

States merchandise trade and current account deficits;

(D) any impact that labor, environmental, or health and safety standards may have on world trade;

(E) the impact that currency exchange rate fluctuations and any manipulation of exchange rates may have on United States merchandise trade and current account deficits;

(F) the effect that offset and technology transfer agreements have on the long-term competitiveness of the United States manufacturing sectors; and

(G) any effect that international trade, labor, environmental, or other agreements may have on United States competitiveness.

(4) The flow of investments both into and out of the United States, including—

(A) any consequences for the United States economy of the current status of the United States as a debtor nation;

(B) any relationship between such investments and the United States merchandise trade and current account deficits and living standards of United States workers;

(C) any impact such investments may have on United States labor, community, environmental, and health and safety standards, and how such investment flows influence the location of manufacturing facilities; and

(D) the effect of barriers to United States foreign direct investment in developed and developing nations, particularly nations with which the United States has a merchandise trade and current account deficit.

#### SEC. 05. FINAL REPORT; CONGRESSIONAL HEARINGS.

(a) FINAL REPORT.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Commission shall submit to the President and Congress a final report which contains—

(A) the findings and conclusions of the Commission described in section 04;

(B) recommendations for addressing the problems identified as part of the Commission's analysis; and

(C) any proposals for administrative and legislative actions necessary to implement such recommendations.

(2) SEPARATE VIEWS.—Any member of the Commission may submit additional findings and recommendations as part of the final report.

(b) CONGRESSIONAL HEARINGS.—Not later than 6 months after the final report described in subsection (a) is submitted, the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate shall hold hearings on the report. Other committees of the House of Representatives and Senate with relevant jurisdiction may also hold hearings on the report.

#### SEC. 06. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission may find advisable to fulfill the requirements of this title. The Commission shall hold at least 1 or more hearings in Washington, D.C., and 4 in different regions of the United States.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this title. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

#### SEC. 07. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to 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 (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

#### SEC. 08. SUPPORT SERVICES.

The Comptroller General of the United States shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

#### SEC. 09. APPROPRIATIONS.

There are appropriated \$20,000,000 to the Commission to carry out the provisions of this title.

#### MCCAIN (AND OTHERS) AMENDMENT NO. 2063

Mr. MCCAIN (for himself, Mr. FEINGOLD, and Mr. GRAMS) proposed an amendment to the bill, S. 1768, supra; as follows:

On page 16, strike beginning with line 6 through page 18, line 5.

On page 19, strike beginning with line 2 through line 12.

On page 19, strike beginning with line 24 through page 20, line 2.

On page 26, strike beginning with line 7 through line 11.

On page 35, strike beginning with line 10 through page 38, line 18.

On page 40, strike beginning with line 1 through line 25.

On page 43, strike beginning with line 8 through line 13.

On page 4, strike beginning with line 13 through 10 page 5, line 3.

#### FRIST AMENDMENT NO. 2064

(Ordered to lie on the table.)

Mr. FRIST submitted an amendment intended to be proposed by him to the bill, S. 1768, supra; as follows:

At the appropriate place, insert the following:

#### SEC. . EXEMPTION AUTHORITY FOR AIR SERVICE TO SLOT-CONTROLLED AIRPORTS.

(a) IN GENERAL.—Section 41714(i) of title 49, United States Code, is amended by—

(1) striking "CERTAIN" in the caption;

(2) striking "120" and inserting "90"; and

(3) striking "(a)(2) to improve air service between a nonhub airport (as defined in section 41731(a)(4)) and a high density airport subject to the exemption authority under subsection (a)," and inserting "(a) or (c),".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) apply to applications for slot exemptions pending at the Department of Transportation under section 41714 of title 49, United States Code, on the date of enactment of this Act or filed thereafter.

(2) APPLICATION TO PENDING REQUESTS.—For the purpose of applying the amendments made by subsection (a) to applications pending on the date of enactment of this Act, the Secretary of Transportation shall take into account the number of days the application was pending before the date of enactment of this Act. If such an application was pending for 80 or more days before the date of enactment of this Act, the Secretary shall grant or deny the exemption to which the application relates within 20 calendar days after that date.

#### PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY, AND CZECH REPUBLIC

#### STEVENS (AND OTHERS) EXECUTIVE AMENDMENT NO. 2065

(Ordered to lie on the table.)

Mr. STEVENS (for himself, Mr. BYRD, Mr. CAMPBELL, Mr. THURMOND, Mr. WARNER, and Mr. ROBERTS) submitted an executive amendment intended to be proposed by them to the resolution of ratification for the treaty (Treaty Doc. No. 105-36) protocols to the North Atlantic Treaty of 1949 on the accession of Poland, Hungary, and the Czech Republic. These protocols were opened for signature at Brussels on December 16, 1997, and signed on behalf of the United States of America and other parties to the North Atlantic Treaty; as follows:

At the end of section 3(2) of the resolution, add the following:

(C) REQUIREMENT OF PAYMENT OUT OF FUNDS SPECIFICALLY AUTHORIZED.—No cost incurred by the North Atlantic Treaty Organization (NATO) in connection with the admission to membership, or participation, in NATO of any country that was not a member of NATO as of March 1, 1998, may be paid out of funds

available to any department, agency, or other entity of the United States unless the funds are specifically authorized by law for that purpose.

STEVENS (AND OTHERS) EXECUTIVE AMENDMENT NO. 2066

(Ordered to lie on the table.)

Mr. STEVENS (for himself, Mr. BYRD, Mr. CAMPBELL, Mr. WARNER, and Mr. ROBERTS) submitted an executive amendment intended to be proposed by them to the resolution of ratification for the treaty (Treaty Doc. No. 105-36) protocols to the North Atlantic Treaty of 1949 on the accession of Poland, Hungary, and the Czech Republic. These protocols were opened for signature at Brussels on December 16, 1997, and signed on behalf of the United States of America and other parties to the North Atlantic Treaty; as follows:

At the end of section 3(2) of the resolution, add the following:

(C) RESTRICTION ON USE OF APPROPRIATED FUNDS.—None of the funds appropriated by any provision of United States law may be obligated for the payment of costs incurred in connection with NATO after September 30, 1998, unless the Secretary of Defense, with respect to any payment of costs under the Military Budget or the Security Investment Program of NATO, and the Secretary of State, with respect to any payment of costs under the Civil Budget of NATO, certify to Congress that such payment will not cause the total payments of the United States to the common budgets, accounts, and activities of NATO during the NATO fiscal year to exceed 20 percent of the total amount payable by NATO members to those budgets, accounts, and activities during that year.

1998 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR RECOVERY FROM NATURAL DISASTERS, AND FOR OVERSEAS PEACEKEEPING EFFORTS

DOMENICI (AND BINGAMAN) AMENDMENT NO. 2067

Mr. STEVENS (for Mr. DOMENICI, for himself and Mr. BINGAMAN) proposed an amendment to the bill, S. 1768, supra; as follows:

On page 15, after line 21, insert:

SEC. . Notwithstanding any other provision of law, the Department of the Army is hereby prohibited from moving forward with civilian personnel reductions at all Army Test Ranges resulting from proposed reductions in their fiscal year 1999 budget, until such time as the Congress has the opportunity to consider the merits of such action during the fiscal year 1999 defense appropriations process. Where civilian personnel are concerned, the Army is required to offer such Voluntary Separation Incentive Pay (VSIP) and Voluntary Early Retirement Authority benefits as are currently being offered, should such benefits be necessary at a future date.

THE EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

SPECTER AMENDMENT NO. 2068

(Ordered to lie on the table.)

Mr. SPECTER submitted amendment intended to be proposed by him to the bill, H.R. 2646, supra; as follows:

At the end of the matter proposed to be inserted, insert:

TITLE —FLAT TAX

SEC. —01. SHORT TITLE; TABLE OF CONTENTS; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This title may be cited as the "Flat Tax Act of 1998".

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

Sec. —01. Short title; table of contents; amendment of 1986 Code.

Sec. —02. Flat tax on individual taxable earned income and business taxable income.

Sec. —03. Repeal of estate and gift taxes.

Sec. —04. Additional repeals.

Sec. —05. Effective dates.

(c) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. —02. FLAT TAX ON INDIVIDUAL TAXABLE EARNED INCOME AND BUSINESS TAXABLE INCOME.

(a) IN GENERAL.—Subchapter A of chapter 1 of subtitle A is amended to read as follows:

"Subchapter A—Determination of Tax Liability

"Part I. Tax on individuals.

"Part II. Tax on business activities.

"PART I—TAX ON INDIVIDUALS

"Sec. 1. Tax imposed.

"Sec. 2. Standard deduction.

"Sec. 3. Deduction for cash charitable contributions.

"Sec. 4. Deduction for home acquisition indebtedness.

"Sec. 5. Definitions and special rules.

"SECTION 1. TAX IMPOSED.

"(a) IMPOSITION OF TAX.—There is hereby imposed on every individual a tax equal to 20 percent of the taxable earned income of such individual.

"(b) TAXABLE EARNED INCOME.—For purposes of this section, the term 'taxable earned income' means the excess (if any) of—

"(1) the earned income received or accrued during the taxable year, over

"(2) the sum of—

"(A) the standard deduction,

"(B) the deduction for cash charitable contributions, and

"(C) the deduction for home acquisition indebtedness,

for such taxable year.

"(c) EARNED INCOME.—For purposes of this section—

"(1) IN GENERAL.—The term 'earned income' means wages, salaries, or professional fees, and other amounts received from sources within the United States as compensation for personal services actually rendered, but does not include that part of compensation derived by the taxpayer for personal services rendered by the taxpayer to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

"(2) TAXPAYER ENGAGED IN TRADE OR BUSINESS.—In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, under regulations prescribed by the Secretary, a reasonable allowance as compensation for the personal services rendered by the taxpayer, not in excess of 30 percent of the taxpayer's share of the net profits of such trade or business, shall be considered as earned income.

"SEC. 2. STANDARD DEDUCTION.

"(a) IN GENERAL.—For purposes of this subtitle, the term 'standard deduction' means the sum of—

"(1) the basic standard deduction, plus

"(2) the additional standard deduction.

"(b) BASIC STANDARD DEDUCTION.—For purposes of subsection (a), the basic standard deduction is—

"(1) \$17,500 in the case of—

"(A) a joint return, and

"(B) a surviving spouse (as defined in section 5(a)),

"(2) \$15,000 in the case of a head of household (as defined in section 5(b)), and

"(3) \$10,000 in the case of an individual—

"(A) who is not married and who is not a surviving spouse or head of household, or

"(B) who is a married individual filing a separate return.

"(c) ADDITIONAL STANDARD DEDUCTION.—For purposes of subsection (a), the additional standard deduction is \$5,000 for each dependent (as defined in section 5(d))—

"(1) whose earned income for the calendar year in which the taxable year of the taxpayer begins is less than the basic standard deduction specified in subsection (b)(3), or

"(2) who is a child of the taxpayer and who—

"(A) has not attained the age of 19 at the close of the calendar year in which the taxable year of the taxpayer begins, or

"(B) is a student who has not attained the age of 24 at the close of such calendar year.

"(d) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1997, each dollar amount contained in subsections (b) and (c) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1996' for 'calendar year 1992' in subparagraph (B) of such section.

"(2) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.

"SEC. 3. DEDUCTION FOR CASH CHARITABLE CONTRIBUTIONS.

"(a) GENERAL RULE.—For purposes of this part, there shall be allowed as a deduction any charitable contribution (as defined in subsection (b)) not to exceed \$2,500 (\$1,250, in the case of a married individual filing a separate return), payment of which is made within the taxable year.

"(b) CHARITABLE CONTRIBUTION DEFINED.—For purposes of this section, the term 'charitable contribution' means a contribution or gift of cash or its equivalent to or for the use of the following:

"(1) A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

"(2) A corporation, trust, or community chest, fund, or foundation—

"(A) created or organized in the United States or in any possession thereof, or under