsection:

''(d) LIMITATION ON BASIS INCREASE ATTRIBUTABLE TO ASSUMPTION OF LIABILITY.—

''(1) IN GENERAL.—In no event shall the basis of any property be increased under subsection (a) or (b) above the fair market value of such property (determined without regard to section 7701(g)) by reason of any gain recognized to the transferor as a result of the assumption of a liability.

''(2) TREATMENT OF GAIN NOT SUBJECT TO TAX.—Except as provided in regulations, if—

''(A) gain is recognized to the transferor as a result of an assumption of a nonrecourse liability by a transferee which is also secured by assets not transferred to such transferee, and

''(B) no person is subject to tax under this title on such gain,

then, for purposes of determining basis under subsections (a) and (b), the amount of gain recognized by the transferor as a result of the assumption of the liability shall be determined as if the liability assumed by the transferee equaled such transferee's ratable portion of such liability determined on the basis of the relative fair market values (determined without regard to section 7701(g)) of all of the assets subject to such liability.''.

(c) APPLICATION TO PROVISIONS OTHER THAN SUBCHAPTER C.—

(1) SECTION 584.—Section 584(h)(3) of the Internal Revenue Code of 1986 is amended—

(A) by striking '', and the fact that any property transferred by the common trust fund is subject to a liability,'' in subparagraph (A), and

(B) by striking clause (ii) of subparagraph (B) and inserting:

''(ii) ASSUMED LIABILITIES.—For purposes of clause (i), the term 'assumed liabilities' means any liability of the common trust fund assumed by any regulated investment company in connection with the transfer referred to in paragraph (1)(A).

''(C) ASSUMPTION.—For purposes of this paragraph, in determining the amount of any liability assumed, the rules of section 357(d) shall apply.''.

(2) SECTION 1031.—The last sentence of section 1031(d) of such Code is amended—

(A) by striking ''assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability'' and inserting ''assumed (as determined under section 357(d)) a liability of the taxpayer'', and

(B) by striking ''or acquisition (in the amount of the liability)''.

(d) CONFORMING AMENDMENTS.—

(1) Section 351(h)(1) of the Internal Revenue Code of 1986 is amended by striking '', or acquires property subject to a liability,''.

(2) Section 357 of such Code is amended by striking ''or acquisition'' each place it appears in subsection (a) or (b).

(3) Section 357(b)(1) of such Code is amended by striking ''or acquired''.

(4) Section 357(c)(1) of such Code is amended by striking '', plus the amount of the liabilities to which the property is subject,''.

(5) Section 357(c)(3) of such Code is amended by striking ''or to which the property transferred is subject''.

(6) Section 358(d)(1) of such Code is amended by striking ''or acquisition (in the amount of the liability)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after October 19, 1998.

SEC. 806. CHARITABLE SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.

(a) IN GENERAL.—Subsection (f) of section 170 of the Internal Revenue Code of 1986 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

''(10) SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.—

''(A) IN GENERAL.—Nothing in this section or in section 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), or 2522 shall be construed to allow a deduction, and no deduction shall be allowed, for any transfer to or for the use of an organization described in subsection (c) if in connection with such transfer—

''(i) the organization directly or indirectly pays, or has previously paid, any premium on any personal benefit contract with respect to the transferor, or

''(ii) there is an understanding or expectation that any person will directly or indirectly pay any premium on any personal benefit contract with respect to the transferor.

''(B) PERSONAL BENEFIT CONTRACT.—For purposes of subparagraph (A), the term 'personal benefit contract' means, with respect to the transferor, any life insurance, annuity, or endowment contract if any direct or indirect beneficiary under such contract is the transferor, any member of the transferor's family, or any other person (other than an organization described in subsection (c)) designated by the transferor.

''(C) APPLICATION TO CHARITABLE REMAINDER TRUSTS.—In the case of a transfer to a trust referred to in subparagraph (E), references in subparagraphs (A) and (F) to an organization described in subsection (c) shall be treated as a reference to such trust.

''(D) EXCEPTION FOR CERTAIN ANNUITY CONTRACTS.—If, in connection with a transfer to or for the use of an organization described in subsection (c), such organization incurs an obligation to pay a charitable gift annuity (as defined in section 501(m)) and such organization purchases any annuity contract to fund such obligation, persons receiving payments under the charitable gift annuity shall not be treated for purposes of subparagraph (B) as indirect beneficiaries under such contract if—

''(i) such organization possesses all of the incidents of ownership under such contract,

''(ii) such organization is entitled to all the payments under such contract, and

''(iii) the timing and amount of payments under such contract are substantially the same as the timing and amount of payments to each such person under such obligation (as such obligation is in effect at the time of such transfer).

''(E) EXCEPTION FOR CERTAIN CONTRACTS HELD BY CHARITABLE REMAINDER TRUSTS.—A person shall not be treated for purposes of subparagraph (B) as an indirect beneficiary under any life insurance, annuity, or endowment contract held by a charitable remainder annuity trust or a charitable remainder unitrust (as defined in section 664(d)) solely by reason of being entitled to any payment referred to in paragraph (1)(A) or (2)(A) of section 664(d) if—

''(i) such trust possesses all of the incidents of ownership under such contract, and

''(ii) such trust is entitled to all the payments under such contract.

''(F) EXCISE TAX ON PREMIUMS PAID.—

''(i) IN GENERAL.—There is hereby imposed on any organization described in subsection (c) an excise tax equal to the premiums paid by such organization on any life insurance, annuity, or endowment contract if the payment of premiums on such contract is in connection with a transfer for which a deduction is not allowable under subparagraph (A), determined without regard to when such transfer is made.

''(ii) PAYMENTS BY OTHER PERSONS.—For purposes of clause (i), payments made by any other person pursuant to an understanding or expectation referred to in subparagraph (A) shall be treated as made by the organization.

''(iii) REPORTING.—Any organization on which tax is imposed by clause (i) with respect to any premium shall file an annual return which includes—

''(I) the amount of such premiums paid during the year and the name and TIN of each beneficiary under the contract to which the premium relates, and

''(II) such other information as the Secretary may require.

The penalties applicable to returns required under section 6033 shall apply to returns required under this clause. Returns required under this clause shall be furnished at such time and in such manner as the Secretary shall by forms or regulations require.

''(iv) CERTAIN RULES TO APPLY.—The tax imposed by this subparagraph shall be treated as imposed by chapter 42 for purposes of this title other than subchapter B of chapter 42.

''(G) SPECIAL RULE WHERE STATE REQUIRES SPECIFICATION OF CHARITABLE GIFT ANNUITANT IN CONTRACT.—In the case of an obligation to pay a charitable gift annuity referred to in subparagraph (D) which is entered into under the laws of a State which requires, in order for the charitable gift annuity to be exempt from insurance regulation by such State, that each beneficiary under the charitable gift annuity be named as a beneficiary under an annuity contract issued by an insurance company authorized to transact business in such State, the requirements of clauses (i) and (ii) of subparagraph (D) shall be treated as met if—

''(i) such State law requirement was in effect on February 8, 1999,

''(ii) each such beneficiary under the charitable gift annuity is a bona fide resident of such State at the time the obligation to pay a charitable gift annuity is entered into, and

''(iii) the only persons entitled to payments under such contract are persons entitled to payments as beneficiaries under such obligation on the date such obligation is entered into.

''(H) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to prevent the avoidance of such purposes.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the amendment made by this section shall apply to transfers made after February 8, 1999.

(2) EXCISE TAX.—Except as provided in paragraph (3) of this subsection, section 170(f)(10)(F) of the Internal Revenue Code of 1986 (as added by this section) shall apply to premiums paid after the date of the enactment of this Act.

(3) REPORTING.—Clause (iii) of such section 170(f)(10)(F) shall apply to premiums paid after February 8, 1999 (determined as if the tax imposed by such section applies to premiums paid after such date).

SEC. 807. TRANSFER OF EXCESS DEFINED BENEFIT PLAN ASSETS FOR RETIREE HEALTH BENEFITS.

(a) EXTENSION.—

(1) IN GENERAL.—Section 420(b)(5) of the Internal Revenue Code of 1986 (relating to expiration) is amended by striking ''in any taxable year beginning after December 31, 2000'' and inserting ''made after September 30, 2009''.

(2) CONFORMING AMENDMENTS.—

(A) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking ''1995'' and inserting ''2001''.

(B) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking ''1995'' and inserting ''2001''.

(C) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(13)) is amended—

(i) by striking ''in a taxable year beginning before January 1, 2001'' and inserting ''made before October 1, 2009'', and

(ii) by striking ''1995'' and inserting ''2001''.

(b) APPLICATION OF MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Section 420(c)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(3) MINIMUM COST REQUIREMENTS.—

''(A) IN GENERAL.—The requirements of this paragraph are met if each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer.

''(B) APPLICABLE EMPLOYER COST.—For purposes of this paragraph, the term 'applicable employer cost' means, with respect to any taxable year, the amount determined by dividing—

''(i) the qualified current retiree health liabilities of the employer for such taxable year determined—

''(I) without regard to any reduction under subsection (e)(1)(B), and

''(II) in the case of a taxable year in which there was no qualified transfer, in the same manner as if there had been such a transfer at the end of the taxable year, by

''(ii) the number of individuals to whom coverage for applicable health benefits was provided during such taxable year.

''(C) ELECTION TO COMPUTE COST SEPARATELY.—An employer may elect to have this paragraph applied separately with respect to individuals eligible for benefits under title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

''(D) COST MAINTENANCE PERIOD.—For purposes of this paragraph, the term 'cost maintenance period' means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be provided under subparagraph (A) for such taxable year.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 420(b)(1)(C)(iii) of such Code is amended by striking ''benefits'' and inserting ''cost''.

(B) Section 420(e)(1)(D) of such Code is amended by striking ''and shall not be subject to the minimum benefit requirements of subsection (c)(3)'' and inserting ''or in calculating applicable employer cost under subsection (c)(3)(B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified transfers occurring after December 31, 2000, and before October 1, 2009.

SEC. 808. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) of the Internal Revenue Code of 1986 (relating to exception for 10 or more employer plans) is amended to read as follows:

''(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are 1 or more of the following:

''(i) Medical benefits.

''(ii) Disability benefits.

''(iii) Group term life insurance benefits which do not provide for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.''.

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) of the Internal Revenue Code of 1986 (defining disqualified benefit) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

''(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide 1 or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

''(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 809. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 of the Internal Revenue Code of 1986 (relating to installment method) is amended to read as follows:

''(a) USE OF INSTALLMENT METHOD.—

''(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

''(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section.

The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2).''.

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) of such Code are each amended by striking ''(a)'' each place it appears and inserting ''(a)(1)''.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) of the Internal Revenue Code of 1986 (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: ''A payment shall be treated as directly secured by an interest in an installment obligation to

the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 810. INCLUSION OF CERTAIN VACCINES AGAINST STREPTOCOCCUS PNEUMONIAE TO LIST OF TAXABLE VACCINES.

(a) IN GENERAL.—Section 4132(a)(1) of the Internal Revenue Code of 1986 (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

''(L) Any conjugate vaccine against streptococcus pneumoniae.''.

(b) EFFECTIVE DATE.—

(1) SALES.—The amendment made by this section shall apply to vaccine sales beginning on the day after the date on which the Centers for Disease Control makes a final recommendation for routine administration to children of any conjugate vaccine against streptococcus pneumoniae.

(2) DELIVERIES.—For purposes of paragraph (1), in the case of sales on or before the date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

TITLE IX—MISCELLANEOUS PROVISIONS

SEC. 901. MEDICARE COMPETITIVE PRICING DEMONSTRATION PROJECT.

(a) FINDING.—The Senate finds that implementing competitive pricing in the medicare program under title XVIII of the Social Security Act is an important goal.

(b) PROHIBITION ON IMPLEMENTATION OF PROJECT IN CERTAIN AREAS.—Notwithstanding subsection (b) of section 4011 of the Balanced Budget Act of 1997 (Public Law 105–33)), the Secretary of Health and Human Services may not implement the Medicare Competitive Pricing Demonstration Project (operated by the Secretary of Health and Human Services pursuant to such section) in Kansas City, Missouri or Kansas City, Kansas, or in any area in Arizona.

(c) MORATORIUM ON IMPLEMENTATION OF PROJECT IN ANY AREA UNTIL JANUARY, 1, 2001.—Notwithstanding any provision of section 4011 of the Balanced Budget Act of 1997 (Public Law 105–33)), the Secretary of Health and Human Services may not implement the Medicare Competitive Pricing Demonstration Project in any area before January 1, 2001.

(d) STUDY AND REPORT TO CONGRESS.—

(1) STUDY.—The Secretary of Health and Human Services, in conjunction with the Competitive Pricing Advisory Committee, shall conduct a study on the different approaches of implementing the Medicare Competitive Pricing Demonstration Project on a voluntary basis.

(2) REPORT.—Not later than June 30, 2000, the Secretary of Health and Human Services shall submit a report to Congress which shall contain a detailed description of the study conducted under paragraph (1), together with the recommendations of the Secretary and the Competitive Pricing Advisory Committee regarding the implementation of the Medicare Competitive Pricing Demonstration Project.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico, under a previous order, is recognized for up to 10 minutes.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. DOMENICI. Mr. President, I ask unanimous consent that notwithstanding the adjournment of the Senate, the committees have until 3 p.m. today in order to file committee-reported legislation.

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

ORDERS FOR MONDAY, JULY 19, 1999

Mr. DOMENICI. This is on behalf of the leader, and it is already concurred in by the minority leader.

Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Monday, July 19. I further ask unanimous consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and that the Senate then stand in a period of morning business until 1 p.m. with Senators speaking for up to 5 minutes each with the following exceptions: Senator VOINOVICH, 15 minutes; Senator BAUCUS, 15 minutes.

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

PROGRAM

Mr. DOMENICI. For the information of all Senators, the Senate will convene at 12 noon and immediately begin a period of morning business until 1 p.m. Following morning business, the Senate will begin debate on a motion to proceed to the intelligence authorization bill. As a reminder, a cloture motion on the motion to proceed to the intelligence authorization bill was filed on Friday. That vote has been scheduled to take place at 10:30 a.m. on Tuesday. The leader has announced there will be no votes during Monday's session of the Senate. Therefore, the first vote on next week will take place at 10:30 a.m. on Tuesday.

ORDER FOR ADJOURNMENT

Mr. DOMENICI. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senators DORGAN and KENNEDY.

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

Mr. DOMENICI. I thank the Chair, and I thank the minority for concurring.

THE NON-SOCIAL SECURITY SURPLUS

Mr. DOMENICI. Mr. President, I will take a little time to speak about the surplus that we have over and above Social Security, which we call the non-Social Security surplus. That is the amount by which the taxpayers of this country have paid more into the U.S. Treasury than we need to run Government.

I choose now to speak to a proposal that I made with the introduction of a tax bill yesterday. I introduced it and had it printed and reported to the appropriate committee because I thought that even though I am not on the Finance Committee, that some of my ideas and thoughts might be relevant. I wanted the Senate to have the benefit of what I thought should be a good way to fix the Tax Code while we are reducing taxes.

Let me address this matter in a text that I have prepared and worked very hard on, including the bill that was introduced. I thank my staff for the diligent work and the Joint Committee on Taxation for their willingness to help us with evaluations of how much these various proposals will cost.

T.S. Eliot wrote, ''April is the Cruelest Month.'' Millions of Americans agree, especially around April 15. The Congress is going to pass a tax bill to make April a little kinder. I say it is time to share the surplus. Since without tax relief it takes the average worker until May 11 to earn enough money to pay his or her taxes, our tax bill also lets people start working for their families' benefit earlier in the year.

American families are currently saddled with an unprecedented tax burden. Total Federal tax collections are at a post-World War II high of 20.7 percent of the gross domestic product. Individual income tax collections alone are 10 percent of the gross domestic product and are projected to stay there. We have never experienced a government based on that level of income taxation, speaking of the income tax component of our total American government tax table.

The 1990s are truly a decade when government taxed the total population of America at a very excessive rate. The President will have a choice to spend on government programs or resist the urge to splurge and instead return the overpayment to its rightful owners in the form of a tax cut or tax relief. It is estimated the average American household will pay nearly $7,000 more in taxes than the government needs to operate the non-Social Security portion of the government over the next decade. The tax-writing committees of Congress are working right now to fashion a 10-year tax cut, phasing it in, that will total around $778 billion over the next 10 years. In the Senate it seems that they are working on that exact number because that is what the budget resolution we adopted said they should do. The House seems to be moving in a direction of a little larger tax cut over the decade, but we are talking now about $770 billion to $800 billion plus.

The ideas that are encapsulated in the bill I introduced take into account that the economy is booming. Personal income tax, as measured against adjusted gross income, is up 8.25 percent

from 1997 over 1996. That is a current year IRS statistic. That is, personal income, as measured as adjusted gross income, is up 8.25 percent. Income tax revenues are up 10.2 percent. This is good news and bad news, and these statistics encapsulate both.

The good news is our salaries, capital gains, and interest income are growing. The bad news is that bracket creep is pushing more and more Americans into higher tax brackets, even though we do not have as many brackets as we had years ago when bracket creep was a major American problem because of high inflation.

It is still pushing them into higher brackets, and at the same time, the code is working to make more and more American taxpayers pay what is commonly called now AMT taxes; that is, alternative minimum taxes, which really were never intended to cover the vast number of Americans that are currently being pushed into the alternative minimum tax portions of our code because they are being pushed into higher brackets.

I share with the Senate the key components of the bill I introduced, and I want to recognize that this bill builds upon legislation introduced by Senators COVERDELL, TORRICELLI, and MACK.

The philosophy behind the various provisions is something important, as I view it. I have been a long-time advocate of fundamental tax reform. I believe it would be better for our economy and simpler and fairer if we could shift our tax base from income that is earned and instead tax income that is consumed. There are very few who disagree that that would be a very good approach to a philosophy of taxation in our country. I have often said our current code is hostile to savings and investing and that we, as a Nation, pay the price in the form of lower economic growth.

The philosophical underpinnings of this package corrects some deficiencies. Let me go through it.

First section. Broad-based tax relief for all taxpaying families. Purpose: To cut taxes for 120 million American taxpayers by lowering and widening the 15-percent Federal income tax bracket.

Second, marriage penalty mitigation and burden reduction. The purpose is to return 7 million taxpaying families to the 15-percent bracket and to cut taxes for another 35 million taxpaying families who will benefit from a tax cut of up to $1,300 per family. It eliminates or mitigates the marriage penalty for many middle-class taxpaying families. That happens by merely adjusting the brackets downward and upward in the 15-percent area. I repeat, you do not change the marriage penalty for middle-class taxpaying families, but by making the 15-percent bracket broader, adding $10,000 to the adjusted gross income people can earn and still be in that bracket, and lowering the bottom bracket 1.5 percent, much of the marriage penalty is mitigated for people in those brackets.

Third, dividend and interest tax relief. Adjusting the tax base to recognize that dividends and interest should not be taxed. Now, obviously, there is not room in a tax package to totally eliminate dividends and interest. But the purpose of our bill is to provide an incremental step toward taxing income that is consumed rather than income that is earned and saved. It simplifies the code by eliminating 67 million hours of spent time in tax preparation. It eliminates Federal income taxes on savings for more than 30 million Americans in the middle-class families and reduces Federal income taxes on savings for an additional 37 million Americans. It essentially allows about a $10,000 nest egg to grow, tax free, and will let Americans enjoy the miracle of compound interest.

Specifically, it excludes the first $500 in interest and dividend taxation. That permits you to grow this nest egg and not have to pay taxes on the interest and dividends for the first $500 in that kind of income. It sounds small, but it affects a huge number of Americans and starts us in the direction of saying we ought to save, and we ought to start taxing not earned income, but consumed income.

The next provision is a capital gains cut by recognizing that investment and investing should be encouraged, not penalized. A Tax Code for the new century should exclude modest capital gains from taxation. The purpose of the provision is to provide an incremental step toward shifting our Internal Revenue Code away from taxing savings and investment. A savings-friendly Tax Code would lower the cost of capital so that prosperity, better paying jobs, and innovation can continue in the United States.

The bill would eliminate capital gains for 10 million American families, 75 percent of whose income is $75,000 or less. This provision is also a 70 million man-hour timesaver. I can think of many activities to spend 70 million hours on rather than filling out tax forms. The specific of this provision is that it exempts the first $5,000 in long-term capital gains from taxation. It eliminates it totally from taxation.

Another important section deals with retirement savings incentives. The purpose of this is to say that the savings rate for all Americans will increase by reforming the system to favorably treat income that is invested for retirement. It provides targeted incentives to middle-class families to increase their retirement savings in a traditional IRA by $1,000 per working member of the family per year. Specifically, it raises the contribution limit for traditional deductible IRAs from $2,000 to $3,000 and indexes the limit for inflation, when we can fit that into the dollars in the code.

The bill includes a death tax phase-out. It recognizes that death should not be a taxable event in the 21st century. We do not have sufficient resources to do away with it in toto. Some will be proposing it. I think they will find that it is rather expensive, even with $782 billion to spend. So the purpose of ours is to begin phasing it out. Specifically, it reduces tax from the top rate of 55 percent to 40 percent.

Then we have innovation and competitiveness. We all know those are characteristics that, at this point in our economic history, are rampant in our American economy. Innovation and competitiveness are the things that turned the American economy around and made Japan ask: What is America doing right? It made France and Germany ask: What are they doing right? Fifteen years ago, everybody was asking the reverse. Some were wondering if we should do things like they did things. I am grateful we did not, for most of the difference was planning by Government. They continued to do it and we came out of it with innovation and competitiveness.

Now we ought to make sure we do what we can with this available surplus to make the research and investment credit turn out to be a permanent part of the Tax Code. This change recognizes that the single biggest factor in creating better jobs through productivity growth is innovation. Productivity growth is derived from research and development conducted in the private sector. Between 60 to 80 percent of the productivity growth since the Great Depression can be traced to innovation.

Specifics of the proposal. The provisions here are the same as those contained in Senate bill 951, which I introduced. It makes this tax credit permanent, but also expands it to cover businesses that were not heretofore covered, including many small businesses that are filled with innovation but can't avail themselves of the research and development tax credit.

Last, but not least, the bill includes a section on energy independence. All I will say is that America is, once again, looking at itself in the world and finding that we grow more and more dependent on oil from abroad. In fact, it has gotten so high that there is no question that America is now dependent for its very survival upon importing oil from foreign countries. We have probably reached the point where we cannot avoid that. We will always be dependent. But the question is, Should we let an American oil and gas industry—principally made up of independent producers and risk takers—wither and die on the vine? Or should we change the Tax Code so more capital will be made available by the way we change the Tax Code for that kind of industry, the oil patch of America, for those who supply the services, take the risks, and those who pump the oil and gas.

We have made some changes and many Senators are interested in some of these issues, such as oil and gas capitalization, through changing the Tax Code. I won't read them one by one. To be specific, with reference to my own

State, this overall proposal cuts taxes for 574,000 New Mexican families who have to file an income tax return.

First, the bill cuts taxes by 10 percent by lowering the 15-percent bracket to 13.5 with a 5-year phase-in. This lowers taxes for families with adjusted gross incomes up to $44,000 for joint filers and $28,000 for single filers. The tax change puts 424,000 New Mexicans who weren't up to that amount in a new lower bracket and cuts their taxes by 10 percent. This bill also raises the threshold on the 15-percent bracket—something that was included in the proposals made by the distinguished Senator from Georgia and Senator TORRICELLI from New Jersey. It raises that threshold by $10,000 so that middle-income Americans can earn up to $55,000 in a joint return and only pay 15 percent, instead of being dumped into the higher bracket once they are at $44,000. This is going to cut taxes for families with adjusted gross incomes between $44,000 and $55,000. You know the rest.

According to our own revenue and taxation department in my home State, approximately 151,000 New Mexicans would be returned to the 15 percent tax bracket from which they have been pushed out; 83,000 of the families would see their taxes cut by $1,300 a year. Because of the progressive rate change structure, New Mexicans in the 28, 31, 36 and 39.9 brackets would all see their taxes cut by a similar amount because of the marginal rate concept in our law.

This bill excludes $500 in interest and dividends from taxation. The exclusion essentially makes a $10,000 nest egg tax free; 504,000 New Mexicans will be helped by it and file more simple tax returns. The bill exempts $5,000 in capital gains from taxation, amounting to a $1.4 million tax cut for 118,000 New Mexicans.

I close with a quote from Milton Friedman.

Milton Friedman said, and I agree:

> The estate tax sends a bad message to savers, to wit: that it is O.K. to spend your money on wine, women and song, but don't try to save it for your kids. The moral absurdity of the tax is surpassed only by its economic irrationality.

The death tax is also one of the most unpopular taxes. While most Americans will never pay it, 70 percent believe it is one of the most unfair taxes. Its damage to the economy is worse than its unpopular reputation. The Tax Foundation found that today's estate tax rates (ranging from 18 to 55 percent) have the same disincentive effect on entrepreneurs as doubling the current income tax rates and NFIB called it the ''greatest burden on our nation's most successful small businesses.''

The would make R&E credit permanent and phase-in some modifications during last five years. This is essentially the text of a bill I introduced earlier this year.

The bill increases expensing to $250,000. This will simplify record keeping for 2.5 million small businesses and save them a whopping 107,000,000 hours in tax preparation.

It also phases out the AMT for both indivduals and corporations.

The tax plan also recognizes that there are certain areas of the country—oil patch in particular that are being devastated. At the same time, the oil and gas industry pays some of the highest taxes in the country. For this reason the bill also includes oil and gas tax relief.

While the Joint Committee on Taxation has not completed its revenue estimate, it is my intention that these tax provisions can be accommodated within the Budget Resolution.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for up to 10 minutes.

Mr. DORGAN. I ask unanimous consent to be recognized for 20 minutes.

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

PRIVILEGE OF THE FLOOR

Mr. DORGAN. I ask unanimous consent Tony Blaylock, a fellow on my staff, be given floor privileges until the end of the year.

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

Mr. DORGAN. Mr. President, I ask unanimous consent Kristi Schlosser be given floor privileges today.

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

THE FAMILY FARMER

Mr. DORGAN. Mr. President, one only needs to open a newspaper or turn on a television set to a news program in this country, the United States, to understand we are experiencing a wonderful economy, a wonderful turn of events. This has lasted a long while. Most people are working. Inflation is down. Budget deficits have evaporated. The country is growing. The economy is doing better, and there is a lot of good news.

In addition to the general economic news, the stock market is in a kind of go-go mood reaching record highs. These breathtaking heights in the stock market are coupled with stories about young people involved in the Internet who are making millions before they are old enough to shave. That is wonderful.

There are a lot of people doing well in this country because of the economy. But there are some who are left behind and left out. We ought to pay attention to some of these storm clouds. I am speaking especially about family farmers. They are this country's economic all stars and have been for some long while. They are suffering silently, but they are suffering in a very significant way today. This Congress has a responsibility to do something about it.

Let me read a letter that I received from a farmer in North Dakota a day or two ago. He says:

> As a family farmer and rancher, it doesn't seem to me there are many people who care much about us anymore. It sometimes brings tears to my eyes that maybe in a year or two I won't be around in farming anymore. This won't be easy to explain to my three daughters. I wanted to bring them up in a rural setting. If it happens I can't farm, I hope they read in the history books some day that it wasn't because their dad was a dumb man. It was caused by policy and giant concentrations of companies who want world dominance.

This farmer, who worries about losing his farm and worries about how he will explain that to his three daughters, worries about not being able to raise his daughters on the family farm. He says it is not his fault. And it isn't.

I want to describe what this man is going through.

Another farmer wrote to me and said:

> I'm sitting at the kitchen table at 3:30 in the morning. It is spooky quiet out here these days, neighbors going broke, moving away, family farmers can't make it. My family is asleep and I don't know how long I will be able to hang on to this family farm.

Let me describe what these farmers face. While the stock market reaches record highs, here is what happens to the price of wheat. Those family farmers see their income declining in a very significant way. No one else is experiencing declining income. CEO salaries aren't going down; they are going up, up, up—way up. The stock market is going up to record highs. Yet if you are raising wheat and you are a family farmer, you have seen your income collapse.

What if you are raising corn? Exactly the same thing. Your income is collapsing.

What if you are raising soybeans on the family farm? The same thing. The income is collapsing.

What share are you getting as a family farmer of the retail food dollar? Collapsing.

In the spring, you borrow some money, you buy some seeds, you fix up the tractor, plant the seeds, and hope they grow. You worry about insects; you worry about crop disease; you worry it will hail; you worry that it won't rain enough, or maybe too much; and then at the end you may get a crop. If you get a crop, you worry when you will get it off the ground. After you have combined it and harvested the crop, you put it on the truck and drive to the elevator, only to be told the grain trade says that the crop produced has no value. We are going to pay you $1.50 or $2 a bushel less than it cost to produce.

You sit in the truck as a family farmer, knowing you took all of these risks, that your family is depending on you, and that the world is hungry. You hear the stories. You hear that in the Sudan a million people face the abyss of starvation and old women climb trees to forage for leaves because they have nothing to eat.

The grain trade says the food we produce has no value. Farmers scratch their heads and say: I guess it is because the public policies in this country say that family farmers don't count. Family farmers don't matter.

That is what angers family farmers the most. They produce something of enormous importance to the entire world and are told it has no value. They are told that the farm bill is fundamentally bankrupt. The Freedom to Farm Act passed by this Congress several years ago is totally bankrupt. It ought to be repealed immediately.

Trade agreements, negotiated by trade negotiators who have done a terrible job and were totally incompetent, sold our farmers down the river.

So family farmers have a right to ask the question: Why can't we expect from this Congress, this Administration, and this country, a decent opportunity to make a living, a decent price for the food we produce, and a decent deal from trade agreements that are negotiated with other countries? Why can't we expect this country to stand up for family farmers?

A group from some farm States met this morning. We talked about how we will mobilize efforts to try to begin to provide two things. One, we need some emergency help—an emergency disaster relief bill to offset the income collapse which family farmers are facing. Second, we need a change in the farm program. We decided to seek a meeting next week with President Clinton at the White House. We will try to make sure this Administration proposes a robust disaster program and joins in proposing to change the underlying farm program to provide decent income support for family farmers when prices collapse.

Next week we will try to do that, meet with the President, and develop an emergency bill to provide disaster relief. Senator HARKIN and I proposed such a bill in the appropriations subcommittee. Senator CONRAD has proposed a number of ideas on how to provide disaster relief. I expect we will have to propose disaster relief somewhere in the $10-billion-plus range.

This Congress has a responsibility to respond to this issue and to do it soon.

Second, to change the farm bill so family farmers have a safety net. Others in this country have a safety net. But somehow the suggestion was made that we can just pull the safety net out from under family farmers and that would be fine. Nobody will care. Families care. Farmers care. I do not want anybody standing up in this Chamber saying they are profamily and then turn a blind eye to the needs of family farmers. That is what has been happening.

If there were fires or floods or tornadoes that hit our part of the country and devastated all the buildings, the economy and the infrastructure, we would have folks rushing out there with help. We would have FEMA all set up in big buildings and tents, getting people in to give help. Everybody would be helping. In fact, you wouldn't even need a tornado. If some hogs got sick with a mysterious disease, we would have the entire Department of Agriculture trying to find out what was wrong with the hogs. Only farmers can see their incomes collapse.

In our State, the incomes collapsed 98 percent in 1 year. Ask yourself, could your family stand a 98 percent loss in income? Could any Members of the Senate stand a 98 percent loss in their paycheck? Can wage earners stand a 98 percent loss in their wage? I don't think so. That is what happened to farmers in my State.

The question is, who is going to respond, when are they going to respond, and when is this country going to care whether we have family farmers left in our future? The answer for me is soon. The answer for me is now. Next week, we must expect to make progress with the President; yes, with the majority party and the minority party working together to try to provide disaster relief, No. 1, and a long-term safety net, No. 2.

I want to tell you about a fellow named Tom Ross who did something that I thought was unique in Minot, ND. Tom Ross is a newscaster with KMOT television. He got 48 acres just north and east of Minot, ND. He got some partners, and he planted 48 acres of durum wheat. His partners were experts in this area, seed companies, chemical companies, the Research Extension Service and so on. In 1997, they determined exactly what it cost, exactly what they planted, and exactly what they harvested, and what the outcome was. They did this on television to try to demonstrate the plight that family farmers were facing. Let me demonstrate what it was.

In 1997, they planted 48 acres, and they lost $50 an acre. This is with all the experts weighing in with Mr. Ross, the newsman, saying here is how we do it. They did it, and they lost $50 an acre. Next year, they planted the same 48 acres and they lost $1,930 an acre. So in 2 years they have lost almost $2,000 an acre on 48 acres of land. If you farm 1,000 acres, which is about an average size farm, slightly smaller than an average size farm in the farm belt, you would have lost $50,000 just in that first year.

This year, Mr. Ross planted 48 acres of roundup ready canola. Last week, I stood out in that field just northeast of Minot, ND. We will see what happens this year. Given the price, given the circumstances, they expect they will lose some money this year.

The point is that on 48 acres with controlled circumstances and all of the experts to help, you have massive losses of income over three years. This is multiplied by every family farmer across the farm belt. Why? Because prices have collapsed, and family farmers have no safety net, at least not a safety net that is available to help them survive.

This is a unique experiment, and it shows in the clearest way possible that this is not about whether family farmers are good farmers. They are the economic All-Stars in our country. The project that KMOT did in Minot, ND, demonstrates that when prices collapse, family farmers do not have a chance to make a decent living and someone has a responsibility to help. That someone is this Congress, this Senate, this President. And the time is now; not later—now. If we want to save family farmers for this country's future, we must take action now.

On Monday, I am going to talk about a paper that was just released by the Economic Policy Institute written by Robb Scott, ''The Failure of Agriculture Deregulation,'' describing the failure of Freedom to Farm, the failure of our trade policies, and the selling down the river of family farm interests in this country by people who should have known better. I will describe that in more detail on Monday.

We do not have time to waste. We do not have time to wait. We must act and do so with great effect to try to help family farmers. The fellow who says I may not be able to farm anymore, at least is farming now. A whole lot of folks sold out long ago, and more are selling out every month and every week.

A woman called me recently and said her 17-year-old son would not come down to the auction sale when they were forced to sell. She says it is not because he is a bad kid. This young boy stayed up in his bedroom because he was brokenhearted. He wanted to farm that land so bad and take it over from his dad at some point. He knew when the auction sale was held that it was over for him. His dreams were gone. She said he was so brokenhearted he simply could not come down and participate in the auction sale of the family farm.

That is happening all across the northern plains, all cross the farm belt. At the same time, the stock market shows record highs, and we hear about this robust economy. The economic all-Stars in this country, who produce so much of what the world needs, are being told what they produce has no value and their existence does not matter. Shame on this country if it does not stand up now and decide that family farmers have value. What they produce has enormous value, and family farmers are important for this country's future.

I am betting the energy exists with this President and this Congress to finally turn the corner and say we need to make a change. We need trade agreements that stand up for the interests of farmers. We need a safety net that says when farmers' incomes drop 98 percent, we stand to help because we care about you and your future.

The PRESIDING OFFICER (Mr. GREGG). THE SENATOR FROM MASSACHUSETTS.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that Jennifer Duck, a Labor Department detailee with my office, be granted the privilege of the floor.

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

MINIMUM WAGE

Mr. KENNEDY. Mr. President, yesterday, the House of Representatives with very little discussion and debate voted themselves a $4,600 pay increase. The Senate passed a similar measure earlier this month. Fair is fair. If Members of Congress deserve a raise, then surely the hard-working, lowest paid workers across this country deserve an increase in the minimum wage as well. Shame on this Congress when we vote ourselves a $4,600 pay increase, yet do nothing for the lowest paid workers in America.

I intend to do all I can to see that Congress acts to raise the minimum wage as soon as possible. When President Clinton signs the law to raise the pay for the 535 Members of Congress, he should also have on his desk the bill to raise the pay for the 11 million Americans who work for the minimum wage.

The case for an increase in the minimum wage is overwhelming. Since 1991, congressional pay has increased $39,400. In the same amount of time, a minimum wage worker has seen a pay increase of only $1,870.

Legislation to raise the minimum wage—the Fair Minimum Wage Act—has been installed for many months by this Republican Congress. Our proposal will raise the federal minimum wage from its present level of $5.15 an hour to $5.65 on September 1, 1999 and to $6.15 an hour on September 1, 2000.

Speaker HASTERT said last March, ''I feel Members of Congress come here, they do their work. I know there are Members that have three or four kids in college at a time. I'm not crying crocodile tears, but they need to be able to have a life and provide for their family.''

I say minimum wage workers have a life, too. They need to provide for their families, too. They need to put their children through college, too.

Under our proposal, a minimum wage worker would earn an additional $2,000 a year. That amount will pay for 7 months of groceries to feed the average family. It will pay to house an average family for 5 months. It will pay for 10 months of utilities. It will cover a year and a half of tuition and fees at a 2-year college. It will provide greater opportunities for all those struggling at the minimum wage to obtain the skills they need for better jobs and better careers and better support for their families.

We know that under current law, minimum wage earners can barely make ends meet. Working 40 hours a week, 52 weeks a year, they earn $10,712 almost $3,200 below the poverty line for a family of three. A full day's work should mean a fair day's pay. But for millions of Americans who earn the minimum wage, the pay is unfair.

Opponents complain that increasing the minimum wage hurts small business and causes job losses. But these claims have been proven wrong. In fact, since the most recent increases in the federal minimum wage—a 50-cent increase in October 1996 and a 40-cent increase in September 1997—employment has risen in virtually all sectors of the economy. Over 8 million new jobs have been added to the workforce, including 1.1 million retail jobs, 350,000 restaurant jobs, and more than 4 million jobs in the service industry. The increases boosted the earnings of 9.9 million low-wage workers directly, and millions more indirectly, but far from enough.

As Business Week has stated:

> [H]igher minimum wages are supposed to lead to fewer jobs. Not today. In a fast-growth, low-inflation economy, minimum wages raise income, not unemployment. . . . A higher minimum wage can be an engine for upward mobility. When employees become more valuable, employers tend to boost training and install equipment to make them more productive. Higher wages at the bottom often lead to better education for both workers and their children.

Even Business Week agrees, ''It is time to set aside old assumptions about the minimum wage.''

The national economy is the strongest in a generation, with the lowest unemployment rate in almost three decades. Under the leadership of President Clinton, the country as a whole is enjoying a remarkable period of growth and prosperity. Enterprise and entrepreneurship are flourishing—generating an unprecedented expansion, with impressive efficiencies and significant job creation. The stock market has soared. Inflation is low, unemployment is low, and interest rates are low.

But despite this unprecedented economic growth, too many workers are not reaping the benefits of this prosperity. To have the purchasing power it had in 1968, the minimum wage should be at least $7.49 an hour today, not $5.15. This unconscionable gap shows how far we have fallen short over the past 30 years in granting low-income workers their fair share of the country's extraordinary prosperity.

Since 1968, the stock market, adjusted for inflation, has gone up by over 150 percent—while the purchasing power of the minimum wage has gone down by 30 percent. Shame on Congress for allowing that decline.

As the economy reaches new heights, so do CEO salaries, often reaching tens of millions of dollars a year. At that rate, it takes a CEO barely 2 hours to earn what a minimum wage worker earns in an entire year. The rise in income inequality between the country's top earners and those at the bottom makes our Nation weaker, not stronger.

In a strong economy, we can clearly afford to give low income workers a rise. Our national wage total is over $4.2 trillion. That is what American employers are paying in wages today. The increase of one dollar that we proposed would raise the national wage total by only one-fifth of 1 percent.

That is a drop in the bucket in the overall American economy, but a significant benefit for low-income workers.

According to the Department of Labor, 59 percent of minimum wage earners are women. Nearly three-fourths are adults. Forty percent are the sole breadwinners in their families. Almost half work full time. They are teachers' aides and child care providers, home health care assistants and clothing store workers. They care for the elderly in nursing homes. They stock the food shelves at the corner store. They clean office buildings in thousands of communities across the country.

The minimum wage is a women's issue. It is a children's issue. It is a civil rights issue. It is a labor issue. It is a family issue. Above all, it is a fairness issue and a dignity issue. It is time to raise the federal minimum wage again. No one who works for a living should have to live in poverty.

This chart over here indicates clearly what has happened to the unemployment rate with previous increases in the minimum wage. For years, we have often heard that an increase in the minimum wage would see an increase in unemployment. In 1996, we had an increase in the minimum wage to $4.75 an hour, and we have seen the gradual decline in unemployment. Then we raised it to $5.15 an hour in September 1997, and we continue to see the decline in unemployment.

This chart over here indicates how long an average CEO has to work in order to make what a minimum-wage worker earns over the year. By 10:06 a.m. on the first working day—say, for January 1st—the average CEO has made what will take a minimum-wage worker to earn by 5 p.m. on December 31. In just over 2 hours, the average CEO has made what a minimum-wage worker will make by the end of the year.

Finally, this chart over here shows what the poverty line is for a family of three. The lower line here shows what the annual minimum-wage earnings are. What we see in 1999 is the continuing decline in the value of the minimum wage as minimum wage earners fall further below the poverty level.

It is time those men and women who work hard—play by the rules, work 52 weeks of the year, 40 hours a week, 8 hours a day—are not going to have to live in poverty. We are going to insist this issue be before the Senate in these next very few days or weeks.

THE PEACE PROCESS IN NORTHERN IRELAND

Mr. KENNEDY. Mr. President, I rise to express my deep disappointment by the failure of the parties to move forward with the peace process in Northern Ireland. The Good Friday Peace Agreement was endorsed by the overwhelming majority of the people of Northern Ireland, and it offers the only

realistic hope for lasting peace for the two communities. We cannot let it fail.

It is hard to understand why this moment was not seized. The Good Friday Peace Agreement is the only way forward—the only way to bring the two communities closer together to build a better future for the people of Northern Ireland.

Decommissioning was not a precondition for the formation of the Executive, but it should take place along with other provisions of the agreement. The Way Forward proposal outlined a clear timetable for addressing the issue. It required clear progress on decommissioning in the coming weeks. General De Chastelain would review progress on decommissioning in September, in December, and again in May 2000. He would need to say publicly that everyone is cooperating. Without significant progress, the Executive would be disbanded.

It is tragic that the opportunity to form the Executive was missed.

The Agreement is the mandate of the people, and must be implemented. It offers the Unionists their key demands—their constitutional position, the principle of consent, an end to violence.

I would hope that once out of the marching season and after a period of reflection and the review by the governments and parties of the working of the agreement—not a review of the agreement itself—that wiser counsels will prevail in September.

I share the frustration expressed by President Clinton that a breakthrough of this potential is being stalled by a dispute on sequencing, which should weigh very little compared to the historic agreement on areas of substance reached in the negotiations.

I applaud the determination of the two Prime Ministers and President Clinton to persist in their efforts, with the support of Senator Mitchell, to overcome this last hurdle.

Despite this latest impasse, all who care about peace must redouble their efforts to find a solution. We must focus our energy on increasing the political dialogue and securing full implementation of the agreement.

A way must be found to build trust between the two communities of Northern Ireland. It is clearly the will of the people of Northern Ireland.

The Governments of Ireland and Great Britain and the United States must continue to work together to revitalize the peace process. We cannot let it fail.

Mr. President, I yield the floor.

ADJOURNMENT UNTIL MONDAY, JULY 19, 1999

The PRESIDING OFFICER. If there is no further business to come before the Senate, under the previous order, the Senate stands adjourned until the hour of 12 noon, on Monday, July 19, 1999.

Thereupon, the Senate, at 2:14 p.m., adjourned until Monday, July 19, 1999, at 12 noon.

EXTENSIONS OF REMARKS

VETERANS' HEALTH CARE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. BEREUTER. Mr. Speaker, during the Independence Day district work period, this Member had the opportunity to continue his series of town hall meetings in his congressional district in Nebraska. At these meetings, and at my earlier listening sessions, two main topics have been vigorously addressed by constituents. The first of these is the desperate conditions that farmers are now facing in this country, which this Member addressed Monday on the House floor. Another issue that was also discussed at these town hall meetings was the very inadequate level of veterans medical care funding available today. Veterans in my state understandably are *not* satisfied with the current situation, and it is clear that the Federal Government is not meeting its responsibility to the health care needs of our military veterans.

Over the last several years, Congress has provided a slight increase in funding each year for veterans health care. However, the level of funding in the past and present has been far from the amount needed for these vital health programs. The simple fact is that the Federal Government must provide greater funding for veterans health care. We have a bulge in World War II veterans in need of more health care services at this time. The number of veterans treated in VA facilities in the year 2000 is projected to rise by more than 30 percent compared to 1997. Funding must be substantially increased to keep up with this demand. However, the President's budget request for veterans medical care funding is less than 2 percent above what it was in 1997. In fact, over the past few years, the President's budget request has always been less than what Congress actually appropriated for these important health programs.

The fiscal year 2000 Budget Resolution contained a 1.7 billion dollar increase for veterans health care. This Member strongly encourages the Appropriations Committee to support this increase in funding, and would support an even greater amount to insure that at least minimally acceptable veterans' health needs of all eligible veterans are met. This Member would also like to send a message to the Administration, encouraging them to stop ignoring the essential health care services veterans deserve, and to propose and support the greater funding levels needed to adequately serve our veterans.

The inadequacy of VA health care funds in this Member's home state of Nebraska is accentuated by a Clinton Administration funding formula called the Veterans Equity Resource Allocation, or VERA. Its results are anything but equitable to veterans in Nebraska. The VERA system was created and implemented in April of 1997 in an ill-advised attempt to more equally allocate VA health care resources among different regions of the country.

However, this system is not equitable. Funds are allocated among the 22 VA regions strictly on a veteran per-capita basis, which means that the Sunbelt regions where veterans are retiring have far more resources to provide the necessary base of service. Sparsely populated states, like Nebraska in the Northern Great Plains, have a smaller and shrinking veterans population. These lower-population states simply do not have the numbers to receive adequate funding under this system in order to provide for even the minimum services and facilities required. No matter what state a veteran lives in, he or she is entitled to an acceptable level of health service. This level is not being met in Nebraska under VERA. This Member calls on the Clinton Administration to take off their blinders and address this problem with an adjusted formula. This Member will also continue to actively oppose VERA, and will work to restore more funding for VA facilities in Nebraska.

Veterans fought to protect our freedom and way of life. As they served our nation in a time of need, the Federal Government must remember them in their time of need. Therefore, the needs of these veterans, especially health benefits, must be met to the fullest extent possible. The people of the U.S. owe a tremendous debt to our veterans. We should keep the promises made to them.

COLORADO HOUSE JOINT RESOLUTION 99–1060

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. SCHAFFER. Mr. Speaker, the Colorado House recently adopted H.R. 1000, the ''Aviation Investment and Reform Act.'' This measure is of great interest to my constituents and the entire state of Colorado. Indeed the Colorado General Assembly has called upon the Members of Colorado's Congressional Delegation to support H.R. 1000.

It was upon the recommendation of the Colorado Legislature, and for the reasons stated in Colorado's House Joint Resolution 99–1060, that I was persuaded to cast my vote, on behalf of Colorado's Fourth Congressional District, in favor of H.R. 1000.

I furthermore commend Colorado's position on the matter to Members of the House, and hereby submit for the RECORD, the full text of Colorado H. J. R. 99–1060.

HOUSE JOINT RESOLUTION 99–1060

Whereas, Safe, timely, and adequate intrastate air service is essential to the citizens of Colorado; and

Whereas, The 1998 Colorado General Assembly Interim Committee on Intrastate Air Service reviewed and studied the need to improve the safety and adequacy of intrastate air service in Colorado; and

Whereas, There exists a federal ''Airport and Airway Trust Fund'', created by section 9502 of the Internal Revenue Code of 1986, to assist airports and airport air service throughout the United States, including many of the intrastate air service needs in Colorado; and

Whereas, The federal ''Airport and Airway Trust Fund'' is not being used for its intended purposes and historically has been used to mask past federal budget deficits; and

Whereas, United States Representative Bud Shuster (R-PA), has introduced H.R. 1000, the ''Aviation Investment and Reform Act for the 21st Century'', which includes ''Title IX—Truth in Budgeting'', that requires that the federal ''Airport and Airway Trust Fund'' be used for its intended purposes; now, therefore, be it.

Resolved by the House of Representatives of the Sixty-second General Assembly of the State of Colorado, the Senate concurring herein: That the members of the Sixty-second General Assembly call upon Colorado's Congressional Delegation to support H.R. 1000, the ''Aviation Investment and Reform Act for the 21st Century'', and specifically ''Title IX—Truth in Budgeting'', and, upon its passage, to work to provide funds to improve the safety, timeliness, and adequacy of intrastate air service throughout Colorado; and be it further

Resolved, That copies of this resolution be sent to each member of Colorado's Congressional Delegation.

MARK D. ROLNIK

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. TOWNS. Mr. Speaker, Mr. Mark D. Rolnik was born on January 1, 1954. He grew up in the Riverdale section of the Bronx, and attended the Bronx High School of Science.

Thereafter he attended the University of Buffalo, where he graduated in 1976. He then attended Benjamin Cardoza School of Law, of Yeshiva University, and received his law degree in 1979.

After three years of working for the law firm of Lester Schwartz & Dwyer, Esq. Mark opened his own office on Lower Broadway in Manhattan, and began practicing personal injury law. He has been engaged in this practice since 1982, and continues to practice personal injury to date.

In addition to his law practice, he is on the Board of Directors of the Brooklyn Kings Basketball Team, a professional basketball team that plays in Brooklyn, New York. This is the first professional sports team to play in Brooklyn since the Dodgers left Ebbets Field in 1958.

He is also on the Board of Directors of the Reality Chek Foundation, a Brooklyn charity dedicated to providing learning experiences to inner city youths.

He and his wife Adria have two children, Elizabeth, age 13, and Alexandra, age 11. They currently reside in Short Hills, New Jersey. Mr. Speaker, please join me in commending Mr. Rolnik for his contributions to supporting programs for inner city youth.

RECOGNIZING THE BROWNIE BAKER

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Dennis Perkins and The Brownie Baker for winning the Small Business of the Year Award in 1999. The Brownie Baker bakes and sells a variety of brownies, muffins, and cookies on a wholesale basis, primarily to the convenience store industry.

The Brownie Baker started as a family business with Marion Peterson and her sister, Susie Spotts. Dennis Perkins, then the Director of Business Development for Pepsi-Cola, bought the business on August 1, 1990.

The company has expanded its markets and the financial reports reflect this. Accounts are concentrated in California, but expand nationwide. Perkins has done an excellent job operating the company as evidenced by its growth. Sales were 1.8 million as of June 30, 1994. They have more than doubled since that time to 3.9 million as of June 30, 1998.

Perkins reorganized the means of distribution, increased product size, developed new products, changed the labels, bought a larger bakery, and bought out a competitor called Carol's Cookies. This acquisition has increased sales nearly 50 percent, growing the company from five to 48 employees. During 1998, Perkins installed a completely automated muffin line, and also many new technologically advanced money and time savers for the company.

Nearly a third of those employed at the bakery are Southeast Asian refugees placed there through the CalWORKS program.

The Brownie Baker will be diversifying its line by adding Mexican pastries.

Mr. Speaker, I rise to recognize The Brownie Baker for its accomplishments. I urge my colleagues to join me in wishing Dennis Perkins and The Brownie Baker many more years of continued success.

A TRIBUTE TO MATTHEW WILLIAM ADKISSON FOR HIS PROMOTION TO THE RANK OF EAGLE SCOUT

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. GONZALEZ. Mr. Speaker, I rise today to offer my sincerest congratulations to Matthew William Adkisson, Boy Scout, from San Antonio, TX, upon the notification of his advancement to the rank of Eagle Scout.

Boy Scouts are awarded the prestigious rank of Eagle Scout based on their faith and obedience to the Scout Oath. The Scout Oath requires members to live with honor, loyalty, courage, cheerfulness, and an obligation to service.

In addition, the rank of Eagle Scout is only bestowed once a Boy Scout satisfies duties including, the completion of 21 merit badges, performing a service project of significant value to the community, and additional requirements listed in the Scout Handbook.

In receiving this special recognition, I believe that Eagle Scout Matthew William Adkisson will guide and inspire his peers, toward the beliefs of the Scout Oath. I am proud to offer my congratulations to Matthew on this respected accomplishment.

HONORING THE 54TH INFANTRY OF AFRICAN AMERICAN SOLDIERS

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. CAPUANO. Mr. Speaker, I rise today to celebrate and remember the contributions of the 54th Massachusetts regiment. On July 18, 1863, 136 years ago this week, the 54th Infantry, which consisted exclusively of African American soldiers, led a gallant assault on Fort Wagner where they valiantly fought and sacrificed their lives for our country.

Despite the controversy and discrimination directed towards them, the heroic 54th failed to retreat. Feeling the need to prove themselves capable soldiers, they fought harder and accepted fiercer challenges than the average soldier. Fighting for the preservation of the Union and against the enslavement of human beings, the 54th Infantry also succeeded in paving the way for African Americans to serve in the military and be commissioned as officers—an almost insurmountable feat!

Mr. Speaker, I'm proud today to honor the memory of these soldiers, and recognize their accomplishments during the Civil War and to the future direction of our Nation. These men gave selflessly of themselves in our Nation's most brutal war for the right to be recognized as civilized men. They defended our Nation's freedoms without prejudice or apprehension, and I salute them.

IN MEMORY OF M.L. ANSON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. SKELTON. Mr. Speaker, it is with deep sadness that I inform the House of the death of Marion Leslie (M.L.) Anson, 77, of Higginsville, Missouri.

Mr. Anson was born December 23, 1921, in Higginsville and lived most of his lifetime in the Higginsville area. He was a 1940 graduate of Higginsville High School and also a graduate of Westminster College in Fulton, Missouri. He was a member and past president of Phi Delta Theta, a social fraternity. Mr. Anson served with the United States Navy in the Pacific Theatre during world War II with the rank of Lieutenant, Junior Grade.

Mr. Anson was active in the community. He was a former member of the Higginsville Board of Aldermen, the Higginsville Board of Education, and a founding member of the Higginsville Country Club, where he served as a member of the Board of Directors. He was a past member of the Lion's Club and was active in the Boy Scouts, serving in the Tribe of Mic-O-Say. He was a member of the Higginsville American Legion Post #223 and the Veterans of Foreign Wars Post #6270. Mr. Anson was a sponsor of the Save our Strays program in Lafayette County. He was also a member of Central Christian Church in Higginsville, where he served as a deacon and was a longtime member of the church choir.

Mr. Anson was the secretary-treasurer and co-owner with his son, Joseph, of Anson Implement, Inc., a John Deere Dealership in Higginsville. He was a former co-owner of the Smith-Anson Implement Company in Odessa, until the early 1950s, when he joined the Higginsville business with his father, Leslie Anson, and his brother-in-law, James O. Smith.

Mr. Speaker, Mr. Anson was a fine American and a true friend. I know the Members of the House will join me in extending heartfelt condolences to his wife, Mary Lou; his son, Joseph; his three daughters, Maris, Jennifer, and Marion; his sister, Jean; seven grandchildren, and two step-great-grandchildren.

ON MILITARY OPERATIONS IN VIEQUES

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today on behalf of thousands of residents in my district, who as Americans of Puerto Rican descent care deeply about what is happening to their many friends and relatives on the island of Vieques.

One week ago, while on a visit to Puerto Rico, I visited Vieques, at which time I met with Vieques's Mayor Manuela Santiago at a town meeting she hosted, and attended a briefing by Rear Admiral Kevin Moran, Commander, Navy Region Southeast.

On my flight to Vieques I observed an island that is naturally gifted and beautiful, with some of the most marvelous beaches in the Western Hemisphere. Its people love their island, are hardworking and industrious, as is evidenced by the fishermen I met. But Vieques' natural beauty is scarred and its tremendous economic potential is blocked by the presence and activities of the U.S. Navy.

Let me say from the outset that I do not doubt the Navy's claim that the type of training the Navy conducts as Vieques is vital to its defense mission. It certainly is. What I strongly disagree with is the Navy's position that there is nowhere else in the entire hemisphere where such training could take place. If God had not gifted us with Vieques, or if, God forbid, Vieques was subsumed by an earthquake, would the Navy tell us that it would be impossible for them to perform their defense mission for the United States? I think not.

Might it be an inconvenience? Yes. Might it take some time? Yes. Might is cost money? Yes. But to take the firm position that the nation's defense rests solely on Vieques is simply not credible or acceptable.

So why should the Navy permanently cease all live and inert ammunition exercises and, therefore, ultimately leave the island and return it to the people of Vieques and Puerto Rico? I think the answers can be found in the voices of the people of Vieques I met and in the sights I observed.

From Mayor Santiago's presentation, one would conclude the Navy has in their actions

been insensitive to the economic development needs of the island. This insensitivity has real, tragic, human consequences. Over 70% of the residents are below the poverty line, a rate 14% above the rest of Puerto Rico, and unemployment is exceedingly high.

Carlos Ventura, a leader in the fishing community, vividly describes the very significant damage that the Navy's restrictions, operations, amphibious landings, mine sweeping, and live ammunition explosions have caused in the loss of fish, coral reef, and the destruction of natural fishing habitats—all of which has caused the deterioration of the fishing industry. For all these reasons, when you visit Vieques and talk of the Navy, you will hear voices of despair and distrust.

The risk of developing cancer is greater in Vieques than in any other municipality in Puerto Rico. The infant mortality rate is among the highest of any municipality. So when Dr. Luis Rivera Castano speaks of the presence of explosive components like RDX and Tetryl in the potable water reserves of Vieques, or of chemical compounds in the actual charges of the projectiles themselves, his reasoned voice is one of concern and alarm.

Then there were the passionate voices of the Alliance of Vieques Women, and of Alba Encarnacion, a school teacher, who spoke eloquently of their sleepless nights and of their anxiety and fear for their security, peace, and health. The voices of these mothers are the voices of Vieques children.

From that town meeting, I went on a Navy helicopter to a briefing at the observation post where security guard David Sarnes Rodriguez was killed and four others injured. That briefing focused on the need the Navy has to perform such training, but it did little to convince me that the devastating sights I saw of the leveling of hills and coconut plantations, and the blasting off the face of the Earth of lagoons and cays, was not an environmental injustice. Nor was I convinced of the fairness and balance of the Navy, with its constant denial of virtually all of the concerns and complaints voiced by the citizens of Vieques.

The lack of any real adherence to the Memorandum of Understanding of October 11, 1983, and the Navy's original denial of having fired 268 rounds of uranium depleted bullets, added to all of the previously mentioned denials, clearly gives the Navy a major credibility problem with the people of Vieques, the people of Puerto Rico, and I would add a growing number of Members of Congress, including myself.

While the report issued by the Navy yesterday continues to reaffirm its position, its recommendations begin to show that there is clearly some culpability and responsibility that even the Navy must admit.

The 9,311 American citizens who call Vieques home—squeezed between the ammunitions warehousing area and the firing range area—have suffered harmful and detrimental effects on the quality of their lives, creating an economic and social condition which rates below the rest of Puerto Rico's population.

If this were anywhere else, we would be talking about environmental racism.

The incidents listed in the Government of Puerto Rico's Special Commission report from 1993, 1995, 1997 and 1999, are all indicators of a greater tragedy waiting to happen.

I can tell you as a seven-year member of the International Relations' Western Hemisphere subcommittee that Caribbean and Latin American countries are watching and talking about how we act in response to the abuses of the people in Vieques. We cannot be examples of democracy and human rights abroad unless we observe them at home.

This is not a question of ill will toward the people of the United States. The people of Puerto Rico love America. They love it so much that thousands of their sons and daughters have worn the uniform of the U.S., served it voluntarily, and given their lives for its values since the first Puerto Rican battalion was created in 1900. We need to value them as U.S. citizens.

Living in Vieques should not take an act of courage. These 9,311 American citizens are entitled to go to their jobs and schools, attend church, and be able to achieve health and economic security, just like other American citizens can.

In conclusion, I believe we should demilitarize the island, decontaminate it, and devolve it so that its citizens can develop its economic potential, and achieve in Vieques the peace and security they deserve as American citizens.

ON THE FIFTH ANNIVERSARY OF THE AMIA BOMBING IN ARGENTINA THE TERRORISTS BEHIND THIS VICIOUS ATTACK HAVE STILL NOT BEEN FOUND

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. LANTOS. Mr. Speaker, five years ago this coming Sunday—on July 18, 1994—the Buenos Aires headquarters of the Asociacion Mutual Israelita Argentina (Argentine Jewish Mutual Association), known by its Spanish acronym AMIA, was bombed and destroyed by terrorists. In that vicious and cowardly attack against the Jewish community of Argentina, 86 individuals were killed and over 200 others were injured, many seriously. The victims included Argentinian Jews, but the majority were Argentinian citizens of other religious and ethnic backgrounds.

Mr. Speaker, law enforcement officials have conducted in investigation into this horrendous act of terrorism, but five years after that event progress has been very limited. Five men, including four former police officers, have been arrested in connection with the bombing, and they are expected to go on trial ''soon.'' These individuals, however, are believed to be participants, but not the real perpetrators behind this heinous act. United States intelligence and criminal investigators believe that the Iranian government was behind the attack. Little information has been made public about the results of the effort to identify and arrest the real criminals who carried out this attack, and progress on the investigation has been painfully slow.

Unfortunately, Mr. Speaker, this was not the only, or even first such incident in Argentina. On March 17, 1992, just two years before the AMIA bombing, the Israeli Embassy in Buenos Aires and a nearby school and other buildings were destroyed in a car bomb blast in which 29 innocent children, women and men lost their lives, and another 252 innocent bystanders were injured. These victims included employees of the Israeli embassy and their families, children from a Roman Catholic primary school, women and men in a nearby Roman Catholic church shelter, a Roman Catholic priest, and a number of others.

These unsolved crimes are a serious and sinister effort to intimidate the Jewish population of Argentina, as well as Jewish communities around the world, Mr. Speaker. The Argentine Jewish community numbers over 300,000 and is the largest Jewish community in Latin America. During the periods of military rule it was subject to severe anti-Semitism, and the community feels particularly vulnerable to assault from external radical Islamic groups and from indigenous far right extremists in Argentina.

Mr. Speaker, on this unfortunate fifth anniversary of the AMIA bombing I invite my colleagues to join me in extending our condolences to the families of these who lost their lives in this senseless act of terrorism. I also invite my colleagues to join me in denouncing this bigoted anti-Semitic action, and in urging the Argentine government to move more vigorously and with greater purpose to solve this tragic case. I also invite my colleagues to join me in extending our support and encouragement to the Jewish Community of Argentine. The American people support your struggle against racism and anti-Semitism, and we commend you for your commitment to human rights and the rule of law.

TRIBUTE TO MR. JAMES LEONARD FARMER

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. RUSH. Mr. Speaker, I rise before you today, to pay tribute to and to celebrate the life and legacy of James Leonard Farmer who passed away on Friday, July 9, 1999, at the age of 79. I would like to extend my deepest sympathy and regards to Brother Farmer's family and extended community.

James Leonard Farmer served our nation as the founder and national chairman of the Congress of Racial Equality (CORE) established in 1942. CORE is the third oldest and one of the ''Big Four'' civil rights organizations in America. A strong advocate and civil rights leader, Jim Farmer transformed America by fighting racial prejudice in the 1960's and continuously throughout his lifetime. As the founder of CORE, Mr. Farmer paved the way for the later civil rights movement by organizing the first ''Sit-ins'' and ''Freedom Rides'' throughout the South.

A devoted Christian, Jim Farmer had a strong and unwavering commitment to the cause of Christ. He always recognized the importance of overcoming social injustice, which stood as his life-long pursuit. His dedication to justice earned him national recognition as he was awarded the Presidential Medal of Freedom in 1998.

Mr. Speaker, today I am honored to join with all Americans in recognizing the achievements and life of James Leonard Farmer. I am truly honored to pay tribute to Farmer's distinguished life and am privileged to enter these words into the CONGRESSIONAL RECORD.

PASSAGE OF COLORADO HOUSE JOINT RESOLUTION 99–1046

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. SCHAFFER. Mr. Speaker, the state of Colorado has requested Congress reform its ''Superfund'' law to address the needs of businesses. Our position on this important matter has been established by the Colorado General Assembly though the passage of Colorado House Joint Resolution 99–1046.

This measure was authored and sponsored by State Representative Jack Taylor and State Senator Dave Wattenberg. I hereby submit Colorado's Resolution for the RECORD and urge its consideration by my colleagues in formulating useful solutions to federal superfund laws.

COLORADO GENERAL ASSEMBLY

HOUSE JOINT RESOLUTION 99–1046

By Representatives Taylor, Alexander, Fairbank, Hefley, Hoppe, Johnson, Kaufman, Kester, King, Larson, McKay, Miller, Nũnez, Paschall, Spradley, Stengel, Webster, Young; also Senators Wattenberg, Blickensderfer, Chlouber, Epps, Evans, Hillman, Owen, Powers.

CONCERNING A REQUEST FOR AMENDMENT OF THE FEDERAL ''SUPERFUND'' LAW TO ADDRESS THE NEEDS OF BUSINESSES.

Whereas, the General Assembly commends the intent underlying the federal Superfund law, namely, the desire to protect human health and the environment first while deferring until later the assessment of blame and the collection of costs from persons found to be liable; and

Whereas, The Superfund law generally serves this intent in cases where causation is clear; and

Whereas, The Superfund law has proven not to serve as well in other cases; and

Whereas, Specifically, the Superfund liability system leads to excessive litigation for businesses, uncertainties in responsibility that hamper access to capital, unwarranted delays in the resolution of liability, and lack of responsiveness to the particular needs of business enterprises; and

Whereas, Such problems are most vexing in the case of speciality oil change service stations, general automobile service stations, and other businesses that generate used oil in their daily activities and centrally collect and recycle used oil that would otherwise be disposed of by uncertain means and eventually become dispersed in the environment; and

Whereas, A businesses of this kind that contracts with an oil collection and recycling firm certified by the Environmental Protection Agency should be able to depend on such certification and continue to operate in good faith, without fear of future liability; and

Whereas, Nevertheless, the current Superfund law does not offer even this basic level of protection to a business that makes every effort to be environmentally responsible; and

Whereas, Businesses are committed to environmental protection, but have serious concerns with the current Superfund program; and

Whereas, Reforming the Superfund program to address the needs of businesses would contribute to their continued viability and to the economic health of the state as a whole; now, therefore,

Be it Resolved by the House of Representatives of the Sixty-second General Assembly of the State of Colorado, the Senate concurring herein:

That we, the members of the Colorado General Assembly, hereby request the Congress of the United States to make the following changes to the Superfund law:

1. Eliminate third-party litigation and instead adopt a streamlined expedited, and informal process to quickly allocate responsibility among all parties potentially liable for cleanup of a Superfund site.

2. For businesses that accept their responsibility as allocated under the streamlined process, or that did not have the legal right to control the site during periods when contamination occurred, provide immunity from further liability.

3. Include, as part of the streamlined process, a means for determining and declaring minimis liability for contamination at a site within 180 days. If the 180-day period is exceeded by more than 120 days, relieve business de minimis parties of all liability unless the delay is outside the control of the Environmental Protection Agency.

4. Make the ability to pay an explicit, required criterion for allocation of financial responsibility to a business, taking into account the business's overall financial condition and its ability to raise revenue.

Be it further resolved, That copies of this resolution be sent to each member of Colorado's Congressional delegation and to the administrator of the Environmental Protection Agency.

RUSSELL GEORGE,
Speaker of the House of Representatives.

RAY POWERS,
President of the Senate.

JUDITH M. RODRIGUE,
Chief Clerk of the House of Representatives.

PATRICIA K. DICKS,
Secretary of the Senate.

TERRI THOMSON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. TOWNS. Mr. Speaker, I rise today to recognize the accomplishments of Terri Thomson. Presently, Ms. Thomson serves as Vice President-Director of New York City and State Government Relations for Citigroup, a position she has held since December 1996. Ms. Thomson began her career with the company in February 1990 serving as Director of Community and Government Relations in the communities of Queens, Brooklyn and Staten Island. Prior to her career at Citigroup, Terri served as District Administrator for Congressman GARY ACKERMAN (D–NY), advocating for the citizens of the 7th Congressional District for ten years.

Terri Thomson has taken a leading role in the community and has been a strong supporter of many community initiatives. Terri Thomson was appointed for a four-year term beginning July 1, 1998 as a member of the New York City Board of Education. As a Board Member, she serves as Chair of the Parent Involvement and the Capital Plan Committees. Ms. Thomson has advocated for parent involvement because of her commitment to improving the quality of education for our youth. As Vice Chair of the Board of the Brooklyn Sports Foundation, Ms. Thomson assisted the organization in supporting the development of an amateur athletic facility in Coney Island to serve the children of New York City.

Our society has benefited from Ms. Thomson's active support of organizations that nurture cultural and academic enrichment. She has previously served as a board member for Queens Symphony Orchestra, Queens Library Foundation, Flushing Council on Culture and the Arts, and St. Francis College Board of Regents. People in this community can learn from the perseverance of Ms. Thomson. She has found the time and energy to participate in various activities. As a community leader, Ms. Thomson has recognized the importance of economic empowerment, and, for this reason, she became involved in organizations that work to improve economic conditions. She was a board member of Greater Jamaica Development Corporation; a Chairwoman of Queens County Overall Economic Development Corporation; and Treasurer of the Queens Chamber of Commerce.

I commend Ms. Thomson and pray that she will succeed in all future endeavors.

RECOGNIZING GARY COCOLA

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Gary Cocola for his service to the Fresno community through his broadcast television stations.

While attending Memorial High School in Fresno, Cocola received inspiration to pursue a career in broadcasting. He was one of the local high school students chosen to participate in a television program called ''Open House.'' He continued to participate in other activities on radio and television, including a Top 40 show with a dance party format that aired in Bakersfield.

Cocola enrolled at Fresno State to pursue a degree in radio and television. He added a minor in business in the event that his father may need him. His father, Morris Cocola, owned the family's tree fruit and grape growing, packing and shipping business. But Gary Cocola's passion was for the television business.

In 1962, Cocola found an agent in Los Angeles and considered entering the highly competitive Southern California media market. Cocola's agent dissuaded him from this, which caused Cocola to become discouraged. So, he entered his father's business and began a career in sales.

Cocola excelled at his business and by 1970 he formed the Cocola Fruit Corporation that allowed him to be a dealer and broker as well as a commercial merchant. Cocola was financially well off, but was not entirely happy with his job. His dream was to return to broadcasting.

With the help of his wife Diane Dostinch, he applied to put a local full power station on the air in 1977. After successfully completing the Federal Communications Commission's lengthy application process, the station was finally built in 1984. In 1985, his station, KMSG, began as a Christian station. He has visions to

create a station resembling MTV, but it was not commercially feasible.

Cocola began branching out into the low power channels he was accumulating. At a cable television convention, Colcola met Bud Paxson, the founder of the Home Shopping channel. In 1987, Cocola entered the shopping channel market. In 1988, the Spanish News Network out of New York City contacted KMSG, and Cocola converted the channel to Telemundo 59.

As the 80's went by, Cocola continued to expand his ownership of the low power channels not offered on cable TV. He added more shopping channels, a pay for view music TV channel, and a classic movie channel. Today his broadcast empire includes 10 stations owned locally, including a full power station, Channel 43, and an additional five channels in other locations throughout the United States. One station is a full power channel in Omaha, Nebraska and another is a low power station that delivers a new concept in Internet access. This new idea will use broadcast to deliver access to the Internet at a faster speed than the current linkups allow.

Cocola has provided a service to many community members without cable by bringing them news, public affairs and entertainment for free.

Mr. Speaker, I rise to honor Gary Cocola for his service to the community. I urge my colleagues to join me in wishing Gary many more years of continued success and happiness.

130TH ANNIVERSARY OF MT. JOY MISSIONARY BAPTIST CHURCH

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to make the House aware of the 130th anniversary of Mt. Joy Missionary Baptist Church in Edwardsville. The church serves as a pillar of the community. The church began in 1869 in the home of a church member who was also an ex-slave. In 1871 the church moved to a log cabin nearby. The church has always been a center for the community to come together to interact. There will also be the very first showing of the new history museum created by the church.

When a long time church member was questioned about the church she replied, ''I used to like the old ice cream socials years ago. It was a way for folks to get together, and there was always a place for the kids to play.'' It is exciting to see a community get together to celebrate the anniversary of a historic institution in its community. Such events create a sense of pride and history throughout the community.

A TRIBUTE TO CASEY LEE ADKISSON FOR HIS PROMOTION TO THE RANK OF EAGLE SCOUT

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. GONZALEZ. Mr. Speaker, I rise today to offer my sincerest congratulations to Casey Lee Adkisson, Boy Scout, from San Antonio, TX, upon the notification of his advancement to the rank of Eagle Scout.

Boy Scouts are awarded the prestigious rank of Eagle Scout based on their faith and obedience to the Scout Oath. The Scout Oath requires members to live with honor, loyalty, courage, cheerfulness, and an obligation to service.

In addition, the rank of Eagle Scout is only bestowed once a Boy Scout satisfies duties including, the completion of 21 merit badges, performing a service project of significant value to the community, and additional requirements listed in the Scout Handbook.

In receiving this special recognition, I believe that Eagle Scout Casey Lee Adkisson will guide and inspire his peers, toward the beliefs of the Scout Oath. I am proud to offer my congratulations to Casey on this respected accomplishment.

DR. BRUCE SOMMER

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. TOWNS. Mr. Speaker, Dr. Bruce Sommer has impeccable academic and surgical credentials with honors, ranging from Phi Beta Kappa to the American College of Surgeons; Alpha Omega Alpha; Phi Sigma for Biology; Chi Episilon Mu for Chemistry; and Phi Sigma for Philosophy.

Dr. Sommer, a native New Yorker, was born on October 5, 1948, and received his M.D. degree and internship at the University of Minnesota Medical School in 1974. He is presently the Attending Surgeon Chief in the Division of Transplantation at the University Hospital of Brooklyn with prior hospital appointments that include Kings County, Ohio State University's liver transplantation unit, St. Paul Ramsey Medical Center's Burn Center, and the Minneapolis Veterans Administration Hospital.

His professional memberships number over twenty, American Society of Transplant Surgeons, American Medical Association, American College of Surgeon Fellows, New York Surgical Society, National Kidney Foundation, not to mention the founding member of the cell transplant society in 1991.

Given this illustrious professional background, it is difficult to describe a more exemplary model of a research fellow. Dr. Sommer is renowned for his funded research in acute hepatic failure, minority tissue transplant, and cellular transplantation for enzymatic and metabolic deficiencies. Moreover, Bruce was the principal investigator at the Bristol-Myers Squibb Research Institute engaging in the phase III Study of Acute Renal Graft Rejection with Deoxyspergulin.

This exceptional man of healing lives in Harrison, New York with his family. The dedication and sensibility he brings to the medical profession is unparalleled here in Brooklyn. I would like my colleagues on both sides of the aisle to join me in commending Dr. Sommer for his achievements.

A TRIBUTE TO HIS HOLINESS CATHOLICOS KAREKIN I

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. CAPUANO. Mr. Speaker, I rise today to pay tribute to His Holiness Catholicos Karekin I. On June 29, the Armenian community mourned the loss of this Supreme Patriarch and leader of the Armenian Apostolic Church. Born Nishan Sarkissian in Kessab, Syria, Karekin I was ordained priest in 1949.

Karekin I dedicated his life to preaching the message of the Armenian Church in a dynamic and creative manner by devoting himself to the instruction of a new generation of clergy which he dubbed ''Ambassadors of Christian Faith''.

During the 1970's, Karekin I was the head of the Eastern Diocese of the Armenian Church in New York. In this capacity, he motivated the spiritual and cultural life of Armenians and championed a modern vision within theological writings.

In his most recent role as co-President of the Pan Armenian Committee, His Holiness was preparing for the celebration of 1,700 years of Christianity in Armenia. Without his contribution, this celebration would not have been possible. Sadly, Karekin I will not bear witness to the project's successful completion, expected in 2001.

Karekin I made an impact on Armenians throughout the world, and particularly in eastern Massachusetts. When Karekin I was buried in his homeland of Etchmaidzin, Armenia, local Armenians residing in Watertown and Cambridge, MS, grieved with others around the world at his passing. Karekin I was a compassionate human being who affected the lives of Armenian Apostolic parishioners, particularly those whom he had visited at St. Stephen's in Watertown, and Holy Trinity in Cambridge, MS.

Karekin I's spiritual teachings and services made a vital contribution to the cohesiveness that today exists among a people scattered throughout the globe. The Armenian international community has suffered a great and personal loss in the death of Karekin I, a man of eternal accomplishments.

TRIBUTE TO RETIRING HIGH SCHOOL SECRETARY KAREN ENSOR

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. SKELTON. Mr. Speaker, it has come to my attention that Mrs. Karen Ensor, the principal's secretary for the past 26 years at Lexington High School in Lexington, Missouri, retired on June 30, 1999.

Mrs. Ensor began her career 33 years ago when she accepted a position as a teacher's aide at Leslie Bell Elementary School. She remained at Leslie Bell for seven years and then moved to the high school as the principal's secretary. In that post, Karen served the students and staff Lexington High School for 26 years.

A typical day at Lexington High School for Mrs. Ensor included keeping attendance, monitoring student records, making arrangements for athletic teams, answering the phone, tracking down over 300 students, and making sure the students got their lunch tickets. Indeed, Karen's duties at Lexington High School have been multi-faceted. Her dedication and outstanding service to the school and the Lexington community are truly honorable.

Mr. Speaker, Mrs. Ensor will surely be missed by everyone at Lexington High School. I wish her and her husband, Dale, all the best in the days ahead. I am certain that the Members of the House will join me in paying tribute to this great Missourian.

TRIBUTE TO LIEUTENANT COLONEL VICKI L. BEARD, UNITED STATES ARMY, ON THE OCCASION OF HER RETIREMENT

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Lieutenant Colonel Vicki L. Beard as she prepares to culminate her active duty career in the United States Army. Vicki is the epitome of an outstanding officer and leader.

Lieutenant Colonel Beard began her career more than 24 years ago as an enlisted soldier. She then received her commission as a second lieutenant. A graduate of the University of Cincinnati, as well as the Command and General Staff College, Vicki Beard has met the many challenges of military service as an Army Officer, and has faithfully served her country in a variety of command and staff assignments in the Continental United States, Germany, and Korea.

Vicki was previously assigned to the Army Congressional Investigation Division as a Congressional Liaison Officer. During her tenure in the Army Legislative Liaison Office, Vicki served on several investigation panels, spearheading changes in current Army personnel policy.

She concludes her career as the Special Assistant for Personnel Policy in the Office of the Assistant Secretary of Defense for Legislative Affairs. Always thorough and precise in applying her personnel expertise, Vicki has been very generous with colleagues, both senior and subordinate, who sought out her advice on personnel and legislative matters. Senior Defense officials depended on Vicki for her studious approach to matters, and Congressional Members and staff looked to her for her honesty, candor, and professional assessment of any given situation.

Mr. Speaker, service and dedication to duty have been the hallmarks of Lieutenant Colonel Beard's career. She has served our nation and the Army well during her years of service, and we are indebted for her many contributions and sacrifices in the defense of the United States. I am sure that everyone who has worked with Vicki joins me in wishing her health, happiness, and success in the years to come.

PERSONAL EXPLANATION

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. McDERMOTT. Mr. Speaker, I was absent and unable to vote due to my recovery from heart surgery, July 12, 1999–July 16, 1999.

On July 12, 1999: I would have voted against approving the journal (rollcall No. 277). I would have voted present on H. Con. Res. 107 (rollcall No. 278). I would have voted present on H. Con. Res. 117 (rollcall No. 279).

On July 13, 1999: I would have voted in favor of H.R. 2465 (rollcall No. 280). I would have voted in favor of H.R. 2465 (rollcall No. 280). I would have voted in favor of the McGovern amendment to H.R. 2466 (rollcall No. 281). I would have voted in favor of the Sanders amendment to H.R. 2466 (rollcall No. 282). I would have voted against the Coburn amendment to H.R. 2466 (rollcall No. 283).

On July 14, 1999: I would have voted in favor of the Sanders amendment to H.R. 2466 (rollcall No. 284). I would have voted in favor of the Sanders amendment to H.R. 2466 (rollcall No. 285). I would have voted in favor of the Slaughter amendment to H.R. 2466 (rollcall No. 286). I would have voted against the Stearns amendment to H.R. 2466 (rollcall No. 287). I would have voted in favor of the Inslee amendment to H.R. 2466 (rollcall No. 288). I would have voted against the Weldon amendment to H.R. 2466 (rollcall No. 289). I would have voted in favor of the Klink amendment to H.R. 2466 (rollcall No. 290). I would have voted in favor of the Farr amendment to H.R. 2466 (rollcall No. 291). I would have voted against the Tancredo amendment to H.R. 2466 (rollcall No. 292). I would have voted in favor of the Wu amendment to H.R. 2466 (rollcall No. 293). I would have voted in favor of the Klink amendment to H.R. 2466 (rollcall No. 294).

On July 15, 1999; I would have voted in favor of the motion to recommit H.R. 2466 (rollcall No. 295). I would have voted in favor of final passage of H.R. 2466 (rollcall No. 296). I would have voted in favor of approving the journal (rollcall No. 297). I would have voted in favor of the Nadler amendment to H.R. 1691 (rollcall No. 298). I would have voted against final passage of H.R. 1691 (rollcall No. 299). I would have voted in favor of ordering the previous question (rollcall No. 300). I would have voted in favor of H. Res. 246 (rollcall No. 301). I would have voted against the Sessions amendment to H.R. 2490 (rollcall No. 302). I would have voted in favor of the Lowey amendment to H.R. 2490 (rollcall No. 303). I would have voted against the Sanders amendment to H.R. 2490 (rollcall No. 304). I would have voted against H.R. 2490 (rollcall No. 305).

On July 16, 1999: I would have voted in favor of H. Res. 250 (rollcall No. 306). I would have voted in favor of final passage of H.R. 434 (rollcall No. 307).

HONORING THE LIFE OF CHARLES BUSSMANN

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to honor an outstanding American who recently passed away. Publisher Charles Bussmann, one of America's leading advocates for ocean research, died on June 28, 1999 at the age of 75. As the founder, president, and Chief Executive of Compass Publications Inc., an oceanographic publishing corporation, Mr. Bussmann was widely known as an outspoken proponent of the high value and critical significance of the ocean/marine manufacturing industries to the success of oceanic research and marine resources development.

Mr. Bussmann has had a long and distinguished career. He began his career with Texaco Inc. After a short time at Texaco he began working for Pit and Quarry Publication Incorporation where he stayed for seventeen years, eventually working his way up to executive vice president and director when he left to form his own company in 1963.

In 1963, Mr. Bussmann created Compass Publications Inc.; publishers of Sea Technology magazine, Washington Letter of Oceanography, Commercial Fisheries News, Marine Performance News and several other oceanographic publications.

Mr. Bussmann was a charter member of the Marine Technology Society and a charter member of the National Ocean Industries Association. He was the sponsor of three highly coveted professional and industry awards presented by the Marine Technology Society: Compass Distinguished Achievement Award, Compass Industrial Award, and Compass International Award. He was a former chairman of the government/business science and technology information committee of American Business Press Incorporation as well as a member of Board of Directors and Trustee, Harbor Branch Oceanographic Institution Inc., a major research organization of Fort Pierce, Florida. In October 1998 the Charles H. Bussmann Dormitory was named in his honor by the organization. Mr. Bussmann was also charter member of the National Ocean Industries Association where he sponsored the highly-coveted Safety In Seas Award, which is presented annually.

As the Vice President of The Advisory Commission on the Protection of the Sea (ACOPS), I have worked closely over the past several years with Mr. Bussmann and known personally of his dedication to improving the oceanographic industry through his vast knowledge of the environment. All who knew Mr. Bussmann are grateful that they had the chance to work with him and sincerely mourn his passing. I extend my deepest sympathies to his family.

Mr. Speaker, Mr. Bussmann was a true champion of the ocean industry. The oceanographic/marine communities owe him a great debt of gratitude for his extraordinary work in joining research with industry to make our marine environment better for all mankind.

IN HONOR OF JAMES DOUGLAS BURGER

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. KUCINICH. Mr. Speaker, today I rise to honor Mr. James Douglas Burger, of Fairview Park, Ohio, who graduated from the Federal Bureau of Investigation National Academy on June 25th, 1999.

Mr. Burger was selected to be among the special few to attend the prestigious Academy to become a member of its 197th graduating class. The Academy's facilities and faculty are acknowledged as world leaders in law enforcement training. Its rigorous eleven week course provides one of the premier training programs and prepares its graduates for bright futures in law enforcement.

The graduates of the FBI National Academy set the standard for integrity, commitment, and expertise throughout the law enforcement community. I am proud to have a member of my district join these elite few in protecting the borders of civilized society.

My fellow colleagues, join me in recognizing Mr. Burger's achievement and we wish him much success in the future.

PERSONAL EXPLANATION

HON. ALBERT RUSSELL WYNN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. WYNN. Mr. Speaker, on July 14, 1999, I missed rollcall votes 284 to 296. On July 15, 1999, I missed rollcall vote No. 300. My absence was due to a family emergency. Had I been present, I would have voted ''no'' on rollcall votes 287, 289, 292 and ''aye'' on votes 284, 285, 286, 288, 290, 291, 293, 294, 295, 296, and 300.

TRIBUTE TO WILMER ''WILL'' BOTTERBUSH

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to take this opportunity to remember Wilmer ''Will'' Botterbush of Godfrey, Illinois who passed away unexpectedly on July 14th.

Wil was among the most committed and dedicated public servants that I have known. He was active in local government, the small business community, the Boy Scouts and most importantly he was a dedicated father and friend.

His son Ray Botterbush said, ''the village of Godfrey and its citizens were always foremost in his mind.''

While it's hard to disagree with that statement, it was clear to me and anyone who met him that first and foremost in Wil's mind was his family, especially his three sons, Ray, Kevin and Tim.

The Godfrey community has lost one of its most renowned public servants and I have lost a good friend. Yet while we mourn his loss, we should remember that Wil Botterbush's legacy lives on in three equally dedicated and talented young men. Wil Botterbush's contributions to his community will continue for generations to come through the lives of his sons and grandsons.

LEON EASTMOND

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. TOWNS. Mr. Speaker, I rise today to honor an important New York small businessman, Leon Eastmond who is the owner of an honorable seventy year old New York City based corporation specializing in manufacturing boilers, steel storage tanks, fuel tank maintenance. His company EASCO Boiler Corporation performs excavations of underground fuel oil tanks and his employees are trained in procedures for handling hazardous materials including contaminated soil, working in confined spaces and cleaning up oil spills.

EASCO currently covers the five boroughs of New York City and both Nassau and Suffolk counties maintaining a fully stocked warehouse facility to serve their customers with state of the art combustion equipment with parts and service available twenty four hours a day, three hundred sixty five days a year.

Leon Eastmond is an amazing businessman, but he doesn't limit his help to his company or his employees, but instead, seizes every opportunity to make young people aware that self employment is an exciting option. He has joined the Fernando Mateo Institute and has given talks at Evander Childs and George Washington High Schools. He has been a guest lecturer at the Graduate School of Business at Columbia University and has met with their Minority Student Club on several occasions.

Leo realizes that it is important for young people of all races and socio economic levels to meet success oriented black and other minority adults. Mr. Eastmond believes if we start young enough, people will learn to share information and network across all color lines. He truly serves as an inspiration. This is a person who was born and raised in a system that did not deal him a full deck of cards, but he has made the most of it. Moreover, in an effort to help young people turn their lives around, Leon has talked with young adult inmates at Rikers Island and given them hope that there are business people willing to offer them a job and a ''Second Change.'' He now has one former inmate working as a welder's helper.

Mr. Speaker, Leon Eastmond sponsors six Little League Softball teams; the Black Leadership Commission on AIDS and contributes to the United Negro College Fund, the New York Urban League, the Special Olympics, Promesa, the United Jewish Appeal and the Alvin Alley Dance Company. He has a PhD. In life and I commend Mr. Eastmond's achievements to my colleagues' attention.

CONGRATULATING THE BIA ON THEIR 10TH ANNIVERSARY

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to congratulate the Building Industry Association (BIA) on their 10th anniversary of business. Over the past decade, the BIA has had a positive impact on the home building industry.

The Building Industry Association of Tulare and Kings Counties was chartered by the National Association of Home Builders on May 21, 1989. With the efforts of a few visionary builders who wanted to provide a united voice through advocacy for home building and related construction entities the BIA was formed. The Association which received its state and federal non-profit status in June of 1989 is governed by elected officers and a Board of Directors while the day to day operations and administration are coordinated by a professional staff.

BIA's membership of builders, developers, subcontractors, and associated businesses is dedicated to protecting and promoting the home building industry and to keeping home ownership possible and affordable in Tulare and Kings Counties.

Mr. Speaker, I want to congratulate the Building Industry Association for its outstanding leadership and service to its members, communities, and home buyers in the Tulare and Kings Counties for 10 years. I urge my colleagues to join me in wishing the BIA many more years of continued success.

OPENING OF SARATOGA NATIONAL CEMETERY

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. McNULTY. Mr. Speaker, on Friday we opened the new Saratoga National Cemetery, and I was in the company of 2,000 distinguished veterans and a very special former colleague in this House. Two of my former colleagues, as a matter of fact, spent a lot of time on that project. One of them, Sam Stratton, was a Member of this body for 30 years. He has since passed away.

But another, thank God, was there for the event. That was Congressman Jerry Solomon, who served in this House for 20 years and rose to be Chair of the Committee on Rules. It was a great honor to be in the presence of all those veterans and to be able to look Congressman Solomon in the eye and say: ''Thank you for your dedication through the years, and for the opportunity to be your partner in these efforts for the past 10 years.''

And now, to be able to realize that heroes like Pete Dalessandro, who was a Congressional Medal of Honor winner from my district, will be one of the first veterans who finds the Saratoga National Cemetery as his final resting place. It was just another opportunity to be with great Americans, and to thank God for my life and veterans for my way of life.

175TH ANNIVERSARY OF TILLMAN'S HISTORIC VILLAGE INN

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. LAFALCE. Mr. Speaker, I rise today to commend and congratulate the Tillman family, proprietors of Tillman's Historic Village Inn, on the Inn's 175th Anniversary.

Tillman's Historic Village Inn, located in the Hamlet of Childs in the Town of Gaines, NY, was established in 1824. It boasts a long and storied history. In its early years, the Inn served as the final stagecoach stop on historic Ridge Road in Western New York. Through the decades, more than 5,000,000 meals have been served to hungry locals and weary travelers alike. Indeed, the Inn has witnessed the history of America as the nation developed and expanded westward.

Four generations of the Tillman family, all born and raised in the Rochester area, have worked tirelessly for the past 50 years to preserve and improve the Inn for future generations. An extended family of over 2,500 young people from the community has been employed at the Inn during the course of the past 50 years. Many have stayed with the Inn for 10, 20, and even 30 years. In recognition of their contributions and service to the local community, the Tillman family has been named Entrepreneurs of the Year by the Orleans County Chamber of Commerce.

Today, the Inn stands as a symbol of the beauty and charm of the Hamlet of Childs. Childs is listed on the National Register of Historic Places for its quaint cobblestone architecture. Some of the best examples of this type of architecture are located within this picturesque village. In fact, nearby Tillman's Inn is the Cobblestone Museum Complex—the definitive museum of cobblestone architecture in America.

The Inn is a valuable thread in the fabric of our heritage in Western New York and, indeed, the nation. Mr. Speaker, I ask you and my colleagues to join with me in offering best wishes to the Tillman family on the 175th anniversary of Tillman's Historic Village Inn.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000

SPEECH OF

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2490) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes:

Ms. MILLENDER-McDONALD. Mr. Chairman, I rise in strong support of the Lowey provision within the Treasury-Postal Appropriations bill. Last year, we passed this language with bipartisan support, and I believe we can and will do so again today.

Before this provision was enacted, 81% of all federal employee health benefit (FEHB) plans did not cover the most commonly used types of prescription contraception while an entire 10% covered no prescription contraception at all. At a time when nearly half of all pregnancies in this country are unintended, the need for access to reliable, effective contraception has never been more imperative.

Access to contraception helps children and families more than anyone else. Parents want to prepare for responsible parenting and want their children to grow up in a loving, supportive environment when they are prepared to provide it. They need the power to plan for pregnancy in order to do this.

This is just common sense—access to contraceptives is access to basic, essential prescription drugs and devices that can decrease the number of abortions in this country, which is an objective all Members of Congress seek to achieve.

Contraception is not abortion. Doctors, scientists and the Food and Drug Administration, which approves contraceptive drugs and devices all confirm that contraceptives prevent pregnancy. It does not end it. This bill states an unequivocal prohibition on the coverage of abortion. It also makes a clear distinction between the five major forms of contraception and mifepristone, better known as RU–486. If RU–486 is ever approved by the FDA as a method of abortion, it will not be included in this bill as a contraceptive. I applaud the efforts of our colleagues, who have worked very hard to ensure that this language addresses contraception, and contraception alone.

In addition to contributing to the national effort to lower the number of abortions, this provision narrows the gender gap in out-of-pocket costs for medical care. Women of reproductive age spend approximately 68% more in out-of-pocket health care costs than men. Requiring health plans to cover contraception, which without coverage can significantly affect and add to a woman's annual costs, helps both women and men in managing their families' expenses. Saving money while practicing responsible family planning is something we should all espouse.

The money saved by these families generates minimal cost to the government. This provision has what Congressional Budget Office calls a ''negligible'' cost.

Finally, this language explicitly excludes religious providers from this requirement and gives individual providers the chance to opt out of providing contraceptive services.

I urge my colleagues to join me in maintaining the Lowey provision of the Treasury bill. It creates vital access to contraception, helps to lower the number of unintended pregnancies, narrows the chasm between women and men in out-of-pocket costs for medical care, and has virtually no budgetary impact. America's families need our leadership and sound judgment. We must respond and vote to maintain this sound legislation.

COMMEMORATING THE 75TH ANNIVERSARY OF THE NEW YORK STATE ASSOCIATION OF COUNTIES

HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. REYNOLDS. Mr. Speaker, I rise today to mark the 75th Anniversary of the New York State Association of Counties.

Since its inception in 1925, NYSAC has seen its membership grow to nearly 6,000 executive, legislative and administrative officials. Through legal research, education, training and assistance to its members, NYSAC plays a key role in helping county governments deliver essential services to residents across New York State.

As a former County and State official, I know first hand the tremendous job that NYSAC does in promoting the issues and concerns of New York's 62 counties at both the federal and state level.

Indeed, despite New York's tremendous diversity—from the skyscrapers of Manhattan to the Falls of Niagara—NYSAC has consistently and effectively promoted the best interests of all its members, whether rural, urban or suburban.

Mr. Speaker, it is my sincere pleasure to offer my congratulations and best wishes to the members and staff of NYSAC, whose professionalism and commitment have helped ensure the efficient and effective management and delivery of county services; and I ask that this House of Representatives join me in saluting NYSAC for a job well done, and extend our sincerest best wishes for continued success as they begin their second 75 years of advocacy and support for the counties of New York State.

KOJO ABUSUA BADU

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. TOWNS. Mr. Speaker, Kojo Abusua Badu is truly a success story. Born in the independent, African State of Ghana, he immigrated to the United States and made admirable achievements on these shores.

He is currently President of Convenient Service Center and its sister company, E–Z Pay Inc., headquartered in Bedford Stuyvesant, with locations in Brownsville, Harlem and Queens. These two companies while providing important services in the community also employ approximately sixty individuals, coupled with a combined anticipated gross income over $200 million for 1999.

Mr. Badu is also a partner in the Certified Public Accounting firm of Badu & Mahmood located in Manhattan. He was educated at New York University where he earned undergraduate degrees and a Master's Degree in Business Administration and is a Certified Public Accountant.

Mr. Badu is a widower with four children, two boys and two girls. He participates in various civic and social activities within his community.

I want to commend Mr. Kojo Badu for his important contributions to the Brooklyn community.

THE DIPLOMATIC FAIRNESS COMPENSATION RESOLUTION, H. CON. RES. 157

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. GILMAN. Mr. Speaker, today I am introducing H. Con. Res. 157, a resolution expressing the sense of the Congress that neither the United States, nor NATO, should reimburse the Chinese Government for the accidental damage of their embassy in Belgrade, Yugoslavia unless the United States is reimbursed for the damage of its government facilities in China.

The State Department has sent an official delegation to China to discuss reparation for the accidental bombing by the U.S./NATO forces of the Chinese embassy in Belgrade, Yugoslavia on May 7, 1999. This is unacceptable. Let us not forget that the Chinese retaliated against our accidental bombing with government sanctioned violent protests against American facilities in China. We should not pay for the damages done to the Chinese embassy in Belgrade unless the Chinese government reimburses us for the damages they have done to our facilities in China, including the United States Embassy in Beijing.

The injustices that occurred in China on May 8–11 as a result of the protests that the Chinese government organized were substantial. The full costs of the damages have not yet been determined. Police officers in Bejing ushered protesters to within 25 feet of the walls of the United States embassy, enabling the protesters to pelt the walls with rocks and pieces of concrete. Our Ambassador, James Sasser, and 13 other staff members were trapped inside the embassy for three days because the Chinese government did not provide enough protection for them to leave the grounds. The Chinese government did not even supply them with food. In addition the Consul-General's residence in Chendu was burned to the ground and the Guangzou consulate was set on fire.

In light of these unacceptable actions tolerated and promoted by the Government of China, the U.S. should not reimburse the Chinese Government for the accidental bombing of its embassy in Belgrade unless China reciprocates by paying the United States for the damages they inflicted upon our government's property.

Accordingly, I urge my colleagues to support H. Con. Res. 157 to ensure that the United States is treated fairly. In insert the full text of the resolution to be printed at this point in the RECORD.

H. CON. RES. 157

Whereas military forces of the United States acting in conjunction with the North Atlantic Treaty Organization (NATO) during Operation Allied Force accidentally dropped at least three precision-guided bombs on the Chinese embassy in Belgrade, Yugoslavia, on May 7, 1999;

Whereas on May 8, 1999, a joint statement by the United States Defense Department and the Central Intelligence Agency (CIA) stated that NATO hit the Chinese embassy, located 200 yards from the Yugoslav Federal Directorate of Supply and Procurement, a weapons agency, because of errors in detecting the location of the weapons agency;

Whereas on May 11, 1999, the Washington Post cited a United States official who stated that the error of targeting the Chinese embassy went undetected because the address was checked against outdated maps and databases, which showed the location of the Chinese embassy before it moved in 1996;

Whereas apologies by the United States Government for the accidental bombing went unreported in China by the Chinese Government controlled press;

Whereas it is reported in the New York Times that on May 10, 1999, marchers were ushered by Chinese police officers to within 25 feet of the walls of the United States embassy in Beijing;

Whereas protesters pelted the embassy walls with rocks and pieces of concrete pried from the sidewalk of the embassy in full view of Chinese Government security forces;

Whereas demonstrators on May 8 through May 11, 1999, trapped the United States Ambassador, James Sasser, and 13 other staff members inside the United States embassy in Beijing, unable to leave because adequate protection was not provided by the Chinese Government;

Whereas the Chinese Government did not provide food for the ambassador and his staff;

Whereas the embassy building in Beijing was damaged with broken windows, broken signs, and paint-stains and cars on the embassy grounds were damaged;

Whereas 170,000 students demonstrated outside the Consul-General's residence in Chendu;

Whereas the Chinese Government security forces did not prevent the Consul-General's residence from being set afire and burned down;

Whereas the Chinese Government security forces did not prevent the consulate in Guangzhou from being set afire; and

Whereas protesters were not stopped by Chinese authorities from throwing rocks, pieces of pavement, molotov cocktails, gasoline bombs, paint, and other debris at American facilities throughout China: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That neither the United States, nor NATO, should reimburse the Chinese Government for the accidental damage of their embassy in Belgrade, Yugoslavia unless the United States is reimbursed for the damage of its government facilities in China.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000

SPEECH OF

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2490) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes:

Mr. COYNE. Mr. Chairman, I include the following letter for printing in the RECORD:

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, July 15, 1999.

Hon. WILLIAM J. COYNE,
Committee on Ways and Means,
House of Representatives,
Washington, DC.

DEAR MR. COYNE: As the House considers the Fiscal Year 2000 Treasury, Postal Service and General Government Appropriations bill, which includes the Internal Revenue Service (IRS) budget, I want to urge your support for full funding for the IRS. Adequate funding for FY 2000 is critical to the success of the Restructuring and Reform Act of 1998 (RRA), passed almost unanimously a year ago. As you know, that legislation established 71 new taxpayer rights provisions and mandated an entire new direction for the IRS.

I understand that on July 13, 1999, the Full Appropriations Committee approved an amendment to trim approximately $240 million from the Subcommittee mark, including approximately $135 million from the IRS (approximately $139 million from the President's budget request). While I can appreciate the new budget constraints under which the Committee must operate, I am gravely concerned that a cut of $135 million will seriously jeopardize the IRS's ability to implement its reform effort mandated by the Restructuring Act.

A funding reduction of $135 million would:

Severely restrict, if not completely impair, IRS' ability to deliver on the Restructuring and Reform Act mandated by the Congress in 1998. Every aspect of the agency's commitment to reorganize the organization, improve customer service and taxpayer rights would be in jeopardy.

Constrain the ability to implement the initiatives so critical to changing how IRS delivers on customer service and improves its treatment of taxpayers and focus on taxpayer rights. For example, the cut would result in reduced plans to deliver better telephone service and tax assistance in Spanish.

Require reduced staffing levels in order to free up the funds necessary to implement congressionally mandated RRA requirements. IRS staff has already been reduced 14% (or 15,600 FTE) since FY 1993—thereby continuing the rapid decline in exam, collection and criminal tax compliance operations.

Reduce finding for the Electronic Tax Administration program, thereby jeopardizing the Congressionally mandated goal of 80 percent electronic filing by the year 2007.

Impair the creation of operating units to help specialized groups of taxpayers including small businesses and ordinary wage earners.

Delay implementation of important taxpayer rights initiatives.

I sincerely hope that the $135 million will be restored so that the IRS and Congress can achieve its mutual goal of meaningful IRS reform. I look forward to continuing to work with you and the rest of the Congress to ensure that the American people have the modernized revenue service that they deserve.

Sincerely,

CHARLES O. ROSSOTTI,
Commissioner.

IN APPRECIATION OF JOSEPH E. CARTER, FEDERAL WORKER AND THOROUGHBRED HORSEMAN

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mrs. MEEK of Florida. Mr. Speaker, I rise today to pay tribute to the late Joseph E.

Carter on the fourth anniversary of his death from cancer, which occurred on July 31, 1995, at the age of 34. Mr. Carter was highly esteemed as a federal worker of great integrity while employed as one of the groundskeepers of the U.S. Capitol. He subsequently was a successful Thoroughbred groom and a respected clocker for ''The Daily Racing Form,'' positions which he greatly enjoyed.

As kind and generous as he was physically powerful, Mr. Carter was quick to help anyone in need, without thought of repayment. This outstanding gentleman regularly helped the frail elderly and the widowed with his strenuous manual labor, and he was known to drive 80 miles to obtain a second veterinarian's diagnosis regarding a dying horse, in order to try to save the animal's life.

A typical example of Mr. Carter's warm compassion was evidenced when he once offered to adopt a profoundly retarded boy and to give him a safe, affectionate home when it was no longer possible for the child's loving family to keep the boy with them.

When Mr. Carter learned that he was dying of inoperable cancer, he said quietly, ''The Lord gave me 29 good years, and I'm thankful. I'm going to die of cancer, but I'm not going to let it defeat me.''

Mr. Carter was a credit to his upbringing who died undefeated by the terrible pain which he endured in his last years. The loving son of Bill and Kathy Carter of Brandywine, Maryland, Mr. Carter died with the same dignity and compassion with which he lived. His calm courage and optimism remain an inspiration to those who knew him.

LEHIGH VALLEY HERO—SHAWN AND KEVIN KELLY

HON. PATRICK J. TOOMEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. TOOMEY. Mr. Speaker, today I would like to share my Report from Pennsylvania for my colleagues and the American people.

All across Pennsylvania's 15th Congressional District there are some amazing people who do good things to make our communities a better place. These are individuals of all ages who truly make a difference and help others.

I like to call these individuals Lehigh Valley Heroes for their good deeds and efforts.

Today I would like to recognize Kevin and Shawn Kelly of Wilson Borough as Lehigh Valley Heroes. These young boys have truly made a difference in their community.

Kevin, 8, and his brother Shawn, 11, recently extinguished a fire that threatened a nearby home in their community. Recently, they were playing outside when they noticed smoke coming from a grassy area near their neighbor's home. Kevin and Shawn reacted instantly to douse the small fire with water and as a result saved a neighbor's home.

These brave young boys made a difference in Wilson Borough and therefore they are Lehigh Valley Heroes in my book.

Mr. Speaker, this concludes my Report from Pennsylvania.

THE AMERICAN MILITARY HEALTH PROTECTION ACT

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. JONES of North Carolina. Mr. Speaker, I rise today to address an issue of vital importance to our men and women in uniform.

Since the end of the Cold War, the Army and Air Force have been reduced by 45 percent, the Navy by 36 percent, and the Marine Corps by 12 percent.

At the same time, our military operations commitments around the world have increased by 300 percent.

The Army alone has participated in 33 separate deployments since 1992, and has troops in over 70 nations.

Our military readiness is stretched thin, our reserves of critical missiles and spare parts have eroded, and our military's quality of life is diminishing.

Retention rates are reaching historic lows and aircraft accidents are climbing.

For too long we have been asking our military to do more with less.

In recent years, this Congress has taken many steps to reverse these trends and provide adequate training and equipment for our Armed Forces personnel. We must continue to do more.

Despite these difficulties, our men and women remain the premier military in the world.

Their devotion and commitment to serve is without question.

Time and again, they risk their lives in the defense of our nation and our interests around the world.

Without their selfless dedication, our nation would not be the great place it remains today.

As such, we in Congress and as a nation, have a responsibility to those military personnel and their families.

We owe them the strongest commitment to their safety and well being we can provide.

However, I am concerned our government may be violating that very principle.

Two years ago the Secretary of Defense announced plans to implement a mandatory anthrax vaccination program for the 2.4 million members of the Armed Forces.

Since that time, I heard from a rapidly growing number of military personnel and family members who believe this vaccine may jeopardize their long-term health and safety as well as that of their families.

The lack of a single, conclusive independent study regarding the long-term health effects of the anthrax vaccine on humans have created additional concerns among our nation's uniformed personnel.

Despite Department of Defense assurances of minimal adverse reactions to the anthrax vaccinations, the standards that the Department uses to determine adverse reactions are insufficient to support their claims.

According to a June 29 article in the San Diego Union-Tribune, Secretary of the Army Louis Caldera acknowledged in a September 1998 memo that the vaccine ''involves unusually hazardous risks associated with the potential for adverse reactions in some recipients and the possibility that the desired immunological effect will not be obtained by all recipients.''

The article went on to report that the Secretary concluded, there is no certainty that the anthrax used in tests to measure the vaccine's effectiveness ''will be sufficiently similar to the pathogen that U.S. forces might encounter'' during warfare.

If the Secretary of one of the services raises these concerns, how can we as a nation expect the most junior soldier, sailor, airman, or Marine to accept the vaccine without question?

As a result of the lack of conclusive data on the long-term effects of the anthrax vaccine, many of these military personnel are being forced to make decisions between the safety and security of their families that their dedication and commitment to serving our nation.

In a time when all branches of our military are faced with severe challenges in recruiting and retaining quality military personnel, we should be looking for ways to recruit and retain these men and women.

Instead, over 200 personnel have chosen to resign from the armed services rather than accept the risks associated with a questionable vaccination program.

In one Connecticut Air National Guard Unit alone, eight pilots resigned their commissions because of the mandatory anthrax vaccination. There are growing reports of large numbers of other Guard units whose ranks are shrinking for the same reason.

In my own state of North Carolina, I have heard from numerous active duty and reserve Air Force pilots who have tendered their resignation after many years of service.

However, I am particularly troubled by the recent court-martial of five Marines for their refusal to accept the anthrax vaccination.

As the representative of one of the largest Marine Corps bases in the country, Camp Lejuene, I have learned how much they value their creed: ''Corps, God, and then Country.''

For the Marines, it is not just a saying; it is a way of life.

Yet, because of the great uncertainty surrounding the anthrax vaccine, a growing number of Marines are also choosing to leave their beloved Corps, their livelihood, to ensure their long-term health and that of their families.

All of these matters have led me to a single conclusion. Until the questions surrounding the anthrax vaccine are answered, I cannot in good conscience support the current mandatory Department of Defense vaccination program.

I feel as though I would be failing in my responsibility if I did not take action to protect the troops who willingly sacrifice their own lives in defense of this nation and its citizens.

As a result, today I am introducing the American Military Health Protection Act.

The legislation is simple.

It would make the current Department of Defense Anthrax Vaccination Immunization Program voluntary for all members of the Uniformed Services until either:

1. The Food and Drug Administration has approved a new anthrax vaccination for humans; or

2. The Food and Drug Administration has approved a new, reduced shot course for the anthrax vaccination for humans.

It does not eliminate the program or remove the ability of the Department of Defense to provide anthrax vaccinations. It simply ensures before a member of our military is required to take the vaccine, their questions about its safety and long-term effects are answered.

It is the least that Congress and the Department of Defense can do.

I hope my colleagues here will see that and join me in protecting the great men and women of the United States Military.

UNION CITY CELEBRATES 40TH ANNIVERSARY AND DESIGNATION AS AN ALL-AMERICAN CITY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. STARK. Mr. Speaker, on July 31, 1999, Union City, California will celebrate its 40th Anniversary and its recent designation by the National Civic League as an All-American City, one of only ten in the United States for 1999. Although the City of Union City will be celebrating its 40th Anniversary in 1999, the year 1850 marks the date that settlers John and William Horner visited an oasis by the Bay and laid out a small settlement town eight square blocks which they called ''Union City.'' It is said that the name originates from the Horners' Sacramento River steamer call ''The Union.''

In the early 1850's, Union City had a total population of just three families. This is in stark contrast to the nearly 64,000 residents who inhabit the City today. Many of Union City's early settlers were disappointed gold miners who found that growing potatoes, fruits, and vegetables could also be quite profitable and rewarding. Most of the vegetables grown in California were shipped from Union City as this area was considered to be the most fertile agricultural land in the state.

By 1852, Union City had developed into a town that had several hotels, numerous boarding houses, livery stables, general stores, a blacksmith shop, and a men's furnishing store among others. The coming years saw major industries start to settle in the area, such as Pacific Coast Sugar Company and Gold Medal Flower.

Much of the area that is now Union City was spared with little damage during the earthquake of 1906. However, Union City faced a new challenge in the 1950's when several adjacent cities targeted Union City for possible annexation. To prevent this from happening, Union City residents decided to successfully incorporate the city in 1959.

Present day Union City is known as the Gateway to the Silicon Valley. With a diverse population of almost every imaginable ethnicity, Union City exemplifies the true American spirit. Civic-minded communities continue to work tirelessly for safe neighborhoods, quality housing and exemplary schools.

I am proud to represent Union City in my 13th Congressional District, and I ask my colleagues to join me in congratulating this outstanding city on its 40th birthday and designation as All-American City for 1999.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

SPEECH OF

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2466) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes:

Mr. KENNEDY of Rhode Island. Mr. Chairman, I rise in strong opposition to the amendment offered by Congressmen WELDON and BARR.

This amendment would accomplish two goals.

First, it would undermine the Constitutional responsibility that our government has towards Native American Tribes.

Second, it would serve to stop so much of the positive work that is being accomplished in Indian Country.

What my colleagues need to understand is that Tribal Gaming is not a private interest initiative. The proceeds from Tribal Gaming can only be used for governmental programs like education, health care and housing.

Some Tribes that are looking to take lands into trust for the purposes of gaming currently have unemployment rates in excess of 50 percent. Native Americans are simply looking for a way out of what is clearly third world poverty.

This amendment would prohibit the Secretary of the Interior from promulgating Class III gaming procedures.

The reason that the Department of Interior has published regulations on Class III gaming is because Congress, by enacting the Indian Gaming Regulatory Act, directed the Secretary to develop procedures for Class III gaming compacts.

And lets be clear, Interior's regulations will apply in cases where tribes and states could not reach a Class III agreement but the state already allows Class III gaming activities, and when a state raises immunity as a defense from suit.

Moreover, states could still protect themselves from Class III gaming if they choose by outlawing any kind of Class III gaming in the state. In this regard Tribes could not game under Class III. Examples of States that have no gaming include Utah and Hawaii.

This rule is the result of an extensive public process that began more than three years ago and speaks to the fact that the vast majority of states and tribes have bargained in good faith with each other. In fact, in the ten years since the enactment of the Indian Gaming Regulatory Act, over 200 compacts have been signed in 24 states.

Tribes deserve a fair opportunity. In many cases they have been denied that chance.

I understand that the National Gambling Impact Study Commission has called for a ''pause'' in gaming but this amendment does nothing but unfairly discriminate against the only people that use gaming revenues for altruistic purposes.

Moreover, it goes to the very heart of our nation's failure to defend what Tribal Governments are entitled to by virtue of their status as domestic dependent nations.

Why is there no amendment to limit the growth of gaming in Atlantic City? How about state governments that use lotteries everyday?

The reason is because you all feel that Indians are an easy target. Gaming opponents feel as though they need a quick fix to satisfy their agendas. Consequently the Tribes must bear the burden of the political expediency that is being demonstrated by this amendment.

My colleagues, this amendment is not so much about gaming as it is about not respecting the trust responsibility that our government has towards the first Americans.

Mr. Chairman, I find this particularly disturbing that we are considering this amendment offered by Republican members on a day that Speaker Hastert and the Republican leadership are meeting with several tribal leaders in support of Tribal sovereignty.

This amendment has no place in this debate and I urge all who care for the sovereign rights of native Americans to oppose its passage.

RISE IN HUMAN RIGHTS ABUSES IN THE UIGHUR AUTONOMOUS REGION OF XINJIANG, CHINA

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. PORTER. Mr. Speaker, I rise to bring attention to one of the forgotten areas of the world, where human rights abuses are at an all time high and the degree of these abuses is inhuman and completely unimaginable to most of us—the Uighur Autonomous region of Xinjiang, China (XUAR). I have spoken before this Congress many times to discuss the horrendous way the government of the People's Republic of China treats its people, but, according to the experts, the situation the Uighurs are facing is far worse than in any other region of the country.

Amnesty International released a report in April documenting the conditions and abuses in Xinjiang, and yesterday the Congressional Human Rights Caucus held a briefing on the Uighurs. We heard from five Uighurs as well as human rights advocates who all describe the same abominable situation.

Xinjiang has long been inhabited by a mixture of different Muslim peoples including Kazakhs, Kyrgyz and Tajiks, as well as the majority Uighurs. The region enjoyed independent statehood until 1759, when it was conquered by China's Manchu dynasty. In subsequent years, there were numerous attempts to shake Chinese rule lasting well into the twentieth century. The most significant of these was in 1945, when local forces took advantage of the looming civil war between Communist and Nationalist Chinese to revive the independent republic of East Turkestan, which survived until 1949 when it was crushed by divisions of the People's Liberation Army (PLA). Han Chinese migration and settlement into Xinjiang greatly increased with the onset of the economic reforms of the early 1980s, to the point where there are now almost as many Han as Uighurs living in Xinjiang. The two main ethnic groups live in virtual segregation,

racial discrimination is widely reported and unemployment among Uighurs is high.

Since the early 1990s, the growing strength of the Islamic cultural and religious movement in Xinjiang, combined with the end of Soviet political domination in Central Asia, has led the central government once again to impose increasingly tight restrictions on religious worship and practice in the region. The number of schools and mosques forced to close is rapidly increasing, displaying the strong similarities between the PRC's treatment of this region and Tibet.

Amnesty International reports that torture of political prisoners in XUAR is systematic and that new and particularly cruel methods of torture are used that are not known to be used elsewhere in China. The XUAR is the only region in China where political prisoners are known to be executed. They have been executed for offenses related to opposition activities, street protests or clashes with security forces. As true in other parts of the PRC, the death penalty is also applicable for a wide range of offenses, including non violent ones such as economic and drug related crimes. There are two reasons why this abuse is so much worse than in other areas of China. First, its history of independence and proximity to free countries, and second is the fact that the rest of the world seems to have forgotten them.

Amnesty International is calling on the Chinese government to establish a special commission to investigate human rights violations and economic, social, and cultural needs of the region. I want to join in this call, and demand that the Chinese government stop treating its citizens this way. The international community must be made aware of these atrocities and it is time for us to stand up and let the Uighurs know that the world has not forgotten them, and the Chinese government can not continue with this type of behavior.

THE SECOND AMENDMENT AND GUN CONTROL LEGISLATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. CONYERS. Mr. Speaker, today I am pleased to offer for the record a memorandum on the Second Amendment and Gun Control Legislation that was written by Professor Robert A. Sedler, an outstanding constitutional law professor who has taught at the University of Kentucky Law School and now teaches at Wayne State University School of Law. Professor Sedler previously worked with my Judicial Committee staff on constitutional matters during the recent impeachment proceedings. Given the current national debate on gun control and gun control legislation, his memorandum is particularly enlightening.

THE SECOND AMENDMENT AND GUN CONTROL LEGISLATION

(By Robert A. Sedler, Professor of Constitutional Law, Wayne State University School of Law)

Opponents of gun control legislation, such as the NRA, frequently invoke the Second Amendment to argue that gun control legislation is unconstitutional. Such an argument is completely misplaced for two reasons. First, under current constitutional doctrine, as propounded by the United States Supreme Court, the Second Amendment does not establish an individual right to bear arms. The Second Amendment is a state's rights provision, guaranteeing a collective rather than an individual right. Second, even if the Supreme Court were to hold in the future that the Second Amendment does create an individual right to bear arms, that right, like other constitutional rights, would not be absolute, and would be subject to reasonable regulation that did not impose an ''undue burden'' on that right.

The Second Amendment starts out by referring to state militias, which were the forerunner of the present National Guard: ''A well-regulated Militia being necessary to the security of a free State,'' and goes on with the more familiar. ''The right of the people to keep and bear arms shall not be infringed.'' At the time of the Constitution every state had a militia, consisting of all able-bodied men. When there was a call to arms to defend the state, each able-bodied man was supposed to show up with his own rifle. Every man had a rifle, which he used for hunting and for the legitimate self-defense of his family and his home. The Constitution gave the federal government a lot of power over the state militias. Congress could call them into federal service (Art. I, sec. 8, cl. 15), as units of the Michigan National Guard have been called up for service in Bosnia and Kosovo. When the militias were called into federal service, they were subject to the control of the President as Commander-in-Chief (Art. II, sec. 2, cl. 1). Congress was also given the power to govern the organization and training of the state militias (Art. I, sec. 8, cl. 16), just as today Congress regulates the state National Guard.

After the Constitution was ratified, there was concern in the states that Congress would use its power over the state militias simply to abolish them. This concern was addressed by the Second Amendment. The language and historical context of the Second Amendment indicates that it was to be a states rights provision, it was intended to prevent Congress from abolishing the state militias. Under this view of the Second Amendment, it would not be the source of an individual right to bear arms, and federal gun control laws could not be challenged as violative of the Second Amendment.[1]

The contrary view focuses on the fact that the time of the Second Amendment, all the able-bodied men that made up the state militia were expected to have their own rifles to bring with them whenever there was a call to arms. Under this view, the Second Amendment would be the source of an individual right to bear arms, just as the First Amendment is the source of an individual right to free speech, and federal gun control laws could be challenged as violative of the Second Amendment. Many state constitutions do expressly establish an individual right to bear arms. The Michigan Constitution, Art. I, sec 6, for example, provides that: ''Every person has a right to bear arms for the defense of himself and the state.'' There is much debate today among law professors and others over whether or not the Second Amendment should be seen as establishing an individual right to bear arms.

Of course, only the United States Supreme Court can say authoritatively what the Second Amendment means. The only Supreme Court case to expressly deal with that subject is the older case of *United States* v. *Miller*, 307 U.S. 174 (1939). In that case, the Court rejected a Second Amendment challenge to a federal law banning a number of weapons such as sawed-off shotguns and machine guns. The Court seemed to say that the Second Amendment was a state's rights provision intended to prevent Congress from abolishing the state militias, and was not intended to establish an individual right to bear arms. The Court stated: ''With obvious purpose to assure the continuation and render possible the effectiveness of such forces, the declaration and guarantee of the Second Amendment were made. It must be interpreted and applied with that end in view,'' and concluded that, ''[i]n the absence of any evidence tending to show that the possession or use of a 'shotgun having a barrel of less than eighteen inches in length' at this time has some reasonable relationship to the preservation or efficiency of a well-regulated militia, we cannot say that the Second Amendment guarantees the right to keep and bear such an instrument.'' 307 U.S. at 178. The Supreme Court has not had a case dealing with the meaning of the Second Amendment since *Miller*, except to cite *Miller* for the proposition that federal restrictions on the use of firearms by individuals do not ''trench upon any constitutionally protected liberties.'' *Lewis* v. *United States*, 445 U.S. 55, 65, n.8 (1980).

Because lower federal courts are bound by United States Supreme Court decisions unless and until they are overruled by the Supreme Court itself, the federal courts of appeal have unanimously held, as the Sixth Circuit has put it, that, ''[i]t is clear that the Second Amendment guarantees a collective rather than an individual right.'' *United States* v. *Warin*, 530 F.2d 103, 1106 (6th Cir. 1976) (upholding ban on possession of submachine guns). Recent cases holding that the Second Amendment does not establish an individual right to bear arms include *Hickman* v. *Block*, 81 F.3d 98 (9th Cir. 1996) (person denied a concealed weapon permit has no standing to claim that denial violates his Second Amendment rights); *Love* v. *Pepersack*, 47 F. 3d 120 (4th Cir. 1995) (denial of application to purchase handgun cannot be challenged as violative of Second Amendment).[2]

The Supreme Court's decision in *Miller* sets forth the current state of the law, which is why the lower federal courts must reject any claim that the Second Amendment establishes a constitutionally-protected individual right to bear arms. The Supreme Court may change its mind, but unless and until it does, the federal courts cannot properly use the Second Amendment to declare any gun control law unconstitutional.

Let us assume, however, that the Supreme Court does change its mind and holds that the Second Amendment does protect the individual right to bear arms. This would not have any effect at all on existing and proposed federal gun control laws, such as the ban on assault weapons, the ban on possession of a gun by a convicted felon, a requirement that guns contain safety locks and be kept out of the reach of children, or a background check waiting period. Constitutional rights are not absolute, and are subject to reasonable regulation in the public interest. Guidance on this point can be obtained from the decisions of state courts upholding gun control laws as a reasonable regulation of the right to bear arms. In upholding a ban on

[1] The Supreme Court long ago held that the Second Amendment does not apply to the states. *Presser* v. *Illinois*, 116 U.S. 252 (1886).

[2] In view of this unbroken line of federal appellate decisions, the very recent decision of a federal judge in Texas holding that the Second Amendment establishes an individual right to bear arms and renders unconstitutional a federal law prohibiting possession of a firearm while under a court restraining order, *United States* v. *Emerson*, 1999 U.S. Dist. LEXIS 4700, U.S. Dist. Ct. N.D. Tex., 4/7/99, is puzzling and is likely to be reversed on appeal.

dangerous weapons over 60 years ago, for example, the Michigan Supreme Court stated as follows: ''Some weapons are adapted and recognized by the common opinion of good citizens as proper for the private defense of person and property. Other are the peculiar tools of the criminal. The police power of the state to preserve public safety and peace and to regulate the bearing of arms may take account of the character and ordinary use of weapons and interdict those whose customary employment of individuals is to violate the law.'' *People* v. *Brown,* 253 Mich. 537, 539, 235 N.W. 245, 246 (1931).

Moreover, since constitutional rights are not absolute, any regulation of a right—even a fundamental one, such as a woman's right to abortion—is not subject to constitutional challenge unless it imposes an undue burden on the exercise of that right. *Planned Parenthood of Southeastern Pennsylvania* v. *Casey,* 505 U.S. 833 (1992). Thus, a 24 hour waiting period before a woman can have an abortion was held in *Casey* to be constitutional because it does not prevent the women from having an abortion. By the same token, a three day waiting period for the sale of a gun at a gun show so that a background check can be run on the purchaser does not impose an undue burden on the right to bear arms, since it does not prevent a qualified purchaser from obtaining the gun. Nor does a requirement that guns be equipped with safety locks impose any burden at all on a person's ability to obtain and use guns. Nor could it possibly be suggested that the Constitution stands as an obstacle to denying a gun to a convicted felon or a mentally unstable person. Likewise, a ban on carrying a concealed weapon would be constitutionally permissible because of the clear danger to public safety that can result from people pulling out guns and engaging in a shootout in the public streets.

A constitutionally protected right to bear arms would include the right to have a rifle for hunting and for defense of the home. It might also include the right to have a handgun for defense of the home, although this is debatable. A ban on private ownership of handguns would serve the public interest in crime prevention, since so many crimes are committed by the use of handguns. This aside, most assuredly, the right to bear arms would not include the right to have a submachine gun or a sawed-off shotgun or an assault weapon, or to carry concealed weapons, or to brandish a gun in the public streets. And again, any right to gun ownership would be subject to reasonable regulation in the public interest.

In summary, under the current state of the law, the Second Amendment does not establish an individual right to bear arms. But even if the Supreme Court were to subsequently hold that it did, all the present and proposed federal gun control laws would be upheld as constitutional, because they are reasonable and do not impose an undue burden on the right to bear arms.

TRIBUTE TO LINNEAUS C. DORMAN

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. CAMP. Mr. Speaker, I rise to pay tribute to Dr. Linneaus C. Dorman of Midland, Michigan, who recently received the 1999 Percy L. Julian Award, the highest award presented by the National Organization for the Professional Advancement of Black Chemists and Chemical Engineers. Dr. Dorman earned this award for his pure and applied research in engineering and science.

I would like to congratulate Dr. Dorman and draw attention of my colleagues in the U.S. House of Representatives and my constituents in the 4th Congressional District to Dr. Dorman's distinguished career.

Dr. Dorman's fascination with science began in his childhood, with a friend and a chemistry set. Since then he has made remarkable contributions to his field. He earned his bachelor of science in chemistry from Bradley University and a Ph.D. in organic chemistry from Indiana University in 1961.

After receiving his Ph.D., Dr. Dorman went to Midland to work for The Dow Chemical Company, where he worked in research and development with a primary focus on the chemistry of carbon compounds, found in living things. His work in agricultural chemical synthesis, automated protein synthesis, ceramics, and polymers have earned him high praise from his peers.

Today he continues to be involved with science and shares his love of it with young people in the community, while remaining a member of the National Organization for the Advancement of Black Chemists and Chemical Engineers.

Dr. Dorman's contribution to science and the community make him an outstanding role model and a respected professional in his field. I am honored today to recognize Dr. Dorman, his professional accomplishments, and his willingness to share his knowledge.

THE INTRODUCTION OF THE NUCLEAR DISARMAMENT AND ECONOMIC CONVERSION ACT

HON. ELEANOR HOLMES NORTON

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Ms. NORTON. Mr. Speaker, long after the end of the Cold War and the breakup of the Soviet Union, the threat of nuclear weapons remains. Today, the United States continues to possess around 7,300 operational nuclear warheads, and the other declared nuclear powers—Russia, Great Britain, France, and China—are estimated to possess over 10,000 operational warheads. Furthermore, the proliferation of nuclear weapons, especially in countries in unstable regions, is now one of the leading military threats to the national security of the United States and its allies.

The United States, as the sole remaining superpower and the leading power in the world, has an obligation to take bold steps toward encouraging other nuclear powers to eliminate their arsenals and to prevent the proliferation of these weapons. That is why I have chosen today, on the 54th anniversary of the first test of a nuclear explosive in Alamogordo, New Mexico, to introduce the Nuclear Disarmament and Economic Conversion Act of 1999. The bill would require the United States to disable and dismantle its nuclear weapons and to refrain from replacing them with weapons of mass destruction once foreign countries possessing nuclear weapons enact and execute similar requirements.

My bill also provides that the resources used to sustain our nuclear weapons program be used to address human and infrastructure needs such as housing, health care, education, agriculture, and the environment. By eliminating our nuclear weapons arsenal, the United States can realize an additional, ''peace dividend'' from which to fund critical domestic initiatives, including new programs proposed in the Administration's FY 2000 budget.

Many courageous leaders from the United States and from around the world have spoken out on the obsolescence of nuclear weapons and the need for their elimination. Those leaders include retired Air Force General Lee Butler and more than 60 other retired generals and admirals from 17 nations, who, on December 5, 1996, issued a statement that ''the continuing existence of nuclear weapons in the armories of nuclear powers, and the ever-present threat of acquisition of these weapons by others, constitute a peril to global peace and security and to the safety and survival of the people we are dedicated to protect'' and that the ''creation of a nuclear-weapons-free world [is] necessary [and] possible.''

Recent events on the Indian subcontinent demonstrate the urgent need for passage of my bill. Last year, in defiance of the nonproliferation efforts of the United States and the world community, India detonated several underground nuclear test devices, after it had refrained from doing so since its first nuclear test in 1973. Pakistan, a neighboring country with which India has fought three wars since the British colonial period ended in 1947, soon followed suit with its own nuclear tests. The trading of nuclear tests last year between India and Pakistan were a source of heightened concern as armed skirmishes persisted last month in the disputed Kashmir region adjoining those two nations.

The United States and the world community clearly must redouble their efforts to obtain commitments from India and Pakistan to refrain from actual deployment of nuclear weapons, as well as to contain other countries that aspire to become nuclear powers, such as Iran, Iraq, and North Korea, from moving forward with their programs. However, the United States will be far more credible and persuasive in these efforts if we are willing to take the initiative in dismantling our own nuclear weapons program and helping arms industries to convert plants and employees to providing products and services that enhance the wealth and quality of life of ordinary citizens. I ask my colleagues to cosponsor the Nuclear Disarmament and Economic Conversion Act of 1999 and for the committees with jurisdiction over the bill to mark it up quickly so that it can be considered and passed by the full House.

TRIBUTE TO LAVONNE LITTLE BISHOP

HON. CHARLES W. ''CHIP'' PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. PICKERING. Mr. Speaker, I rise in respect and remembrance of a gracious and remarkable lady in my district, Mrs. LaVonne Bishop, affectionately known as ''Miss LaVonne'' who passed away on July 10, 1999, at her home in St. Catherine's Village in Madison, MS. She was 95 years of age, and the

widow of the late Herbert Bishop, a former mayor of Forest, and a banking official, who served for many years as the President of the Farmers and Merchants Bank in Forest, Mississippi, now known as Community Bank.

Miss LaVonne was born in Magee, MS and moved to Forest, MS at an early age. She graduated from Forest High School in 1920, and earned her music degree from Belhaven College in the mid-twenties. Upon graduation from Belhaven, she returned to Forest and taught music in the Forest school system until her marriage to Mr. Bishop.

For the greater part of her life, Miss LaVonne focused her efforts on building a strong church and community relations in Forest and Scott County. Very seldom was there a civic or community project developed within the city of Forest, or the county of Scott, that she did not have some input. Because of her efforts in community development, Forest was named a winner in the National Community Achievement Contest in 1960, and in 1962, Miss LaVonne was named Mississippi Club Woman of the Year. She also served as chairwoman for many Merit Programs sponsored by the State Chamber of Commerce. Further, for many years, she served as chairperson for the Forest Miss Hospitality committee, and actively participated in drives that benefited the Hospital Auxiliary, the Cancer Fund, the Heart Fund, and the March of Dimes Fund.

At Forest Baptist Church, she was the church organist for more than 50 years. On a number of occasions, she served as President of the Women's Missionary Union, and was a teacher and pianist in the junior department. At St. Catherine Village, she was pianist for the choir and the residents of Siena, the nursing division of the Village. Up until her death, she and her piano partner, Grant Smith, performed periodic concerts in the area surrounding Jackson.

Miss LaVonne was very devoted to her family. If you wanted to see pride and job at its apex, then start a conversation about her children, Neill (Mrs. Wade Barton) and Gene and their families, her late husband Herbert and his family, her parents the late Mr. and Mrs. H. H. Little and her brother Woodrow. Also, very dear to Miss LaVonne as her friend, Mrs. Alice Burke and her family, who worked at the Bishop household for many years.

Miss LaVonne's life and legacy can be summed up with one word LOVE; Love for God, Love for Family, Love for Friends, Love for Country, Love for State, and by all means, Love for Forest and Scott County. She was truly a great Christian, and an American, and I extend my heartfelt sympathy to her family, while at the same time, expressing my appreciation, and that of all citizens of the 3rd district for her life of service.

TRIBUTE TO JOANNE BALTIERREZ

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to my good friend and colleague, Joanne Baltierrez, who retired earlier this year from a seat on the City Council of the City of San Fernando. Joanne had a distinguished five-year tenure on the council, including a one-year term as Mayor. While in office, she was a courageous, visionary and independent-minded public servant, who worked very hard to represent her constituents well and to make a real difference in the quality of life for the citizens of San Fernando.

During her time on the City Council, Joanne compiled an impressive list of accomplishments for her constituents. She is especially and rightfully proud of her successful efforts to keep a Los Angeles county health clinic from moving outside of its San Fernando location. She did this in a particularly creative manner by arranging a land swap with the county that enabled the much-needed facility to remain within her city. Joanne also helped assemble a coalition with San Fernando Valley Neighborhood Legal Services, the San Fernando Police Department and the courts to provide counseling and shelter for victims of domestic violence.

Another of Joanne's innovations was a series of town hall meetings to allow members of the Council to better gauge the needs and concerns of their constituents.

Joanne has always given unstintingly of her time and talents to public service. Over the past decade, in addition to her work on the City Council, she has served as a recruitment coordinator for Los Angeles Mission College, Director of Community Services for the Volunteer Center of San Fernando Valley, Resource Coordinator for the Latin American Civic Association and Community Liaison for the Los Angeles County Department of Health Services.

Now that she has retired from the Counsel, Joanne has entered a new phase of her career in politics, serving as the Executive Director of the League of Women Voters of Los Angeles. Joanne now puts her considerable abilities to work in representing the League throughout the community and promoting the growth of this highly respected organization through public relations and marketing strategies.

I ask my colleagues to join me in saluting Joanne Baltierrez, whose commitment to her community and strong sense of justice are an inspiration to us all. I am proud to be her friend.

ST. LOUIS A SCHOOL DESEGREGATION SUCCESS STORY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. CLAY. Mr. Speaker, May 17, 1999, marked the 45th anniversary of the Supreme Court's unanimous decision in Brown v. Board of Education holding racial segregation laws and practices unconstitutional and ushering in the civil rights era. Last month the Harvard Civil Rights Project published a report showing that the nation is now moving backwards toward re-segregation of public schools.

I want to call the attention of my colleagues to the remarkable story of desegregation in St. Louis. St. Louis illustrates the gains that can be made for children even in these times. In St. Louis, a 1983 settlement of a desegregation case brought by the NAACP resulted in the largest voluntary metropolitan school desegregation program in the nation, with 13,000 black students from St. Louis attending school in 16 suburban districts. The program was very successful in increasing the graduation and college-going rates of participating youngsters as was a magnet program in city schools.

When the State sought to end its financing of the remedy in the early 1990's many feared that the opportunities that had been afforded children would end as had happened elsewhere. But an extraordinary thing happened. The Missouri State legislature voted funds sufficient to continue the programs—including as well as major program for school improvements in St. Louis—for at least ten more years. The legislature insisted that the city of St. Louis contribute financially by raising its sales and property taxes. Many feared that this would not occur. But in February of this year the voters approved a sales tax increased by an almost 2–1 margin—and every Ward in the City—Black and White—voted for the tax increase.

Many people in Missouri worked hard to achieve this remarkable result. Special thanks are due to William H. Danforth, the Court-appointed settlement coordinator, who recognized that continuing a valuable remedy was not inconsistent with ending court supervision. James De Clue, the NAACP leader and Minnie Liddell, the community leader, toiled over twenty five years to advance the interests of children, they are the true heroes of this story. Legislative leadership was exercised by then-Representative Steve Stoll along with Senators Ted House, Lacy Clay and Harold Caskey. My colleague Congressman RICHARD GEPHARDT also helped assure that St. Louisans understood the importance of passing the referendum while business and religious leaders pitched in and lent their support.

Mr. Speaker, we must not give up on the promise of Brown v. Board of Education. The St. Louis story provides a model for other communities. I would like to share with my colleagues some articles that detail the success of St. Louis' school desegregation program.

[From the St. Louis Post-Dispatch, Jan. 7, 1999]

SETTLEMENT IS REACHED IN DESEGREGATION CASE

(By Rick Pierce and Carolyn Bower)

The clock on the library wall at Yeatman Middle School in St. Louis said 15 minutes after 2 p.m.

Dozens of lawyers, school superintendents, school board members and settlement coordinator Dr. William H. Danforth were waiting to announce an agreement to settle the area's school desegregation case.

A lawyer turned to another lawyer and asked, ''Everyone important seems to be here. Who are we waiting for?''

Moments later, Minnie Liddell, regal in a flowing red blouse and slacks and moving slowly with the aid of a four-pronged metal cane, entered the library.

Knots of people parted to let her through. Some hugged her.

Twenty-seven years ago, when school officials tried to transfer her son, Craton, and other students, out of Yeatman School—a school the Liddell family had fallen in love with—she and other parents sued the St. Louis School Board.

Now Liddell, 59, who has three grandchildren in St. Louis schools, watched as Dánforth announced the settlement, something many had predicted was impossible.

''There has been an agreement to settle the case,'' said Danforth, adding that the agreement would be presented to U.S. District

Judge Stephen N. Limbaugh Sr. ''This is a historic occasion for St. Louis.''

Danforth said many people had told him it was impossible to settle a suit with more than 20 parties.

''It did take time. I never had any idea how complicated the legal issues were,'' he said. ''What we all wanted was to provide children with a first-class education and the opportunity for choice. We all wanted the voluntary transfer program to continue with this settlement.''

After Danforth spoke, Liddell said with obvious emotion: ''All I can say is, 'Yay, St. Louis'' This has been a long time coming, yet we have just begun. I'm glad I lived to see a settlement in the case.''

Liddell suffered a stroke a couple years ago and suffers from numerous health problems.

The settlement still needs approval of area school boards. Besides St. Louis, 16 St. Louis County districts were parties in the suit.

Clayton and Parkway school boards were expected to meet in closed sessions Wednesday night to discuss the settlement. The Rockwood School Board might consider the agreement tonight. The St. Louis School Board already has approved the agreement.

Other parties might agree with Liddell. Until the end, the deal to settle the St. Louis desegregation case was in danger of breaking apart.

Until the deal was notched around noon Wednesday, anything was possible, said the attorneys involved in the case. The talks had become more frequent, and often ran late, in the past two weeks while students were on holiday break.

The talks New Year's Eve lasted until 8 p.m.

On Monday and Tuesday, attorneys and officials representing the more than 20 parties in the case met from before noon to past midnight at the downtown offices of Bryan Cave, a law firm in St. Louis. Tuesday's schedule followed suit.

As the clock continued to tick past the self-imposed, end-of-the-year deadline, tempers flared.

''We were dealing with difficult issues and people got tired,'' said Douglas Copeland, an attorney who represents the Webster Groves and Valley Park school districts. ''No one ever came to blows.''

The attorneys and others involved in the talks have declined to discuss specifics because they were muzzled by a federal judge. But two key issues that remained unresolved until the end were the county districts' concerns over the terms of the busing program and the city district's concerns over how much it would get for new schools when the students returned.

Ken Brostron, the St. Louis School Board's attorney, said a deal wasn't worked out on how much money the city would get for new schools until Tuesday evening. That figure is $180 million.

The county districts' concerns over the busing plan, especially over how long they would have to commit to it and who would pay for it, weren't resolved until Wednesday morning. County superintendents had hoped that the state would pay for transportation for students to finish in the schools they attend.

The problem was finding enough state money. County superintendents insisted that no local tax money would be used to pay for the education or transportation of transfer students—which the county districts got. Although issues related to St. Louis were resolved by Tuesday, county superintendents did not reach an agreement until shortly before noon Wednesday.

Then they drove through snow-lined streets to Yeatman, where the case had begun decades ago.

School District	City-to-County enrollment	County-to-City enrollment	Total student enrollment	Percent of black students, 1982–83	Percent of black students 1998	Percent of City-to-County enrollment
Affton	369	73	2,657	1.6	15.43	13.8
Bayless	171	53	1,395	0.1	13.26	12.3
Brentwood	214	15	924	23.9	27.16	23.1
Clayton	479	7	2,404	6.0	21.96	19.9
Ferg.-Flor	0	58	11,368	[1]40.5	55.85	0
Hancock	365	95	1,660	3.0	23,31	21.9
Hazelwood	4	121	18,315	17.4	43.2	0
Kirkwood	691	31	5,061	19.3	25.07	13.6
Ladue	444	11	3,406	15.6	25.63	13.0
Lindbergh	1,030	58	5,205	1.6	20.79	19.7
Maple-Rich. Hts	0	216	1,115	[1]	[2]41	0
Mehlville	1,411	124	11,694	.03	13.8	12.0
Parkway	3,085	86	20,783	2.5	17.83	14.8
Pattonville	1,058	44	7,027	5.3	27.44	15.0
Ritenour	145	254	6,629	14.5	28.2	2.2
Riv. Gardens	0	1	6,850	[1]	[2]81	0
Rockwood	2,661	33	20,706	.9	14.23	12.9
Valley Park	229	12	989	.4	28.41	23.1
Webster Groves	497	59	4,163	19.9	26.98	11.9
Total/Average	12,853	1,351	132,251	na	na	9.7

Source: City-to-County and County-to-City Enrollment as of 11/4/98, Voluntary Interdistrict Coordinating Council.
Total Student Enrollment as of 9/30/98, Provided by Districts.
[1] Non-white population.
[2] 1997 date.
[3] Not available.

[From the St. Louis Post-Dispatch, Jan. 28, 1999]

A Better Settlement Than Anyone Else Got

(By James A De Clue and William L. Taylor)

STATE FUNDING COULD TERMINATE IN THE FORESEEABLE FUTURE

When citizens of St. Louis vote next week on the tax referendum, they will have a unique opportunity to invest in the future of their city and its children.

In many communities around the nation, courts are declaring an end to judicially supervised school desegregation and to the mandated subsidies for improved education that are often part of the remedy. But in St. Louis, the state Legislature has offered a financial package that will enable educational opportunity programs to continue for 10 years or more.

Both from a financial and an educational standpoint, the St. Louis settlement is the best of any school district in the nation. The state funding will make possible continuation of the voluntary interdistrict transfer program and the city magnet program. Both of these programs have enabled African-American city students to complete high school and go on to college at far greater rates than they have in the past.

The $45 million in state funding that will come to the city if the referendum is approved will not only maintain the magnets but improve educational opportunity in all of the city's schools.

For teachers, the funds will mean new opportunities for professional development and a better environment in the classroom. Part of the reason is new investments in preschool and in all-day kindergartens along with early-grade reading programs like Success for All that have proved effective in many American schools.

These initiatives will mean that children will emerge from the early grades with the skills they need and that schools will be able to avoid the Hobson's choice between social promotion and retention.

For parents, the agreement contains perhaps the most comprehensive set of reform measures adopted in any litigation. This includes tough performance standards that require schools to show year-by-year progress in students'

It also calls for substantial assistance to schools that are failing and new leadership for schools that do not respond to assistance. One novel feature is a right of transfer for students to go from failing schools to those that are providing better educational opportunities.

Indeed, with the ability to select schools in the county, magnet schools in the city and the right to transfer out of failing schools, St. Louis parents will have a greater range of choice than exists elsewhere.

Is there a price to be paid for these positive changes in education? Yes, voters must approve the two-thirds-of-a-cent increase in the sales tax. But St. Louis citizens will get a 2-for-1 one return ($45 million in state funds for about $20 million in local revenues), a much better deal than has been offered anyplace else.

And while the funds will barely match those now ordered by the court, the city will be rid of noneducational expenses such as court costs and can get an even better educational return by investing in initiatives that have proved effective.

If, on the other hand, the levy loses, state funding will terminate in the foreseeable future and the prospects for the city will be bleak.

As two people who have spent all of our professional lives serving as advocates for children, we know that opportunities for a community to make a difference in the lives and futures of children come along very rarely. We pray that the people of St. Louis will grasp the opportunity next Tuesday.

[From the St. Louis Post-Dispatch, Feb. 3, 1999]

VOTING FOR A MIRACLE

PUBLIC EDUCATION

The campaign for a just settlement to the 27-year-old school desegregation case ended in victory on Tuesday. The crusade to improve the education of all our children begins today.

Tuesday's overwhelming vote in favor of the sales tax increase for city schools is the latest miracle in a year of political miracles.

The first was getting the Missouri Legislature to pass a law to continue making extra payments to the St. Louis schools after the end of court-ordered desegregation. The second was Dr. William H. Danforth's trick of getting the platoon of lawyers to stop squabbling and hammer out a deal. The third was persuading the people of St. Louis to lay aside their opposition to taxes and lack of confidence in the schools and, instead, to tax themselves in hopes of a better future.

This feat makes us the first place in the nation where the democratic institutions of government found a way to preserve the gains of the era of desegregation while making it possible to improve the education of all children.

Imagine. This happened in Missouri.

But as much as we deserve to be proud, it will avail us nothing if we go back inside our homes and businesses thinking the problem is licked.

It isn't. We have to commit ourselves to something that is much bigger, much harder and much more important than a few political victories. We have to commit ourselves to improving our schools in tangible ways that transform * * *

The uncomfortable truth is that we don't know how to do it. But the voters aren't going to take that as an excuse for failure.

A majority of voters said in exit polls that they did not have confidence in the St. Louis public schools. But almost half of those voting in favor of the tax said they did so in hopes of strengthening neighborhood schools. In other words, people don't trust the schools and were unhappy voting for the tax, but they went ahead out of civic obligation and now expect results.

Trust and success are inextricably linked. If we can re-establish trust, if we can pull together in search of this common purpose, we won't fail.

All of those who pushed hard to pass the tax have an obligation in this respect.

School officials who talked about accountability must make that word mean something. Lawyers who brokered the agreement must see to it that the promises of educational improvement are enforced. Civic leaders who backed the tax must redouble the commitment of their groups and corporations to the schools. Newspapers that crusaded for the deal, must keep their light shining along the path toward better schools.

Suburban school districts too have an obligation. More than half the voters said in exit polls that they considered the city-county transfer program a success. That heightens the duty of suburban school districts to stick with the program past the three-year opt-out period and to improve the education that 13,000 city students get at the other end of the bus ride.

Making a quantum improvement in the education of our city school children will take a miracle. In St. Louis today, mere miracles are within our grasp.

[From the New York Times, Jan. 8, 1999]

DEAL STRUCK FOR ENDING BUSING PLAN IN ST. LOUIS

(By Pam Belluck)

The St. Louis school system, which has the country's largest busing program, may soon be released from its longstanding court-ordered desegregation plan.

After a long, tortuous negotiation process, a tentative agreement reached this week would end 15 years of court-ordered desegregation under which about 13,000 black inner-city students from the 59,000-student district are voluntarily bused each year to predominantly white suburban schools.

Minnie Lidell, a parent who was the lead plaintiff in a 1972 lawsuit that led to the court-ordered desegregation plan, expressed optimism about the settlement.

''I think we have a plan in place where, if all sides live up to their end of the deal, I think we can see some real change,'' Ms. Lidell said. ''We have a chance to improve the quality of education in St. Louis for all kids, and that was our original goal when we started all of this.''

The lawsuit accused the district of segregating its schools by race. Beyond remedying the racial disparity, the desegregation plan spurred improvements in city schools, including renovation of buildings and the reduction of class sizes.

The St. Louis settlement comes as a wave of cities across the country seek to be released from court-ordered busing programs. In recent years, Indianapolis, Kansas City, Mo., Denver, Oklahoma City, Nofolk, Va., Wilmington, Del., Nashville and Cleveland, have resolved their desegregation cases.

But several aspects set the St. Louis settlement apart from others.

For one, it would not so much discontinue busing as change its financing.

Many parents and some administrators in both the city and suburban schools would like busing to continue, saying it gives black city students a choice of where to be educated and gives city schools an incentive to compete for those students. A popular part of the desegregation program is a small-scale busing plan under which about 1,300 white students from the suburban counties can attend specialized magnet schools in the city.

Several years ago, the State of Missouri, which pays the St. Louis schools $70 million a year to run the busing program, went to court to try to have the desegregation order lifted so state taxpayers would no longer have to pay for carrying it out.

As a result of Wednesday's agreement, which is subject to the approval of Judge Stephen N. Limbaugh of Federal District Court, and the school boards of the participating districts, and a bill passed by the state Legislature last year, the state would reduce its obligation to $40 million. The proposal calls for most of the remaining money, about $23 million, to come from raising the city sales tax by two-thirds of 1 cent.

Whether the agreement is completed depends on whether city voters approve the tax increase in a ballot scheduled for Feb. 2.

''It's all contingent on the passage of a sales tax, which I think is going to be a tough job,'' said Dr. Cleveland Hammonds Jr., the superintendent of the St. Louis school district.

The agreement would maintain the current busing for at least three years and would allow students already being bused the option of completing their education in the suburban schools. After three years, the 15 participating school districts in St. Louis County would have the option to stop accepting new bused students, although Dr. Jere Hochman, superintendent of the Parkway School District, which receives 3,000 bused students, said he believed that most of the districts would retain the program as long as they continued to receive enough money for transportation and other costs.

All the parties had some interest in reaching this week's settlement. The state would save money. The suburban school districts would get the freedom to discontinue busing.

While the city schools would receive about $7 million less for the busing program, Kenneth Brostron, a lawyer for the school district, said the benefit of being freed from the cumbersome court order would make up for it. Now, Mr. Brostron said, many decisions about staffing ratios and programs are subject to approval of the judge.

And as for the plaintiffs in the original lawsuit, they would receive commitments that the city school district would ''provide for a lot of things to make the schools better,'' said William I. Taylor, the lead lawyer representing the plaintiffs.

Mr. Taylor said the agreement included provisions that would provide more teacher training, toughen the district's approach to failing schools and would allow students the chance to transfer from a failing school.

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S8699–S8773

Measures Introduced: Seven bills were introduced, as follows: S. 1383–1389. **Page S8740**

Measures Reported: Reports were made as follows:

S. 1386, to amend the Trade Act of 1974 to extend the authorization for trade adjustment assistance.

S. 1387, to extend certain trade preferences to sub-Saharan African countries.

S. 1388, to extend the Generalized System of Preferences.

S. 1389, to provide additional trade benefits to certain beneficiary countries in the Caribbean.

Page S8740

Social Security Lockbox—Cloture Vote: By 52 yeas to 43 nays (Vote No. 211), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate failed to agree to close further debate on Lott Amendment No. 297, in the nature of a substitute (Social Security Lockbox), to S. 557, to provide guidance for the designation of emergencies as a part of the budget process.

Pages S8699–S8766

Intelligence Authorization: Senate began consideration of the motion to proceed to the consideration of H.R. 1555, to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System. **Page S8767**

A motion was entered to close further debate on the motion to proceed to the consideration of the bill and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Tuesday, July 20, 1999. **Page S8767**

Subsequently, the motion to proceed was withdrawn. **Page S8767**

Senate will continue consideration of the motion to proceed to the bill on Monday, July 19, 1999.

Messages From the House: **Pages S8739–40**

Measures Placed on Calendar: **Page S8740**

Statements on Introduced Bills: **Page S8740**

Additional Cosponsors: **Pages S8740–41**

Notices of Hearings: **Page S8741**

Authority for Committees: **Page S8741**

Text of S. 1344 as Previously Passed: **Pages S8741–68**

Record Votes: One record vote was taken today. (Total—211) **Page S8766**

Adjournment: Senate convened at 9:30 a.m., and adjourned at 2:14 p.m., until 12 noon, on Monday, July 19, 1999. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S8768.)

Committee Meetings

(Committees not listed did not meet)

ALLEGED CHINESE ESPIONAGE

Committee on Energy and Natural Resources: Committee resumed oversight hearings to examine damage to the national security from alleged Chinese espionage at the Department of Energy nuclear weapons laboratories, receiving testimony from Victor H. Reis, Assistant Secretary of Energy for Defense Programs; and Burt Richter, Stanford Linear Accelerator Center, Stanford, California.

Hearings recessed subject to call.

NINTH CIRCUIT COURT OF APPEALS REORGANIZATION

Committee on the Judiciary: Subcommittee on Administrative Oversight and the Courts concluded hearings on the Commission on Structural Alternatives for the Federal Courts of Appeals report regarding the Ninth Circuit and S. 253, to provide for the reorganization of the Ninth Circuit Court of Appeals, after receiving testimony from Senators Kyl, Murkowski, Reid, Gorton, and Bryan; Procter Hug, Jr., Chief Judge, Pamela Ann Rymer, Circuit Judge, Andrew J. Kleinfeld, Circuit Judge, Diarmuid

O'Scannlain, Circuit Judge, and Charles E. Wiggins, Senior Judge, all of the Ninth Circuit Court of Appeals of California; William D. Browning, District Court Judge for the District of Arizona; and Ronald L. Olson, Munger, Tolles, and Olson, Los Angeles, California.

House of Representatives

Chamber Action

Bills Introduced:

6 public bills, H.R. 2542–2547; and 4 resolutions, H. Con. Res. 156–158, and H. Res. 252, were introduced. **Page H5750**

Reports Filed: Reports were filed today as follows:

H.R. 2116, to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs, amended (H. Rept. 106–237); and

H.R. 2488, to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs, amended (H. Rept. 106–238). **Page H5750**

African Growth and Opportunity Act: The House passed H.R. 434, to authorize a new trade and investment policy for sub-Sahara Africa by a yea and nay vote of 234 yeas to 163 nays, Roll No. 307. **Pages H5699–H5747**

Rejected the Bishop motion to recommit the bill to the Committee on Ways and Means with instructions to report it back forthwith with an amendment that strikes section 7 that eliminates trade barriers and encourages exports, and inserts provisions for a special access program for apparel articles from eligible countries. **Pages H5744–46**

Agreed to the amendment in the nature of a substitute made in order by the rule. **Page H5744**

Agreed to:

The Jackson-Lee of Texas amendment that encourages the development of small businesses in sub-Saharan Africa and trade between small businesses in the United States and sub-Saharan Africa; **Pages H5733–36**

The Jackson-Lee of Texas amendment that expresses the sense of the Congress that U.S. businesses should be encouraged to provide assistance to sub-Saharan African countries to reduce the incidence of HIV/AIDS and establish a Response Fund to coordinate these efforts; and **Pages H5738–42**

The Olver amendment that expresses the sense of the Congress that the HIV/AIDS crisis should be the central component of U.S. foreign policy with sub-Saharan Africa; that progress in prevention and treatment is required to sustain a mutually beneficial trade relationship; and that the crisis merits expanded efforts and legislation. **Pages H5742–44**

Rejected:

The Jackson of Illinois amendment that sought to target OPIC Infrastructure Funds for health services, water, sanitation, schools, electrification, and transportation; allocate 70% of funding to small business, women, and minority-owned businesses with at least 60% African ownership and 40% U.S. ownership; require 50% of energy projects for renewable or alternative energy development; and create advisory boards to oversee the OPIC and Ex-Im Bank financing. **Pages H5736–38**

H. Res. 250, the rule that provided for consideration of the bill was agreed to by yea and nay vote of 263 yeas to 141 nays, Roll No. 306. Pursuant to the rule, an amendment in the nature of a substitute consisting of the text of H.R. 2489 was considered as an original bill for the purpose of amendment. **Pages H5689–99**

Condolence Resolution: The House agreed to H. Res. 252, expressing the profound sorrow of the House on the death of Representative George E. Brown, Jr. of California. **Page H5747**

Legislative Program: The Majority Leader announced the Legislative Program for the week of July 19. **Pages H5747–48**

Meeting Hour Monday, July 19: Agreed that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday, July 19 for morning-hour debates. **Page H5748**

Calendar Wednesday: Agreed to dispense with the Calendar Wednesday business of Wednesday, July 21. **Page H5748**

Senate Messages: Message received from the Senate appears on page H5689.

Amendments Ordered Printed: Amendments ordered printed pursuant to the rule appear on page H5751.

Quorum Calls—Votes: One yea and nay vote and one recorded vote developed during the proceedings

of the House today and appear on pages H5698–99 and H5746–47. There were no quorum calls.

Adjournment: The House met at 9:00 a.m. and pursuant to H. Res. 252, adjourned at 2:34 p.m. until 12:30 p.m. on Monday, July 19, 1999, in memory of the Honorable George E. Brown, Jr. of California.

Committee Meetings

DEFENSE APPROPRIATIONS

Committee on Appropriations: Ordered reported the Defense appropriations for fiscal year 2000.

LEGISLATING IN THE INFORMATION AGE

Committee on Rules: Held a hearing on the Impact of New Information Technologies on the Legislative Process. Testimony was heard from Steve Kelley, member, Senate, State of Minnesota; Tom Tedcastle, General Counsel, House of Representatives, State of Florida; and Steve Watson, Chief Deputy Director, Legislative Counsel Bureau, State of Nevada.

CONGRESSIONAL PROGRAM AHEAD

Week of July 19 through July 24, 1999

Senate Chamber

On *Monday* and *Tuesday,* Senate will resume consideration of the motion to proceed to the consideration of H.R. 1555, Intelligence Authorization, with a vote on a motion to close further debate on the motion to proceed to occur on Tuesday, at 10:30 a.m.

During the balance of the week, Senate may also consider any other cleared legislative and executive business, including appropriation bills, when available.

(On Tuesday, Senate will recess from 12:30 p.m. until 2:15 p.m., for their respective party conferences.)

Senate Committees

(Committee meetings are open unless otherwise indicated)

Special Committee on Aging: July 20, to hold hearings to examine the effects on drug switching in Medicare managed care plans, 2:30 p.m., SD–215.

Committee on Agriculture, Nutrition, and Forestry: July 21, to hold hearings on the nomination of William Rainer to be Chairman of the Commodity Futures Trading Commission and to conduct an oversight review of the farmland protection program, 9:30 a.m., SR–328A.

Committee on Armed Services: July 20, to hold hearings on United States policy and military operations regarding Kosovo, 9:30 a.m., SH–216.

July 21, Full Committee, to hold hearings on the nomination of F. Whitten Peters, of the District of Columbia, to be Secretary of the Air Force; and the nomination of Arthur L. Money, of Virginia, to be an Assistant Secretary of Defense, 9:30 a.m., SR–222.

Committee on the Budget: July 20, to hold hearings to review the President's budget for fiscal year 2000, 10 a.m., SD–608.

July 21, Full Committee, to continue hearings to review the President's budget for fiscal year 2000, 10 a.m., SD–608.

Committee on Energy and Natural Resources: July 20, Subcommittee on Forests and Public Land Management, to hold hearings on S. 729, to ensure that Congress and the public have the right to participate in the declaration of national monuments on federal land, 2:30 p.m., SD–366.

July 21, Subcommittee on Forests and Public Land Management, to hold hearings on S. 1184, to authorize the Secretary of Agriculture to dispose of land for recreation or other public purposes; S. 1129, to facilitate the acquisition of inholdings in Federal land management units and the disposal of surplus public land; and H.R. 150, to amend the Act popularly known as the Recreation and Public Purposes Act to authorize disposal of certain public lands or national forest lands to local education agencies for use for elementary or secondary schools, including public charter schools, 2 p.m., SD–366.

July 22, Full Committee, to hold hearings on the nomination of Curt Hebert, Jr., of Mississippi, to be a Member of the Federal Energy Regulatory Commission; and the nomination of Earl E. Devaney, of Massachusetts, to be Inspector General, Department of the Interior, 9:30 a.m., SD–366.

July 22, Subcommittee on Forests and Public Land Management, to hold hearings on S. 1320, to provide to the Federal land management agencies the authority and capability to manage effectively the Federal lands, focusing on Title I and Title II, and related Forest Service land management priorities, 2 p.m., SD–366.

Committee on Environment and Public Works: July 20, Subcommittee on Fisheries, Wildlife, and Drinking Water, to hold hearings on the habitat conservation plans, 9:30 a.m., SD–406.

July 21, Subcommittee on Fisheries, Wildlife, and Drinking Water, to continue hearings on the habitat conservation plans, 9:30 a.m., SD–406.

July 22, Full Committee, to hold hearings on S. 835, to encourage the restoration of estuary habitat through more efficient project financing and enhanced coordination of Federal and non-Federal restoration programs; S. 878, to amend the Federal Water Pollution Control Act to permit grants for the national estuary program to be used for the development and implementation of a comprehensive conservation and management plan, to reauthorize appropriations to carry out the program; S. 1119, to amend the Act of August 9, 1950, to continue funding of the Coastal Wetlands Planning, Protection and Restoration Act; S. 492, to amend the Federal Water Pollution Act to assist in the restoration of the Chesapeake Bay; S. 522, to amend the Federal Water Pollution Control Act to improve the quality of beaches and coastal recreation water; and H.R. 999, to amend the Federal

Water Pollution Control Act to improve the quality of coastal recreation waters, 9:30 a.m., SD–406.

Committee on Finance: July 20, business meeting to mark up the proposed Taxpayer Refund Act of 1999, 10 a.m., SD–106.

July 21, Full Committee, business meeting to continue markup of the proposed Taxpayer Refund Act of 1999, 10 a.m., SH–216.

Committee on Foreign Relations: July 20, to hold hearings on the nomination of A. Peter Burleigh, of California, to be Ambassador to the Republic of the Philippines and as Ambassador to the Republic of Palau; the nomination of Robert S. Gelbard, of Washington, to be Ambassador to the Republic of Indonesia; the nomination of M. Osman Siddique, of Virginia, to be Ambassador to the Republic of Fiji, and as Ambassador to the Republic of Nauru, Ambassador to the Kingdom of Tonga, and Ambassador to Tuvalu; and the nomination of Sylvia Gaye Stanfield, of Texas, to be Ambassador to Brunei Darussalam, 11 a.m., SD–419.

July 20, Subcommittee on International Operations, to hold closed hearings on issues relating to the United Nations Criminal Court, 2 p.m., SD–419.

July 21, Subcommittee on East Asian and Pacific Affairs, to hold hearings on issues relating to Taiwan-China relations, 10 a.m., SD–419.

July 21, Full Committee, to hold hearings on the nomination of J. Richard Fredericks, of California, to be Ambassador to Switzerland, and to serve concurrently and without additional compensation as Ambassador to the Principality of Liechtenstein; the nomination of Barbara J. Griffiths, of Virginia, to be Ambassador to the Republic of Iceland; the nomination of Richard Monroe Miles, of South Carolina, to be Ambassador to the Republic of Bulgaria; and the nomination of Carl Spielvogel, of New York, to be Ambassador to the Slovak Republic, 4:30 p.m., SD–419.

July 22, Subcommittee on Near Eastern and South Asian Affairs, to hold hearings on the United State's policy with Iran, 10 a.m., SD–419.

July 22, Full Committee, to hold hearings on the nomination of J. Brady Anderson, of South Carolina, to be Administrator of the Agency for International Development, 2:30 p.m., SD–419.

July 23, Full Committee, to hold hearings on the nomination of Michael A. Sheehan, of New Jersey, to be Coordinator for Counterterrorism, with the rank and status of Ambassador at Large, 10 a.m., SD–419.

Committee on Governmental Affairs: July 20, Permanent Subcommittee on Investigations, to hold hearings to examine deceptive mailings and the need for legislation to curb the deceptive practices used in the sweepstakes, skill contests and government look-alike mailings, 9:30 a.m., SD–342.

Committee on Health, Education, Labor, and Pensions: July 20, to resume hearings on proposed legislation authorizing funds for programs of the Elementary and Secondary Education Act, focusing on improving use of funds, 9:30 a.m., SD–430.

Committee on Indian Affairs: July 21, to hold hearings on S. 985, to amend the Indian Gaming Regulatory Act, 9:30 a.m., SD–106.

Select Committee on Intelligence: July 21, to hold closed hearings on pending intelligence matters, 2 p.m., SH–219.

July 22, Full Committee, to hold closed hearings on pending intelligence matters, 2 p.m., SH–219.

Committee on the Judiciary: July 21, to hold hearings on combating methamphetamine proliferation in America, 10 a.m., SD–628.

July 21, Subcommittee on Criminal Justice Oversight, to hold oversight hearings on Federal asset forfeiture, focusing on its role in fighting crime, 2 p.m., SD–628.

July 22, Full Committee, business meeting to consider pending calendar business, 10 a.m., SD–628.

July 22, Full Committee, to hold hearings on issues relating to cybersquatting and consumer protection, 2 p.m., SD–628.

Special Committee on the Year 2000 Technology Problem: July 22, to hold hearings on the impact of Year 2000 on global corporations, 10 a.m., SD–192.

House Chamber

Monday, Consideration of various measures under suspension of the rules; and

H.R. 2415, American Embassy Security Act (structured rule, one hour of general debate).

Tuesday and the Balance of the Week, Consideration of H.R. 1995, Teacher Empowerment Act;

H.R. 2488, Financial Freedom Act (subject to a rule);

H.R. , DOD Appropriations Act (subject to a rule); and

H.R. 1074, Regulatory Right-to-Know Act (subject to a rule).

Friday, the House is not in session.

Any Further Program Will Be Announced Later.

House Committees

Committee on Agriculture, July 20, Subcommittee on General Farm Commodities, Resource Conservation, and Credit, to consider H.R. 728, Small Watershed Rehabilitation Amendments of 1999, 10 a.m., 1300 Longworth.

July 21, Subcommittee on Risk Management, Research, and Specialty Crops, to consider legislation to improve the Federal Crop Insurance Program, 10 a.m., 1300 Longworth.

July 22, Subcommittee on General Farm Commodities, Resource Conservation, and Credit, hearing to review the USDA's administration of the Conservation Reserve Program, 10:30 a.m., 1300 Longworth.

Committee on Appropriations, July 20, to consider the following appropriations: Energy and Water Development; Foreign Operations, Export Financing and Related Programs; and the District of Columbia, 9:30 a.m., 2359 Rayburn.

Committee on Armed Services, July 21, to mark up H.R. 850, Security and Freedom through Encryption (SAFE) Act, 11:30 a.m., 2118 Rayburn.

Committee on Banking and Financial Services, July 20 and 21, Subcommittee on Financial Institutions and Consumer Credit, hearings on financial privacy, 10 a.m., 2128 Rayburn.

July 22, full Committee, hearing on Conduct of Monetary Policy, 11 a.m., 2128 Rayburn.

Committee on Commerce, July 20, Subcommittee on Oversight and Investigations, hearing on the Results of Security Inspections at the Department of Energy's Lawrence Livermore National Laboratory, 10 a.m., 2322 Rayburn.

July 20, Subcommittee on Telecommunications, Trade, and Consumer Protection, to continue hearings on H.R. 2384, Corporation for Public Broadcasting Authorization Act of 1999, 10 a.m., 2123 Rayburn.

July 21, Subcommittee on Energy and Power, hearing on H.R. 2531, Nuclear Regulatory Commission Authorization Act for Fiscal Year 2000, 2 p.m., 2123 Rayburn.

July 21, Subcommittee on Finance and Hazardous Materials, to mark up the following bills: H.R. 1714, Electronic Signatures in Global and National Commerce Act; and H.R. 1858, Consumer and Investor Access to Information Act of 1999, 10 a.m., 2123 Rayburn.

July 21, Subcommittee on Health and Environment, hearing on H.R. 1070, to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program, 10 a.m., 2322 Rayburn.

July 22, Subcommittee on Energy and Power, hearing on the following bills: H.R. 667, The Power Bill; H.R. 971, Electric Power Consumer Rate Relief Act of 1999; H.R. 1138, Ratepayer Protection Act; H.R. 1486, Power Marketing Administration Reform Act of 1999; H.R. 1587, Electric Energy Empowerment Act of 1999; H.R. 1828, Comprehensive Electricity Competition Act; H.R. 2050, Electric Consumers' Power To Choose Act of 1999; and H.R. 2363, Public Utility Holding Company Act of 1999, 11 a.m., 2123 Rayburn.

July 22, Subcommittee on Oversight and Investigations, hearing on Domain Name System Privatization: Is ICANN Out of Control? 11 a.m., 2322 Rayburn.

Committee on Education and the Workforce, July 20, Subcommittee on Early Childhood, Youth, and Families, hearing on Examining Education Programs Benefiting Native American Children, 1:30 p.m., 2175 Rayburn.

July 21, Subcommittee on Employer-Employee Relations, hearing on Union Democracy, Part VII: Government Supervision of the Hotel Employees and Restaurant Employees International Union, 10:30 a.m., 2175 Rayburn.

July 21, Subcommittee on Oversight and Investigations, hearing on Examining the Effect of Davis-Bacon Helper Rules on Job Opportunities in Construction, 2 p.m., 2175 Rayburn.

July 22, full Committee, hearing on Helping Migrant, Neglected, and Delinquent Children Succeed in School, 9:30 a.m., 2175 Rayburn.

Committee on Government Reform, July 21, Subcommittee on Government Management, Information, and Technology, to consider the following bills: H.R. 1788, Nazi Benefits Termination Act of 1999; and H. R. 1827, Government Waste Corrections Act of 1999, 10:30 a.m., 2247 Rayburn.

July 21, Subcommittee on National Security, Veterans' Affairs and International Relations, hearing on Anthrax Vaccine Adverse Reactions, 10 a.m., 2154 Rayburn.

July 22, Subcommittee on Civil Service, hearing on Life Insurance: New Options for Federal Employees; and to mark up H.R. 915, to authorize a cost of living adjustment in the pay of administrative law judges, 10 a.m., 2247 Rayburn.

July 22, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, hearing on ''What is the United States' Role in Combating the Global HIV/AIDS Epidemic?'' 10 a.m., 2154 Rayburn.

Committee on House Administration, July 22, to continue hearings on Campaign Reform, 2 p.m., 1310 Longworth.

Committee on International Relations, July 22, Subcommittee on Africa, hearing on U.S.-Libya Relations: A New Era? 2 p.m., 2172 Rayburn.

July 22, Subcommittee on International Economic Policy and Trade, hearing on the U.S. Trade Deficit: Are We Trading Away Our Future? 2 p.m., 2200 Rayburn.

Committee on the Judiciary, July 20, to mark up the following bills: H.R. 2031, Twenty-First Amendment Enforcement Act; H.R. 1752, Federal Courts Improvement Act of 1999; H.R. 2112, Multidistrict, Multiparty, Multiforum Trial Jurisdiction Act of 1999; H.R. 2336, to amend title 28, United States Code, to provide for appointment of United States marshals by the Attorney General; H.R. 456, for the relief of the survivors of the 14 members of the Armed Forces and the one United States civilian Federal employee who were killed on April 14, 1994, when United States fighter aircraft mistakenly shot down 2 United States helicopters; and H.R. 1788, Nazi Benefits Termination Act of 1999; and to consider pending Committee business, 10 a.m., 2141 Rayburn.

July 21, hearing on the following bills: H.R. 1875, Interstate Class Action Jurisdiction Act of 1999; and H.R. 2005, Workplace Goods Job Growth and Competitiveness Act of 1999, 10 a.m., 2141 Rayburn.

July 21, Subcommittee on the Constitution, hearing on H.R. 2436, Unborn Victims of Violence Act of 1999, 1:30 p.m., 2237 Rayburn.

July 22, Subcommittee on Courts and Intellectual Property, oversight hearing on the final report of the Commission on Structural Alternatives for the Federal Courts of Appeals, 2 p.m., 2237 Rayburn.

July 22, Subcommittee on Crime, oversight hearing on the Office of Justice Programs, U.S. Department of Justice, 9:30 a.m., 2237 Rayburn.

July 22, Subcommittee on Immigration and Claims, oversight hearing on counterfeiting and misuse of the social security card and state and local identity documents, 10 a.m., 2141 Rayburn.

Committee on Resources, July 20, Subcommittee on National Parks and Public Lands, hearing on the following bills: H.R. 1615, Lamprey Wild and Scenic River Extension Act; H.R. 1864, to standardize the process for conducting public hearings for Federal agencies within the Department of the Interior; H.R. 1866, to provide a process for the public to appeal certain decisions made by

the National Park Service and by the United States Fish and Wildlife Service; and H.R. 2140, to improve protection and management of the Chattahoochee River National Recreation Area in the State of Georgia, 10 a.m., 1334 Longworth.

July 21, full Committee, to consider the following measures: H.R. 940, Lackawanna Valley Heritage Act of 1999; H.R. 1619, Quinebaug and Shetucket Rivers Valley National Heritage Corridor Reauthorization Act of 1999; H.R. 2435, to expand the boundaries of the Gettysburg National Military Park to include the Wills House; H. Con. Res. 63, expressing the sense of the Congress opposing removal of dams on the Columbia and Snake Rivers for fishery restoration purposes; S. 323, Black Canyon of the Gunnison National Park and Gunnison Gorge National Conservation Area Act of 1999; H.R. 795, Chippewa Cree Tribe of the Rocky Boy's Reservation Indian Reserved Water Rights Settlement Act of 1999; H.R. 970, Perkins County Rural Water System Act of 1999; H.R. 1231, to direct the Secretary of Agriculture to convey certain National Forest lands to Elko County, Nevada, for continued use as a cemetery; H.R. 1444, to authorize the Secretary of the Army to develop and implement projects for fish screens, fish passage devices, and other similar measures to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho; H.R. 2368, to assist in the resettlement and relocation of the people of Bikini Atoll by amending the terms of the trust fund established during the United States administration of the Trust Territory of the Pacific Islands; and H.R. 2454, to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese, 11 a.m., 1324 Longworth.

July 22, Subcommittee on Fisheries Conservation and Wildlife and Oceans, oversight hearing on the implementation of the 1996 amendments to the Magnuson-Stevens Fishery Conservation and Management Act, 11 a.m., 1334 Longworth.

July 22, Subcommittee on Forests and Forest Health, oversight hearing on Forest Management for Wildlife Habitat, 10 a.m., 1324 Longworth.

Committee on Rules, July 19, to consider H.R. 1995, Teacher Empowerment Act, 5 p.m., H–313 Capitol.

July 20, to consider H.R. 2488, Financial Freedom Act of 1999, 1 p.m., H–313 Capitol.

Committee on Science, July 21, Subcommittee on Energy and Environment, hearing on Sulfur in Gasoline and Diesel Fuel, 1 p.m., 2318 Rayburn.

Committee on Small Business, July 21, to mark up proposals on Small Business Administration 7(A) and 504 Programs, 10 a.m., 2360 Rayburn.

July 22, hearing on the OSHA's Draft Safety and Health Program Rule, 11 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, July 21, Subcommittee on Economic Development, Public Buildings, Hazardous Materials and Pipeline Transportation, hearing on National Health Museum proposals, 10 a.m., 2253 Rayburn.

July 22, Subcommittee on Aviation, hearing on Aviation Operations During Severe or Rapidly Changing Weather Conditions, 9:30 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, July 22, Subcommittee on Oversight and Investigations, hearing to evaluate the Department of Veterans Affairs progress in developing their capital assets realignment plan for enhancing services to veterans, 10 a.m., 334 Cannon.

Committee on Ways and Means, July 20, Subcommittee on Health, hearing on confidentiality of health information, 3 p.m., 1100 Longworth.

July 20, Subcommittee on Human Resources, hearing on promoting adoption and other permanent placements, 10 a.m., B–318 Rayburn.

July 22, Subcommittee on Oversight, hearing on implementation of the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206), 10 a.m., 1100 Longworth.

Permanent Select Committee on Intelligence, July 21, executive, to discuss pending Intelligence Issues, 2 p.m., H–405 Capitol.

July 22, hearing on Chinese Embassy Bombing, 10 a.m., 2118 Rayburn.

Joint Meetings

Commission on Security and Cooperation in Europe: July 21, to hold hearings to examine the scope of bribery and corruption in the OSCE region, 2 p.m., SD–138

Joint Economic Committee: July 21, to hold hearings to examine the financial structure of the International Monetary Fund, focusing on IMF costs, including quotas, reserves, gold holdings, and the treatment of the IMF in the budget, 10 a.m., 311 Cannon Building.

Next Meeting of the SENATE

12 noon, Monday, July 19

Senate Chamber

Program for Monday: After the recognition of two Senators for speeches and the transaction of any morning business (not to extend beyond 1 p.m.), Senate will resume consideration of the motion to proceed to the consideration of H.R. 1555, Intelligence Authorization.

Next Meeting of the HOUSE OF REPRESENTATIVES

12:30 p.m., Monday, July 19

House Chamber

Program for Monday: Consideration of suspensions; and

Consideration of H.R. 2415, American Embassy Security Act of 1999 (structured rule, one hour of general debate).

Extensions of Remarks, as inserted in this issue

HOUSE

Bereuter, Doug, Nebr., E1569
Berman, Howard L., Calif., E1582
Camp, Dave, Mich., E1581
Capuano, Michael E., Mass., E1570, E1573
Clay, William (Bill), Mo., E1582
Conyers, John, Jr., Mich., E1580
Coyne, William J., Pa., E1577
Gilman, Benjamin A., N.Y., E1577
Gonzalez, Charles A., Tex., E1570, E1573
Jones, Walter B., N.C., E1578
Kennedy, Patrick J., R.I., E1579
Kucinich, Dennis J., Ohio, E1575
LaFalce, John J., N.Y., E1576
Lantos, Tom, Calif., E1571
McDermott, Jim, Wash., E1574
McNulty, Michael R., N.Y., E1575
Meek, Carrie P., Fla., E1577
Menendez, Robert, N.J., E1570, E1574
Millender-McDonald, Juanita, Calif., E1576
Norton, Eleanor Holmes, D.C., E1581
Pickering, Charles W. ''Chip'', Miss., E1581
Porter, John Edward, Ill., E1579
Radanovich, George, Calif., E1570, E1572, E1575
Reynolds, Thomas M., N.Y., E1576
Rush, Bobby L., Ill., E1571
Schaffer, Bob, Colo., E1569, E1572
Shimkus, John, Ill., E1573, E1575
Skelton, Ike, Mo., E1570, E1573
Stark, Fortney Pete, Calif., E1579
Toomey, Patrick J., Pa., E1578
Towns, Edolphus, N.Y., E1569, E1572, E1573, E1575, 1576
Weldon, Curt, Pa., E1574
Wynn, Albert Russell, Md., E1575

Congressional Record The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶Public access to the Congressional Record is available online through *GPO Access,* a service of the Government Printing Office, free of charge to the user. The online database is updated each day the Congressional Record is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available on the Wide Area Information Server (WAIS) through the Internet and via asynchronous dial-in. Internet users can access the database by using the World Wide Web; the Superintendent of Documents home page address is http://www.access.gpo.gov/su_docs, by using local WAIS client software or by telnet to swais.access.gpo.gov, then login as guest (no password required). Dial-in users should use communications software and modem to call (202) 512–1661; type swais, then login as guest (no password required). For general information about *GPO Access,* contact the *GPO Access* User Support Team by sending Internet e-mail to gpoaccess@gpo.gov, or a fax to (202) 512–1262; or by calling Toll Free 1–888–293–6498 or (202) 512–1530 between 7 a.m. and 5 p.m. Eastern time, Monday through Friday, except for Federal holidays. ¶The Congressional Record paper and 24x microfiche will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, $165.00 for six months, $325.00 per year, or purchased for $2.75 per issue, payable in advance; microfiche edition, $141.00 per year, or purchased for $1.50 per issue payable in advance. The semimonthly Congressional Record Index may be purchased for the same per issue prices. Mail orders to: Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250–7954, or phone orders to (202) 512–1800, or fax to (202) 512–2250. Remit check or money order, made payable to the Superintendent of Documents, or use VISA, MasterCard, Discover, or GPO Deposit Account. ¶Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.