In the Army nominations beginning Michael H Abreu, and ending X2056, which nominations were received by the Senate and appeared in the Congressional Record of March 6, 1998

In the Air Force nomination of Rita A. Campbell, which was received by the Senate and appeared in the Congressional Record of March 13, 1998

In the Army nominations beginning Ronald V. Duncan, and ending Lynn H. Witters, which nominations were received by the Senate and appeared in the Congressional Record of March 13, 1998

In the Air Force nomination of Christianne L. Collins, which was received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Air Force nominations beginning Alton G. Cherney, and ending Kevin L. Toy, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Air Force nominations beginning Alma J Abalos, and ending Victoria G Zamarripa, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Army nominations beginning Richard A. Cline, and ending * Sonja S. Thompson, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Navy nominations beginning William T. D'Amico, and ending Jose Pubillones, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Navy nomination of Robert A. Wulff, which was received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Navy nomination of Lynneann Pine, which was received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Navy nominations beginning Brian W. Daugherty, and ending Michael Cricchio, which nominations were received by the Senate and appeared in the Congressional Record of April 1, 1998

In the Air Force nominations beginning Donald S Abel, and ending Frederick M Wolfe, which nominations were received by the Senate and appeared in the Congressional Record of April 2, 1998

In the Army nominations beginning Ruby T Baddour, and ending Noel L Woodward, which nominations were received by the Senate and appeared in the Congressional Record of April 2, 1998

By Mr. HATCH, from the Committee on the Judiciary:

Susan Oki Mollway, of Hawaii, to be United States District Judge for the District of Hawaii.

Arthur A. McGiverin, of Iowa, to be a Member of the Board of Directors of the State Justice Institute for a term expiring September 17, 2000.

(The above nominations were reported with the recommendation that they be confirmed.)

## 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. CLELAND:

S. 2009. A bill to require the Secretary of Defense and the Secretary of Veterans Affairs to carry out joint reviews relating to interdepartmental cooperation in the delivery of medical care by the departments; to the Committee on Armed Services.

By Mr. CAMPBELL:

S. 2010. A bill to provide for business development and trade promotion for Native Americans, and for other purposes; to the Committee on Indian Affairs.

By Mr. LEAHY (for himself, Mr. DASCHLE, Mr. KOHL, Mrs. FEINSTEIN, and Mr. CLELAND):

S. 2011. A bill to strengthen the Federal prosecution and seizure of illegal proceeds of international drug dealing and criminal activity, and to provide for the drug testing and treatment of incarcerated offenders and reduce drug trafficking in correctional facilities, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 2012. A bill to name the Department of Veterans Affairs medical center in Gainsville, Florida, as the ''Malcolm Randall Department of Veterans Affairs Medical Center''; to the Committee on Veterans Affairs.

By Mrs. FEINSTEIN:

S. 2013. A bill to amend title XIX of the Social Security Act to permit children covered under private health insurance under a State children's health insurance plan to continue to be eligible for benefits under the vaccine for children program; to the Committee on Finance.

By Mr. BIDEN:

S. 2014. A bill to authorize the Attorney General to reschedule certain drugs that pose an imminent danger to public safety, and to provide for the rescheduling of the date-rape drug and the classification of certain ''club'' drug; to the Committee on the Judiciary.

S. 2015. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to provide incentives for the development of drugs for the treatment of addiction to illegal drugs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. 2016. A bill to suspend temporarily the duty on shadow mask steel; to the Committee on Finance.

By Mr. D'AMATO (for himself, Ms. MIKULSKI, Ms. SNOWE, Mr. MOYNIHAN, Mr. CHAFEE, Mr. DASCHLE, Mr. INOUYE, Mr. BINGAMAN, Mr. JOHNSON, Mr. DODD, Mr. KENNEDY, Ms. MOSELEY-BRAUN, Mrs. FEINSTEIN, and Mrs. BOXER):

S. 2017. A bill to amend title XIX of the Social Security Act to provide medical assistance for breast and cervical cancer-related treatment services to certain women screened and found to have breast or cervical cancer under a Federally funded screening program; to the Committee on Finance.

By Mr. JOHNSON:

S. 2018. A bill to amend the Internal Revenue Code of 1986 to extend the work opportunity tax credit to employers providing employment in economically distressed communities; to the Committee on Finance.

By Mr. ASHCROFT:

S. 2019. A bill to prohibit the use of Federal funds to implement the Kyoto Protocol to the United Nations Framework Convention on Climate Change unless or until the Senate has given its advice and consent to ratification of the Kyoto Protocol and to clarify the authority of Federal agencies with respect to the regulation of the emissions of carbon dioxide; to the Committee on Environment and Public Works.

By Mr. HOLLINGS:

S. 2020. A bill to amend title 10, United States Code, to permit beneficiaries of the military health care system to enroll in Federal employees health benefits plans; to improve health care benefits under CHAMPUS and TRICARE Standard, and for other purposes; to the Committee on Armed Services.

By Mr. SARBANES (for himself and Mr. LIEBERMAN):

S. 2021. A bill to provide for regional skills training alliances, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DEWINE (for himself, Mr. HATCH, Mr. LEAHY, Mr. ABRAHAM, and Mr. DASCHLE):

S. 2022. A bill to provide for the improvement of interstate criminal justice identification, information, communications, and forensics; to the Committee on the Judiciary.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. DORGAN (for himself, Mr. KEMPTHORNE, Mr. WYDEN, Mrs. MURRAY, Mr. JOHNSON, Mr. BAUCUS, Mr. CRAIG, Mr. BURNS, Mr. SMITH of Oregon, Mr. CONRAD, Mr. GORTON, Mr. DASCHLE, and Mr. ENZI):

S. Res. 220. A resolution to express the sense of the Senate that the European Union should cancel the sale of heavily subsidized barley to the United States and ensure that restitution or other subsidies are not used for similar sales and that the President, the United States Trade Representative, and the Secretary of Agriculture should conduct an investigation of and report on the sale and subsidies; to the Committee on Finance.

By Mr. BURNS (for himself, Mr. BAUCUS, Mr. ABRAHAM, Mr. ALLARD, Mr. CAMPBELL, Ms. COLLINS, Mr. CRAIG, Mr. ENZI, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mrs. HUTCHISON, Mr. KEMPTHORNE, Mr. MACK, Ms. SNOWE, Mr. THURMOND, Mr. WARNER, Mr. BINGAMAN, Mr. CONRAD, Mr. DASCHLE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. GLENN, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LIEBERMAN, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mrs. MURRAY, Mr. REID, Mr. ROBB, Mr. SARBANES, Mr. TORRICELLI, Mr. WYDEN, Mr. INOUYE, Mr. KERREY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. SPECTER, Mr. MURKOWSKI, Mr. DEWINE, Mr. AKAKA, Mrs. BOXER, and Mrs. FEINSTEIN):

S. Res. 221. A resolution to designate April 30, 1998, as ''National Erase the Hate and Eliminate Racism Day''; considered and agreed to.

By Mr. LOTT (for himself, Mr. THURMOND, Mr. DASCHLE, Mr. STEVENS, Mr. BYRD, Mr. WARNER, and Mr. FORD):

S. Res. 222. A resolution to commend Stuart Franklin Balderson; considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CLELAND:

S. 2009. A bill to require the Secretary of Defense and the Secretary of Veterans Affairs to carry out joint reviews relating to interdepartmental cooperation in the delivery of medical care by the departments; to the Committee on Armed Services.

MILITARY HEALTH CARE LEGISLATION

Mr. CLELAND. Mr. President, I am particularly honored to serve as the

ranking Democratic member of the Senate Armed Services Personnel Subcommittee, a charge I have embraced to its fullest. In the first session of the 105th Congress, I pledged my commitment to improving military health care. Today, I am here to discuss proposals to offer both immediate assistance and a time phased legislative strategy to fulfill this commitment.

The Fiscal Year 1998 Defense Authorization Act (P.L. 105–85) included a Sense of the Congress Resolution which provided a finding that ''many retired military personnel believe that they were promised lifetime health care in exchange for 20 or more years of service,'' and expresses the sense of Congress that ''the United States has incurred a moral obligation'' to provide health care to members and retired members of the Armed Services and that Congress and the President should take steps to address ''the problems associated with the availability of health care for such retirees within two years.'' I authored that resolution, and today in year one of my two-year challenge, I stand ready to take the first of many necessary steps to fulfill this obligation.

I call this obligation ''K-P Duty''—K-P as in KEEPING PROMISES. As a disabled veteran and retiree, as former head of the Veterans Administration, and as the Ranking Member on the Personnel Subcommittee, I am seeking to draft Congress and the entire nation and put us all on K-P Duty.

Back when I was in the Army, some saw K-P or ''kitchen police'' as punishment. If a soldier was derelict in his duties, or if he broke the rules, he went on KP, where he served his fellow soldiers by working in the messhall.

The K-P Duty I'm talking about is not about punishment, however. Yes, we as a nation have been derelict in our duties to our military personnel, active duty and retired. Yes, we have broken our promises. But the K-P Duty I'm talking about is a sacred honor. It is about a grateful nation paying respect to those soldiers who made tremendous sacrifices for our Country. The soldiers who won World War II, who won the Cold War—the soldiers that have made it possible for the United States to be the world's only super power. It is our time, indeed it is past time, to serve these soldiers and fulfill our obligation.

As with any draft in an army, the first order of business is bootcamp. As long as I have taken the liberty of drafting the entire Congress, I might as well serve as drill instructor. Let me take this time to ''drill'' the Senate on the basics of this challenge.

Not only do we have to fulfill our promise, we also have to reconsider the way in which the military and veterans health care systems work. It is the change in the demographics of military health care beneficiaries that necessitates a change in the way that we administer health care.

When I went on active duty, the military was made up of mostly single male soldiers. Looking at the all-volunteer, totally-recruited force today, the picture is much different. Now, 57 percent of all enlisted members and 73 percent of all officers are married. Not surprisingly, the number of young dependents has also risen. In terms of recruitment, quality health care is cited as a major incentive for young men and women who join the military. It is that same health care for soldiers and their families that helps retain these soldiers in the military. Recently, I heard the adage, ''the military recruits a soldier, but retains a family.''

Since the time I was a U.S. Army Captain 30 years ago, the number of active duty personnel has undergone a 58 percent reduction. Concurrently, the number of retirees has more than doubled. The Government Accounting Office reports that approximately 48 percent of the beneficiaries of the Department of Defense Military Health System are active duty members and dependents. The remaining 52 % are retirees and dependents. 71% of military retirees are under the age of 65, while 29% of military retirees are over the age of 65.

As we consider options for improving the DoD and VA health care systems, we need to be mindful of some basic facts. About 60% of retirees under the age 65 live near a military treatment facility but only about 52% the retirees aged 65 and older live near such a facility. About two thirds of retirees under age 65 used the military health system. In comparison, only about a quarter of the retirees aged 65 and older used military medical facilities on a space available basis primarily for pharmacy services.

According to a 1994–95 survey of DoD beneficiaries, over 40 percent of military retirees, regardless of age, had private health insurance coverage. About a third of retirees aged 65 and older also reported having additional insurance to supplement their Medicare benefits. Approximately 14% of retirees under age 65 had insurance to supplement their CHAMPUS coverage.

In this same dynamic environment of the past 30 years, the medical portion of the DoD budget has increased dramatically from approximately two percent to six percent. In part, this can be attributed to cost growth from technology and intensity of treatment in the private and public sectors. It is interesting to note the converse relationship between the increase in health care dollars as the number of active duty personnel decreases and the number of retirees increases.

The Military Health System (MHS) and the Veterans Health Administration are well established institutions that collectively manage over 1500 hospitals, clinics, and health care facilities world-wide, providing services to over 11 million beneficiaries. Overseeing these systems requires a well-planned and executed effort.

The Veterans Health Administration is a system in transition. In the past two years, the VA has replaced its structure of four regions, 33 networks, and hundreds of clinics with a new system geared to decentralizing authority into 22 Veterans Integrated Service Networks. The purpose of the reorganization was to improve the access, quality and efficiency of care provided to the Nation's veterans. The hallmark of the network structure is that the field has been given control over functions which were previously located in Washington. The majority of quality-related activities were transferred closer to the site of patient care.

The Military Health System has also changed. During the Cold War, that system was designed to support full-scale, extremely violent war with the Soviet Union and its allies in Europe. The collapse of the Soviet Union and the end of the Warsaw Pact led to a major reassessment of the U.S. defense policy. The overall size of the active duty force has been reduced by one-third since the mid-1980s.

The DoD health care system changes have included the establishment of a managed care program, numerous facility closures, and significant downsizing of military medical staff. In the last decade, the number of military medical personnel has declined by 15 percent and the number of military hospitals has been reduced by one-third. The National Defense Authorization Act for Fiscal Year 1994 directed DoD to prescribe and implement a nationwide managed health care benefit program modeled on health maintenance organization plans and in 1995, beneficiaries began enrolling in this new program called TRICARE. With over 8 million beneficiaries, it is the largest health maintenance organization plan in the Nation.

One of the problems with TRICARE is what happens to retirees when they reach the age of 65. They are ineligible to participate in TRICARE. The law currently provides for transition from military health care to Medicare for these beneficiaries. This is not the right solution, especially given the fact that Medicare does not currently reimburse the DoD for health care services, although Congress recently authorized a test of this concept. In addition, as the military begins to close and downsize military treatment facilities, retirees over 65 are unable to seek and obtain treatment on a space available basis. The retirees over 65 are, in effect, being shut out of the medical facilities promised to them.

The changing health care environment has created its own set of unique challenges. To assess these varied and special requirements, I formed a Military Health Care Reform Working Group of senior officials in government and the private sector to explore innovative solutions to improve the military and veterans health care systems. During the past few months this group analyzed the array of military and veterans health care issues and recently provided a comprehensive report of

their findings and recommendations to me.

In March, I hosted a military health care roundtable at Fort Gordon, Georgia. The positive and supportive working relationship between the Eisenhower Army Medical Center and the Veterans Administration Medical Center in Augusta, Georgia was highlighted by the panel speakers and audience members. These facilities have established a sharing agreement which allows each to provide certain health care services to the beneficiaries of the other. This type of joint approach has the potential to alleviate a significant portion of the accessibility problem faced by military retirees, especially given the reduction in DoD medical treatment facilities. In spite of these benchmarked efforts in cooperative care, beneficiaries who were in the audience still attested to insufficient accessibility to resources to meet their needs.

Public Law 97–174, ''The Veterans Administration and Department of Defense Health Resources Sharing and Emergency Operations Act,'' was enacted in 1982 specifically to promote cost-effective use of federal health care resources by minimizing duplication and underuse of health care resources while benefitting both VA and DoD beneficiaries. Under this law, VA and DoD pursue programs of cooperation ranging from shared services to joint venture operations of medical facilities. Sharing agreements are developed on a local basis, whereas, joint ventures are developed at the highest levels within an organization or command.

In 1984, there were a combined total of 102 VA and DoD facilities with sharing agreements. By 1997, that number had grown to 420. In five years, between FY 1992 and FY 1997, shared services increased from slightly over 3,000 to more than 6,000 services ranging from major medical and surgical services, laundry, blood, and laboratory services to unusual speciality care services. VA and DoD currently have four joint ventures in operation in New Mexico, Nevada, Texas, Oklahoma, and four more in planning for Alaska, Florida, Hawaii, California.

In my opening remarks, I suggested that there are things that we can do immediately and others that can be accomplished through a near term time phased legislative strategy to fulfill our moral obligation to active duty and retired service personnel. Let me first discuss some of the options.

There has been an overwhelming outpouring of support for offering Federal Employee Health Benefits Program (FEHBP) to military retirees. Although this program has achieved a successful reputation among federal employees, it is a costly alternative which necessitates close scrutiny, along with other health care options. I appreciate the fact that there are many advantages to FEHBP. Furthermore, I share the view that health care for military retirees should be at least as good as the health care we in the Congress afford ourselves. I am committed to working closely on the FEHBP option.

The Medicare Subvention demonstration project that is scheduled to begin enrollment in the near future involves TRICARE Prime. Unfortunately, it will only benefit retirees who live near military treatment facilities—which is only about half of all retirees. Those retirees living outside catchment areas won't benefit from subvention. Additionally, there are ongoing efforts to initiate a Veterans Affairs Subvention test. The limiting criteria of these tests is that they require beneficiaries to live near the respective treatment facilities. To accommodate those beneficiaries that do not live near treatment facilities or within the catchment area, we must explore other alternatives, including, as I mentioned, the FEHBP option.

Today, I am announcing two initiatives. The first is a bill to require the Department of Defense and the Department of Veterans Affairs to significantly enhance their cooperative efforts in the delivery of health care to their respective beneficiaries. Several measures to enhance military health care efficiencies are already being explored, and the initiative I am proposing would complement these efforts without any direct impact on current spending. Let me just highlight some of the elements of my plan.

The first element directs DoD and the VA to conduct a comprehensive survey to determine the demographics of their beneficiaries, their geographic distribution, and their preferences for health care. A second survey would review the range of existing DoD and VA facilities and resources and the capacity available for cooperative efforts. The purpose of these reviews is simple. We need to accurately determine who we are serving, what they want, and what resources we currently have to provide to them.

The second element directs DoD and the VA to provide to the Congress a report on any and all impediments which preclude optimal cooperation and/or integration between DoD and VA in the area of health care delivery. We need to know what statutory restrictions, regulatory constraints, and cultural issues stand in the way of full and complete cooperation between the two departments. They would be directed to recommend to the Congress what changes should be made in the law. Furthermore, they would be directed to eliminate any regulatory and cultural impediments.

The third element addresses several projects that have been undertaken by the Departments of Defense and Veterans Affairs that can be accelerated for near term implementation. The Electronic Transfer of Patient Information, a collaborative effort by DoD and VA which would provide for immediate transfer of and access to patient records at the time of treatment is a project which merits Congressional support. The DoD and VA have also established the DoD/VA Federal Pharmaceutical Steering Committee. I believe this committee should perform a comprehensive examination of existing pharmaceutical benefits and programs, including current management and utilization of mail order pharmaceuticals. Finally, the initiative directs DoD to review the extent of VA participation in TRICARE networks and to take steps to ensure optimal participation by the VA.

The second initiative I am announcing today is legislation which is being crafted to respond to the tremendous outcry to provide health care for military retirees over 65. Mr. President, as you know, S. 1334, a bill to provide for a test of the FEHBP plan has 60 cosponsors. It is my plan to work with my friend and colleague Senator KEMPTHORNE in the Senate Armed Services Committee to include in the National Defense Authorization bill a proposal that addresses this matter this year.

I recognize that there is a perception that our military benefits are eroding but I am here today to say that we can change this perception if we all do our share on K-P Duty. Greater cooperation among the DoD and VA will yield greater choices for the beneficiaries of these systems. Developing a viable health care alternative for our retirees over 65, a group that has been largely disenfranchised, will ensure that now all beneficiaries have access to the health care to which they are entitled because of their service to this Nation.

We made a promise, now let's keep it. It is as simple as that.

Mr. President, 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. 2009

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

**SECTION 1. FINDINGS.**

Congress makes the following findings:

(1) The military health care system of the Department of Defense and the Veterans Health Administration of the Department of Veterans Affairs are national institutions that collectively manage more than 1,500 hospitals, clinics, and health care facilities worldwide to provide services to more than 11,000,000 beneficiaries.

(2) In the post-Cold War era, these institutions are in a profound transition that involves challenging opportunities.

(3) During the period from 1988 to 1998, the number of military medical personnel has declined by 15 percent and the number of military hospitals has been reduced by one-third.

(4) During the two years since 1996, the Department of Veterans Affairs has revitalized its structure by decentralizing authority into 22 Veterans Integrated Service Networks.

(5) In the face of increasing costs of medical care, increased demands for health care services, and increasing budgetary constraints, the Department of Defense and the

Department of Veterans Affairs have embarked on a variety of dynamic and innovative cooperative programs ranging from shared services to joint venture operations of medical facilities.

(6) In 1984, there was a combined total of 102 Department of Veterans Affairs and Department of Defense facilities with sharing agreements. By 1997, that number had grown to 420. During the six years from fiscal year 1992 through fiscal year 1997, shared services increased from slightly over 3,000 services to more than 6,000 services ranging from major medical and surgical services, laundry, blood, and laboratory services to unusual speciality care services.

(7) The Department of Defense and the Department of Veterans Affairs are conducting four health care joint ventures in New Mexico, Nevada, Texas, Oklahoma, and are planning to conduct four more such ventures in Alaska, Florida, Hawaii, and California.

**SEC. 2. SENSE OF CONGRESS.**

It is the sense of Congress that—

(1) the Department of Defense and the Department of Veterans Affairs are to be commended for the cooperation between the two departments in the delivery of medical care, of which the cooperation involved in the establishment and operation of the Department of Defense and the Department of Veterans Affairs Executive Council is a praiseworthy example;

(2) the two departments are encouraged to continue to explore new opportunities to enhance the availability and delivery of medical care to beneficiaries by further enhancing the cooperative efforts of the departments; and

(3) enhanced cooperation is encouraged for—

(A) the general areas of access to quality medical care, identification and elimination of impediments to enhanced cooperation, and joint research and program development; and

(B) the specific areas in which there is significant potential to achieve progress in cooperation in a short term, including computerization of patient records systems, participation of the Department of Veterans Affairs in the TRICARE program, pharmaceutical programs, and joint physical examinations.

**SEC. 3. JOINT SURVEY ON POPULATIONS SERVED.**

(a) SURVEY REQUIRED.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly conduct a survey of their respective medical care beneficiary populations to identify, by category of beneficiary (defined as the Secretaries consider appropriate), the expectations of, requirements for, and behavior patterns of the beneficiaries with respect to medical care. The two Secretaries shall develop the protocol for the survey jointly, but shall obtain the services of an entity independent of the Department of Defense and the Department of Veterans Affairs for carrying out the survey.

(b) MATTERS TO BE SURVEYED.—The survey shall include the following:

(1) Demographic characteristics, economic characteristics, and geographic location of beneficiary populations with regard to catchment or service areas.

(2) The types and frequency of care required by veterans, retirees, and dependents within catchment or service areas of Department of Defense and Veterans Affairs medical facilities and outside those areas.

(3) The numbers of, characteristics of, and types of medical care needed by the veterans, retirees, and dependents who, though eligible for medical care in Department of Defense or Department of Veterans Affairs treatment facilities or other federally funded medical programs, choose not to seek medical care from those facilities or under those programs, and the reasons for that choice.

(4) The obstacles or disincentives for seeking medical care from such facilities or under such programs that veterans, retirees, and dependents perceive.

(5) Any other matters that the Secretary of Defense and the Secretary of Veterans Affairs consider appropriate for the survey.

(c) REPORT.—The Secretary of Defense and the Secretary of Veterans Affairs shall submit a report on the results of the survey to the appropriate committees of Congress. The report shall contain the matters described in subsection (b) and any proposals for legislation that the Secretaries recommend for enhancing Department of Defense and Department of Veterans Affairs cooperative efforts with respect to the delivery of medical care.

**SEC. 4. REVIEW OF IMPEDIMENTS TO COOPERATION.**

(a) REVIEW REQUIRED.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly conduct a review to identify impediments to cooperation between the Department of Defense and the Department of Veterans Affairs regarding the delivery of medical care. The matters reviewed shall include the following:

(1) All laws, policies, and regulations, and any attitudes of beneficiaries of the health care systems of the two departments, that have the effect of preventing the establishment, or limiting the effectiveness, of cooperative health care programs of the departments.

(2) The requirements and practices involved in the credentialling and licensure of health care providers.

(3) The perceptions of beneficiaries in a variety of categories (defined as the Secretaries consider appropriate) regarding the various Federal health care systems available for their use.

(b) REPORT.—The Secretaries shall jointly submit a report on the results of the review to the appropriate committees of Congress. The report shall include any proposals for legislation that the Secretaries recommend for eliminating or reducing impediments to interdepartmental cooperation that are identified during the review.

**SEC. 5. PARTICIPATION OF DEPARTMENT OF VETERANS AFFAIRS IN TRICARE.**

(a) REVIEW REQUIRED.—The Secretary of Defense shall review the TRICARE program to identify opportunities for increased participation by the Department of Veterans Affairs in that program. The ongoing collaboration between Department of Defense officials and Department of Veterans Affairs officials regarding increasing the participation shall be included among the matters reviewed.

(b) SEMIANNUAL REPORT.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to the appropriate committees of Congress a semiannual report on the status of the review and on efforts to increase the participation of the Department of Veterans Affairs in the TRICARE program. No report is required under this subsection after the submission of a semiannual report in which the Secretaries declare that the Department of Veterans Affairs is participating in the TRICARE program to the extent that can reasonably be expected to be attained.

**SEC. 6. PHARMACEUTICAL BENEFITS AND PROGRAMS.**

(a) EXAMINATION REQUIRED.—(1) The Federal Pharmaceutical Steering Committee shall—

(A) undertake a comprehensive examination of existing pharmaceutical benefits and programs for beneficiaries of Federal medical care programs, including matters relating to the purchasing, distribution, and dispensing of pharmaceuticals and the management of mail order pharmaceuticals programs; and

(B) review the existing methods for contracting for and distributing medical supplies and services.

(2) The committee shall submit a report on the results of the examination to the appropriate committees of Congress.

(b) REPORT.—The committee shall submit a report on the results of the examination to the appropriate committees of Congress.

**SEC. 7. STANDARDIZATION OF PHYSICAL EXAMINATIONS FOR DISABILITIES.**

The Secretary of Defense and the Secretary of Veterans Affairs shall submit to the appropriate committees of Congress a report on the status of the efforts of the Department of Defense and the Department of Veterans Affairs to standardize physical examinations administered by the two departments for the purpose of determining or rating disabilities.

**SEC. 8. APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**

For the purposes of this Act, the appropriate committees of Congress are as follows:

(1) The Committee on Armed Services and the Committee on Veterans' Affairs of the Senate.

(2) The Committee on National Security and the Committee on Veterans' Affairs of the House of Representatives.

**SEC. 9. DEADLINES FOR SUBMISSION OF REPORTS.**

(a) REPORT ON JOINT SURVEY OF POPULATIONS SERVED.—The report required by section 3(c) shall be submitted not later than January 1, 2000.

(b) REPORT ON REVIEW OF IMPEDIMENTS TO COOPERATION.—The report required by section 4(b) shall be submitted not later than May 1, 1999.

(c) SEMIANNUAL REPORT ON PARTICIPATION OF DEPARTMENT OF VETERANS AFFAIRS IN TRICARE.—The semiannual report required by section 5(b) shall be submitted not later than January 1 and June 1 of each year.

(d) REPORT ON EXAMINATION OF PHARMACEUTICAL BENEFITS AND PROGRAMS.—The report on the examination required under section 6 shall be submitted not later than 60 days after the completion of the examination.

(e) REPORT ON STANDARDIZATION OF PHYSICAL EXAMINATIONS FOR DISABILITIES.—The report required by section 7 shall be submitted not later than June 1, 1999.

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By Mr. CAMPBELL:

S. 2010. A bill to provide for business development and trade promotion for Native Americans, and for other purposes; to the Committee on Indian Affairs.

THE NATIVE AMERICAN BUSINESS DEVELOPMENT, TRADE PROMOTION, AND TOURISM ACT OF 1998

Mr. CAMPBELL. Mr. President, today I am pleased to introduce a measure to help Indians and tribal businesses foster entrepreneurship and vigorous reservation economies. Indian tribes face many challenges, but the greatest priority is in building stronger economies and providing jobs to tribal members. With this bill, I intend to unshackle Indian entrepreneurship to provide jobs and revenues for reservation economies.

When the Europeans landed in the New World to explore and build settlements, they were greeted by Native

people with a long tradition of intertribal and regional trade. The tribes traded pelts and furs, hand-woven baskets, blankets, virtually limitless arts and crafts, weapons, and a variety of Native grown and gathered foods.

Unrestrained by bureaucrats and free to roam their own lands, the tribes enjoyed a standard of material well-being that, while not ideal, was a far cry from the Third World conditions most Indian people live in today.

Over the course of 200 years this tradition has been replaced by rules and regulations that continue to stifle Indian entrepreneurship and instead promise cradle-to-grave ''security'' based on federal transfer payments. The practical results of federal domination is predictable: lifeless reservation economies and the absence of a private sector to create wealth and sustain employment for Indian people.

The current statistical profile of Indian people is poor and shows little sign of improvement. Despite the popular belief that gaming has made millionaires of all Indians, the reality is otherwise as most Indian gaming revenues are more like church bingo than like Las Vegas or Atlantic City.

In the Great Depression, the national unemployment rate was 20 percent and it was called a ''national crisis.'' Indian country has an unemployment rate running at 50 percent, and there are no comments, no sense of urgency and little attention being paid.

There are other reasons job opportunities are needed. In 1996, the Congress enacted a welfare reform law that provides transition assistance to welfare recipients and rightly requires able-bodied Americans to get and keep jobs. In rural areas, particularly on Indian reservations, the welfare reform will hit hard because employment opportunities are scarce.

The goal of this and future efforts is to increase value-added activities on reservations in such fields as manufacturing, energy, agriculture, livestock and fisheries, high technology, arts and crafts, and a host of service industries.

The United States has the responsibility to preserve, protect and maximize tribal assets and resources, and an obligation to improve the standards of living of Indian people. In this legislation, that responsibility is primarily in removing the barriers to success the federal government itself has created over the years.

The bill aims to make best use of and streamline existing programs to provide the necessary tools to enable tribes to attract outside capital and technical expertise. This model has proven highly successful in the self governance arena and in the Indian job training program, known as the ''477'' program. The bill would provide better coordination of existing business development programs in the Commerce Department and maximize the resources made available to tribes.

The tribes have a responsibility as well. As a matter of Indian self determination, the tribes are increasingly administering federal services, programs, and activities in lieu of the federal government. This has led to more capable and accountable tribal governments. A fundamental precept of self-government is a reduction in the dependence on the federal bureaucracy and federal funds and by assuming a greater role in funding their own self government.

The Committee on Indian Affairs recently held a hearing on economic development and one of the findings was that the tribes need to provide governance infrastructure and friendly business environments if they want to attract and retain investment. Whether by adopting commercial codes, or tribal courts that can address business issues, or regulations that do not repel the private sector, tribal efforts are critical if this effort is to succeed.

Under the bill, the Native American Business Development Office in the Commerce Department will coordinate existing programs, including those for international business and tourism, aimed at development on Indian lands. This bill does not create any new programs but rather is intended to achieve more efficiency in those that already exist within existing budget authority. The bill also prohibits assistance under the act from being used for gaming on Indian lands.

In addition, the bill directs the Secretary to create a task force on regulatory reform and business development to analyze existing laws and regulations that are restraining business and economic development on Indian lands. Again, the bill is not intended to create a new entity, but recognizes that there is great need to strip away the layers of unnecessary rules and regulations that stifle Indian businesses.

I urge those that are critical of Indian gaming to join me in providing alternatives to build strong and diversified tribal economies for the benefit of tribes, tribal members, and surrounding communities.

Mr. President, I ask unanimous consent that the provisions of the bill and an article written by James Gwartney for the Wall Street Journal dated April 10, 1998, entitled ''Less Government, More Growth'' be printed in the RECORD.

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

S. 2010

*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 ''Native American Business Development, Trade Promotion, and Tourism Act of 1998''.

**SEC. 2. FINDINGS; PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) clause 3 of section 8 of article I of the United States Constitution recognizes the special relationship between the United States and Indian tribes;

(2) beginning in 1970, with the inauguration by the Nixon Administration, of the Indian self-determination era of the Federal Government, each President has confirmed the special government-to-government relationship between Indian tribes and the United States;

(3) in 1994, President Clinton issued an Executive memorandum to the heads of departments and agencies that obligated all Federal departments and agencies, particularly those that have an impact on economic development, to evaluate the potential impacts of their actions on Indian tribes;

(4) consistent with the principles of inherent tribal sovereignty and the special relationship between Indian tribes and the United States, tribes retain the right to enter into contracts and agreements to trade freely, and seek enforcement of treaty and trade rights;

(5) Congress has carried out the responsibility of the United States for the protection and preservation of Indian tribes and the resources of Indian tribes through the endorsement of treaties, and the enactment of other laws, including laws that provide for the exercise of administrative authorities;

(6) the United States has an obligation to guard and preserve the sovereignty of Indian tribes in order to foster strong tribal governments, Indian self-determination, and economic self-sufficiency among Indian tribes;

(7) the capacity of Indian tribes to build strong tribal governments and vigorous economies is hindered by the inability of Indian tribes to engage communities that surround Indian lands and outside investors in economic activities on Indian lands;

(8) despite the availability of abundant natural resources on Indian lands and a rich cultural legacy that accords great value to self-determination, self-reliance, and independence, American Indians and Alaska Natives suffer higher rates of unemployment, poverty, poor health, substandard housing, and associated social ills than those of any other group in the United States;

(9) the United States has an obligation to assist Indian tribes with the creation of appropriate economic and political conditions with respect to Indian lands to—

(A) encourage investment from outside sources that do not originate with the tribes; and

(B) facilitate economic ventures with outside entities that are not tribal entities;

(10) the economic success and material well-being of American Indian and Alaska Native communities depends on the combined efforts of the Federal Government, tribal governments, the private sector, and individuals;

(11) the lack of employment and entrepreneurial opportunities in the communities referred to in paragraph (8) has resulted in a multigenerational dependence on Federal assistance that is—

(A) insufficient to address the magnitude of needs; and

(B) unreliable in availability; and

(12) the twin goals of economic self-sufficiency and political self-determination for American Indians and Alaska Natives can best be served by making available to address the challenges faced by those groups—

(A) the resources of the private market;

(B) adequate capital; and

(C) technical expertise.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To revitalize economically and physically distressed Indian reservation economies by—

(A) encouraging the formation of new businesses by eligible entities, the expansion of existing businesses; and

(B) facilitating the movement of goods to and from Indian reservations and the provision of services by Indians.

(2) To promote private investment in the economies of Indian tribes and to encourage the sustainable development of resources of Indian tribes and tribal and Indian-owned businesses.

(3) To promote the long-range sustained growth of the economies of Indian tribes.

(4) To raise incomes of Indians in order to reduce poverty levels and provide the means for achieving a higher standard of living on Indian reservations.

(5) To encourage intertribal, regional, and international trade and business development in order to assist in increasing productivity and the standard of living of members of Indian tribes and improving the economic self-sufficiency of the governing bodies of Indian tribes.

(6) To promote economic self-sufficiency and political self-determination for Indian tribes and members of Indian tribes.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) BOARD.—The term ''Board'' has the meaning given that term in the first section of the Act entitled ''To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry in the United States, to expedite and encourage foreign commerce, and for other purposes'', approved June 18, 1934 (19 U.S.C. 81a).

(2) ELIGIBLE ENTITY.—The term ''eligible entity'' means an Indian tribe, tribal organization, Indian arts and crafts organization, tribal enterprise, tribal marketing cooperative, or Indian-owned business.

(3) FEDERAL AGENCY.—The term ''Federal agency'' means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(4) FOUNDATION.—The term ''Foundation'' means the Rural Development Foundation.

(5) INDIAN.—The term ''Indian'' has the meaning given that term in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(d)).

(6) INDIAN ARTS AND CRAFTS ORGANIZATION.—The term ''Indian arts and crafts organization'' has the meaning given that term under section 2 of the Act of August 27, 1935 (49 Stat. 891, chapter 748; 25 U.S.C. 305a).

(7) INDIAN GOODS AND SERVICES.—The term ''Indian goods and services'' means—

(A) Indian goods, within the meaning of section 2 of the Act of August 27, 1935 (commonly known as the ''Indian Arts and Crafts Act'') (49 Stat. 891, chapter 748; 25 U.S.C. 305a);

(B) goods produced or originating within an eligible entity; and

(C) services provided by eligible entities.

(8) INDIAN LANDS.—The term ''Indian lands'' has the meaning given that term in section 4(4) of the Indian Gaming Regulatory Act (25 U.S.C. 2703(4)).

(9) INDIAN-OWNED BUSINESS.—The term ''Indian-owned business'' means an entity organized for the conduct of trade or commerce with respect to which at least 50 percent of the property interests of the entity are owned by Indians or Indian tribes (or a combination thereof).

(10) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given that term in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

(11) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

(12) TRIBAL ENTERPRISE.—The term ''tribal enterprise'' means a commercial activity or business managed or controlled by an Indian tribe.

(13) TRIBAL MARKETING COOPERATIVE.—The term ''tribal marketing cooperative'' shall have the meaning given that term by the Secretary, in consultation with the Secretary of the Interior.

(14) TRIBAL ORGANIZATION.—The term ''tribal organization'' has the meaning given that term in section 4(*l*) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(*l*)).

## TITLE I—TASK FORCE ON REGULATORY REFORM AND BUSINESS DEVELOPMENT

**SEC. 101. ESTABLISHMENT OF TASK FORCE.**

(a) IN GENERAL.—In order to identify and subsequently remove obstacles to the business development and the creation of wealth in the economies of Indian reservations, the Secretary, in consultation with the Secretary of the Interior and other officials whom the Secretary determines to be appropriate, shall, not later than 90 days after the date of enactment of this Act, establish a task force on regulatory reform and business development in Indian country (referred to in this title as the ''task force'').

(b) MEMBERSHIP.—The task force established under this section shall be composed of 16 members, of which 12 members shall be representatives of the Indian tribes from the areas of the Bureau of Indian Affairs and each such area shall be represented by such a representative.

(c) INITIAL MEETING.—Not later than 120 days after the date of enactment of this Act, the task force shall hold its initial meeting.

(d) REVIEW.—Beginning on the date of the initial meeting under subsection (b), the task force shall conduct a review of laws relating to activities occurring on Indian lands (including regulations under title 25 of the Code of Federal Regulations).

(e) MEETINGS.—The task force shall meet at the call of the chairperson.

(f) QUORUM.—A majority of the members of the task force shall constitute a quorum, but a lesser number of members may hold hearings.

(g) CHAIRPERSON.—The task force shall select a chairperson from among its members.

**SEC. 102. REPORT.**

Not later than 1 year after the date of enactment of this Act, the task force shall prepare and submit to the Committee on Indian Affairs in the Senate, and the Committee on Resources in the House of Representatives, and to the governing body of each Indian tribe a report that includes—

(1) the findings of the task force concerning the review conducted pursuant to section 101(d); and

(2) such recommendations concerning the proposed revisions to the regulations under title 25 of the Code of Federal Regulations and amendments to other laws relating to activities occurring on Indian lands as the task force determines to be appropriate.

**SEC. 103. POWERS OF THE TASK FORCE.**

(a) HEARINGS.—The task force may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the task force considers advisable to carry out the duties of the task force.

(b) INFORMATION FROM FEDERAL AGENCIES.—The task force may secure directly from any Federal department or agency such information as the task force considers necessary to carry out the duties of the task force.

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

(d) GIFTS.—The task force may accept, use, and dispose of gifts or donations of services or property.

**SEC. 104. TASK FORCE PERSONNEL MATTERS.**

(a) COMPENSATION OF MEMBERS.—Members of the task force who are not officers or employees of the Federal Government shall serve without compensation, except for travel expenses, as provided under subsection (b). Members of the task force 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 task force 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 task force.

(c) STAFF.—

(1) IN GENERAL.—The chairperson of the task force may, without regard to the civil service laws, appoint and terminate such personnel as may be necessary to enable the task force to perform its duties.

(2) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairperson of the task force may procure temporary and intermittent service under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed under GS–13 of the General Schedule established under section 5332 of title 5, United States Code.

**SEC. 105. TERMINATION OF TASK FORCE.**

The task force shall terminate 90 days after the date on which the task force has submitted, to the committees of Congress specified in section 102, and to the governing body of each Indian tribe, a copy of the report prepared under that section.

**SEC. 106. EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.**

All of the activities of the task force conducted under this title shall be exempt from the Federal Advisory Committee Act (5 U.S.C. App.).

## TITLE II—NATIVE AMERICAN BUSINESS DEVELOPMENT

**SEC. 201. OFFICE OF NATIVE AMERICAN BUSINESS DEVELOPMENT.**

(a) IN GENERAL.—

(1) ESTABLISHMENT.—There is established within the Department of Commerce an office known as the Office of Native American Business Development (referred to in this title as the ''Office'').

(2) DIRECTOR.—The Office shall be headed by a Director, appointed by the Secretary, whose title shall be the Director of Native American Business Development (referred to in this title as the ''Director''). The Director shall be compensated at a rate not to exceed level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) DUTIES OF THE SECRETARY.—

(1) IN GENERAL.—The Secretary, acting through the Director, shall ensure the coordination of Federal programs that provide assistance, including financial and technical assistance, to eligible entities for increased business, the expansion of trade by eligible entities, and economic development on Indian lands.

(2) ACTIVITIES.—In carrying out the duties described in paragraph (1), the Secretary, acting through the Director, shall ensure the coordination of, or, as appropriate, carry out—

(A) Federal programs designed to provide legal, accounting, or financial assistance to eligible entities;

(B) market surveys;

(C) the development of promotional materials;

(D) the financing of business development seminars;

(E) the facilitation of marketing;

(F) the participation of appropriate Federal agencies or eligible entities in trade fairs;

(G) any activity that is not described in subparagraphs (A) through (F) that is related to the development of appropriate markets; and

(H) any other activity that the Secretary, in consultation with the Director, determines to be appropriate to carry out this section.

(3) ASSISTANCE.—In conjunction with the activities described in paragraph (2), the Secretary, acting through the Director, shall provide—

(A) financial assistance, technical assistance, and administrative services to eligible entities to assist those entities with—

(i) identifying and taking advantage of business development opportunities; and

(ii) compliance with appropriate laws and regulatory practices; and

(B) such other assistance as the Secretary, in consultation with the Director, determines to be necessary for the development of business opportunities for eligible entities to enhance the economies of Indian tribes.

(4) PRIORITIES.—In carrying out the duties and activities described in paragraphs (2) and (3), the Secretary, acting through the Director, shall give priority to activities that—

(A) provide the greatest degree of economic benefits to Indians; and

(B) foster long-term stable economies of Indian tribes.

(5) PROHIBITION.—The Secretary may not provide under this section assistance for any activity related to the operation of a gaming activity on Indian lands pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2710 et seq.).

**SEC. 202. NATIVE AMERICAN TRADE AND EXPORT PROMOTION.**

(a) IN GENERAL.—The Secretary, acting through the Director, shall carry out a Native American export and trade promotion program (referred to in this section as the ''program'').

(b) COORDINATION OF FEDERAL PROGRAMS AND SERVICES.—In carrying out the program, the Secretary, acting through the Director, and in cooperation with the heads of appropriate Federal agencies, shall ensure the coordination of Federal programs and services designed to—

(1) develop the economies of Indian tribes; and

(2) stimulate the demand for Indian goods and services that are available to eligible entities.

(c) ACTIVITIES.—In carrying out the duties described in subsection (b), the Secretary, acting through the Director, shall ensure the coordination of, or, as appropriate, carry out—

(1) Federal programs designed to provide technical or financial assistance to eligible entities;

(2) the development of promotional materials;

(3) the financing of appropriate trade missions;

(4) the marketing of Indian goods and services;

(5) the participation of appropriate Federal agencies or eligible entities in international trade fairs; and

(6) any other activity related to the development of markets for Indian goods and services.

(d) TECHNICAL ASSISTANCE.—In conjunction with the activities described in subsection (c), the Secretary, acting through the Director, shall provide technical assistance and administrative services to eligible entities to assist those entities with—

(1) the identification of appropriate markets for Indian goods and services;

(2) entering the markets referred to in paragraph (1);

(3) compliance with foreign or domestic laws and practices with respect to financial institutions with respect to the export and import of Indian goods and services; and

(4) entering into financial arrangements to provide for the export and import of Indian goods and services.

(e) PRIORITIES.—In carrying out the duties and activities described in subsections (b) and (c), the Secretary, acting through the Director, shall give priority to activities that—

(1) provide the greatest degree of economic benefits to Indians; and

(2) foster long-term stable international markets for Indian goods and services.

**SEC. 203. INTERTRIBAL TOURISM DEMONSTRATION PROJECTS.**

(a) IN GENERAL.—

(1) DEMONSTRATION PROJECTS.—The Secretary, acting through the Director, shall conduct a Native American tourism program to facilitate the development and conduct of tourism demonstration projects by Indian tribes, on a tribal, intertribal, or regional basis.

(2) PROJECTS.—

(A) IN GENERAL.—Under the program established under this section, in order to assist in the development and promotion of tourism on and in the vicinity of Indian lands, the Secretary, acting through the Director, shall, in coordination with the Foundation, assist eligible entities in the planning, development, and implementation of tourism development demonstration projects that meet the criteria described in subparagraph (B).

(B) PROJECTS DESCRIBED.—In selecting tourism development demonstration projects under this section, the Secretary, acting through the Director, shall select projects that have the potential to increase travel and tourism revenues by attracting visitors to Indian lands and in the vicinity of Indian lands, including projects that provide for—

(i) the development and distribution of educational and promotional materials pertaining to attractions located on and near Indian lands;

(ii) the development of educational resources to assist in private and public tourism development on and in the vicinity of Indian lands; and

(iii) the coordination of tourism-related joint ventures and cooperative efforts between eligible entities and appropriate State and local governments that have jurisdiction over areas in the vicinity of Indian lands.

(3) GRANTS.—To carry out the program under this section, the Secretary, acting through the Director, may award grants or enter into other appropriate arrangements with Indian tribes, tribal organizations, intertribal consortia, or other tribal entities that the Secretary, in consultation with the Director, determines to be appropriate.

(4) LOCATIONS.—In providing for tourism development demonstration projects under the program under this section, the Secretary, acting through the Director, shall provide for a demonstration project to be conducted—

(A) for Indians of the Four Corners area located in the area adjacent to the border between Arizona, Utah, Colorado, and New Mexico;

(B) for Indians of the northwestern area that is commonly known as the Great Northwest (as determined by the Secretary);

(C) for the Oklahoma Indians in Oklahoma; and

(D) for the Indians of the Great Plains area (as determined by the Secretary).

(b) STUDIES.—The Secretary, acting through the Director, shall provide financial assistance, technical assistance, and administrative services to participants that the Secretary, acting through the Director, selects to carry out a tourism development project under this section, with respect to—

(1) feasibility studies conducted as part of that project;

(2) market analyses;

(3) participation in tourism and trade missions; and

(4) any other activity that the Secretary, in consultation with the Director, determines to be appropriate to carry out this section.

(c) INFRASTRUCTURE DEVELOPMENT.—The demonstration projects conducted under this section shall include provisions to facilitate the development and financing of infrastructure, including the development of Indian reservation roads in a manner consistent with title 23, United States Code.

**SEC. 204. REPORT TO CONGRESS.**

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary, in consultation with the Director, shall prepare and submit to the Committee on Indian Affairs of the Senate a report on the operation of the Office.

(b) CONTENTS OF REPORT.—Each report prepared under subsection (a) shall include—

(1) for the period covered by the report, a summary of the activities conducted by the Secretary, acting through the Director, in carrying out this title; and

(2) any recommendations for legislation that the Secretary, in consultation with the Director, determines to be necessary to carry out this title.

**SEC. 205. FOREIGN-TRADE ZONE PREFERENCES.**

(a) PREFERENCE IN ESTABLISHMENT OF FOREIGN-TRADE ZONES IN INDIAN ENTERPRISE ZONES.—In processing applications for the establishment of foreign-trade zones pursuant to the Act entitled ''To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes'', approved June 18, 1934 (19 U.S.C. 81a et seq.), the Board shall consider, on a priority basis, and expedite, to the maximum extent practicable, the processing of any application involving the establishment of a foreign-trade zone on Indian lands, including any Indian lands designated as an empowerment zone or enterprise community pursuant to section 1391 of the Internal Revenue Code of 1986.

(b) APPLICATION PROCEDURE.—In processing applications for the establishment of ports of entry pursuant to the Act entitled ''An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and fifteen, and for other purposes'', approved August 1, 1914 (19 U.S.C. 2), the Secretary of the Treasury shall, with respect to any application involving the establishment of a port of entry that is necessary to permit the establishment of a foreign-trade zone on Indian lands—

(1) consider on a priority basis; and

(2) expedite, to the maximum extent practicable, the processing of that application.

(c) APPLICATION EVALUATION.—In evaluating applications for the establishment of foreign-trade zones and ports of entry in connection with Indian lands, to the maximum extent practicable and consistent with applicable law, the Board and Secretary of the Treasury shall approve the applications.

[From the Wall Street Journal, Apr. 10, 1998]

LESS GOVERNMENT, MORE GROWTH

(By James Gwartney)

Propelled by a confidence that politicians could solve problems, government spending has soared in the U.S. and other Western

countries since 1960. Has wise ''government planning'' improved economic performance? Quite the opposite. Robert Lawson, Randall Holcombe and I recently completed a study on the size and functions of government for Congress's Joint Economic Committee. Here are some of our findings:

As the size of government has expanded in the U.S., growth of real gross domestic product has steadily fallen. Even though the U.S. economy is now moving into the eighth year of an expansion, the growth of real GDP during the 1990s is only about half what it was during the 1960s and well below even that of the turbulent 1970s. Likewise, as the size of government in other nations has increased, economic growth has declined. On average, government expenditures in the Organization for Economic Cooperation and Development's 23 long-standing members rose to 48% of GDP in 1996 from 27% in 1960. The average economic growth rate fell from 5.5% in the 1960s to 1.9% in the 1990s.

As the chart nearby shows, there has is a striking relationship between the size of government and economic growth. When government spending was less than 25% of GDP, OECD countries achieved an average real growth rate of 6.6%. As the size of government rose, growth steadily declined, plunging to 1.6% when government spending exceeded 60% of GDP.

While growth has declined in all of the OECD countries, those countries with the least growth of government have suffered the least. Between 1960 and 1996, the size of government as a share of GDP increased by less than 15 percentage points in the U.S., Britain, Iceland, Ireland and New Zealand. The average growth rate for these five countries was 1.6 percentage points lower in the 1990s than in the 1960s. In contrast, the size of government increased by 25 percentage points or more in Denmark, Finland, Greece, Portugal, Spain and Sweden. The growth rate of these six countries fell by 5.2 percentage points.

In the world's fastest-growing economies, furthermore, the size of government is small, and there is no trend toward bigger government. On average, government expenditures in 1995 consumed only 20% of GDP in the five economies with the most rapid real economic growth rates during 1980–95: Hong Kong, Singapore, South Korea, Taiwan and Thailand. In these countries, the size of government in 1995 was virtually the same as in 1975. When we looked at a diverse group of 60 nations, we found that the negative relationship between bigger government and economic growth is present in all types of economies.

Many policy-makers seem oblivious to these facts. Even though the evidence clearly shows that excessive government expenditures are retarding economic growth, politicians continue to focus on how to spend a possible surplus. What the U.S. and other nations need instead is a long-range strategy to reduce the size and scope of government.

Had the public-sector expansion of the past four decades accelerated economic growth, politicians would be rushing to take credit. Since the opposite has occurred, how can we fail to hold them accountable?

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By Mr. LEAHY (for himself, Mr. DASCHLE, Mr. KOHL, Mrs. FEINSTEIN, and Mr. CLELAND):

S. 2011. A bill to strengthen the Federal prosecution and seizure of illegal proceeds of international drug dealing and criminal activity, and to provide for the drug testing and treatment of incarcerated offenders and reduce drug trafficking in correctional facilities, and for other purposes; to the Committee on the Judiciary.

THE MONEY LAUNDERING ENFORCEMENT ACT AND THE COMBATING DRUGS IN PRISONS ACT

Mr. LEAHY. Mr. President, today, joined by Senators DASCHLE, KOHL, FEINSTEIN, and CLELAND, I am introducing legislation which will provide state and federal governments with additional tools to fight drug trafficking, money laundering and drug use in prisons. This legislation is intended to complement the Administration's comprehensive 10-year National Drug Control Strategy by providing federal prosecutors with additional means to seize assets linked to illegal criminal and drug activity and prevent drug kingpins and others from engaging in money laundering. In addition, this legislation will allow states to use federal prison grant funds to test and treat drug-addicted inmates and parolees.

I note that the Speaker of the House today is hosting a Republican rally to proclaim fault with the Administration's comprehensive drug control strategy. Mr. President, the bill that we are introducing today is not the easy rhetoric that some have to offer in this crucial area of public policy. Here is a chance to actually make a difference. I do not find constructive the efforts of the other body's Republican leadership over the past few years to slash assistance for drug enforcement, prevention and treatment programs. Twice, in fact, they tried to cut the extremely effective Safe and Drug-Free Schools funding by 50 percent, just as they significantly reduced support for drug prevention and treatment programs when they assumed leadership of the Congress in 1995.

Nor do I consider it constructive for Speaker GINGRICH, as he did in his February radio address, to fault the Administration while at the same time claiming credit for such Administration strategies as a national youth-oriented anti-drug campaign and added support for community programs and schools. These are key components of the Administration's 1998 National Drug Control Strategy, including the highly effective radio and TV ads now airing in 12 pilot cities. To really make a difference in more than just the headlines, we need to work together to reduce the quantity of drugs coming into this country and the number of drug addicts both in prison and walking our streets.

MONEY LAUNDERING ACT OF 1998

This act will help prosecutors force international criminals out of the darkness and into the light by greatly reducing their ability to hide behind foreign banking laws or other procedural tricks. It will also ensure that defendants arrested overseas are no longer able to use the U.S. courts to their benefit while fighting against being extradited to the United States.

Another provision in this bill which allows federal prosecutors to temporarily seize U.S. assets owned by individuals arrested overseas will greatly enhance law enforcement's ability to shut down drug trafficking operations based outside the United States. National boundaries mean less and less to drug kingpins and other criminals today and this legislation will help us reform our Nation's laws to reflect this reality.

This bill would allow a brief ex parte seizure of assets while any arrest papers are in transit to prevent individuals arrested in another country from moving the fruits of their crimes from the United States to another country. Currently, foreign defendants often move their assets virtually instantaneously via electronic transfers while our prosecutors are waiting for the arrest records. In addition, defendants would no longer be able to hide behind foreign bank secrecy laws while they claim seized property in United States courts.

This bill makes important procedural changes for federal prosecutors: it extends U.S. jurisdiction over foreign banks; updates evidentiary rules regarding foreign records; allows federal prosecutors to charge defendants who engage in multiple illegal acts with course of conduct claims; and allows prosecutors to charge criminals with conspiracy to violate the laws.

This legislation also adds several new crimes to the list triggering asset forfeiture, including crimes of violence, additional foreign crimes, and crimes committed by or against foreign governments. While I believe that these provisions are necessary for prosecutors to carry out their important work, I realize that some of these provisions may need to be fine-tuned to accomplish their intended goal. I pledge to work with members on both sides of the aisle to ensure that this legislation is broad enough to meet these goals without being overly intrusive.

In drafting this bill, I have purposely avoided including several domestic asset forfeiture provisions. While we may have to face these thorny issues down the road, I decided to craft a bill which I believe can be supported by the majority of Senators. We can then bring up these more complicated issues after a fuller discussion has taken place.

THE COMBATING DRUG ABUSE IN PRISONS ACT

This act will allow states to use any of the funds they receive under the Violent Offender Incarceration and Truth in Sentencing grant programs to provide drug testing and treatment for inmates and other court-supervised individuals, such as probationers and parolees. With 80 percent of inmates reportedly linked to drug and alcohol activity and with a requirement in place that states develop and implement a drug testing and treatment plan for these individuals by September 1, 1998, it is critical that this federal funding be made available for these purposes.

According to a study recently released by the National Center on Addiction and Substance Abuse (CASA) based at Columbia University, 80 percent of individuals currently incarcerated either ''violated drug or alcohol

laws, were intoxicated at the time they committed their crimes, stole property to buy drugs, or are 'regular drug users'.'' This study also found that inmates who are illegal drug or alcohol abusers are the most likely to be repeat offenders. In fact, this study concluded that 61 percent of state prison inmates who have two prior convictions are regular drug users. Another recent study, conducted by the Bureau of Justice Statistics, found that over half of all convicted jail inmates in 1996 reported having used drugs in the month prior to their offense. Sixty percent of these inmates also reported using drugs or alcohol or both at the time of the offense for which they were charged.

If we want to stem the increase in our Nation's prison population, we must determine which inmates are addicted to drugs or alcohol, reduce the availability of drugs in prisons and ensure inmates have access to the treatment they need while incarcerated. This bill will help states meet all these goals by allowing them to use as much as they choose—or as little—of the federal prison funds they receive for drug testing and intervention and to develop strategies to reduce drug trafficking into prisons. As Joseph Califano, former Secretary of Health, Education and Welfare and president of CASA, noted when the CASA study was released: ''Releasing drug-addicted inmates without treatment helps maintain the market for illegal drugs and supports drug dealers.''

I realize some of my colleagues may be concerned about funds originally designated for prison construction costs being used for drug testing and treatment. Let me assure you that states will retain complete flexibility under this bill as to how they allocate their Truth in Sentencing and Violent Offender Incarceration grant funds. But, I'd also like to point out that according to the CASA study, it would cost states approximately $6,500 per year to provide comprehensive and effective residential drug treatment services to an inmate. While this figure may seem high, the study further determined that society will see an economic return of $68,800 for each inmate who successfully completes such a program and returns to the community sober and with a job. This figure represents the savings in the first year based on the much lower likelihood that the former inmate will be arrested, prosecuted or incarcerated and includes health care savings and the potential earnings of a drug-free individual.

James Walton, Vermont's Commissioner of Public Safety, wholeheartedly supports this legislation, and I have always valued his counsel. As the head of Vermont's law enforcement agency, he has first-hand knowledge of what the real needs are in my state. Clearly, he believes that this legislation will have a positive effect on ongoing law enforcement and drug control strategies in Vermont. I'm certain it will have the same effect across the country. I urge my colleagues to support this bill so our federal and state officials have the resources they need to combat our Nation's drug problems—both overseas and in our nation's prisons.

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

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

S. 2011

*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 ''Money Laundering Enforcement and Combatting Drugs in Prisons Act of 1998''.

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



## TITLE I—INTERNATIONAL MONEY LAUNDERING

**SEC. 101. SHORT TITLE.**

This title may be cited as the ''Money Laundering Enforcement Act of 1998''.

**SEC. 102. ILLEGAL MONEY TRANSMITTING BUSINESSES.**

(a) CIVIL FORFEITURE FOR MONEY TRANSMITTING VIOLATION.—Section 981(a)(1)(A) of title 18, United States Code, is amended by striking ''or 1957'' and inserting '', 1957, or 1960''.

(b) SCIENTER REQUIREMENT FOR SECTION 1960 VIOLATION.—Section 1960 of title 18, United States Code, is amended by adding at the end the following:

''(c) SCIENTER REQUIREMENT.—For the purposes of proving a violation of this section involving an illegal money transmitting business—

''(1) it shall be sufficient for the Government to prove that the defendant knew that the money transmitting business lacked a license required by State law; and

''(2) it shall not be necessary to show that the defendant knew that the operation of such a business without the required license was an offense punishable as a felony or misdemeanor under State law.''.

**SEC. 103. RESTRAINT OF ASSETS OF PERSONS ARRESTED ABROAD.**

Section 981(b) of title 18, United States Code, is amended by adding at the end the following:

''(3) RESTRAINT OF ASSETS.—

''(A) IN GENERAL.—If any person is arrested or charged in a foreign country in connection with an offense that would give rise to the forfeiture of property in the United States under this section or under the Controlled Substances Act, the Attorney General may apply to any Federal judge or magistrate judge in the district in which the property is located for an ex parte order restraining the property subject to forfeiture for not more than 30 days, except that the time may be extended for good cause shown at a hearing conducted in the manner provided in Rule 43(e) of the Federal Rules of Civil Procedure.

''(B) APPLICATION.—An application for a restraining order under subparagraph (A) shall—

''(i) set forth the nature and circumstances of the foreign charges and the basis for belief that the person arrested or charged has property in the United States that would be subject to forfeiture; and

''(ii) contain a statement that the restraining order is needed to preserve the availability of property for such time as is necessary to receive evidence from the foreign country or elsewhere in support of probable cause for the seizure of the property under this subsection.''.

**SEC. 104. ACCESS TO RECORDS IN BANK SECRECY JURISDICTIONS.**

Section 986 of title 18, United States Code, is amended by adding at the end the following:

''(d) ACCESS TO RECORDS LOCATED ABROAD.—

''(1) IN GENERAL.—In any civil forfeiture case, or in any ancillary proceeding in any criminal forfeiture case governed by section 413(n) of the Controlled Substances Act (21 U.S.C. 853(n)), the refusal of the claimant to provide financial records located in a foreign country in response to a discovery request or take the action necessary otherwise to make the records available, shall result in the dismissal of the claim with prejudice, if—

''(A) the financial records may be material—

''(i) to any claim or to the ability of the government to respond to such claim; or

''(ii) in a civil forfeiture case, to the ability of the government to establish the forfeitability of the property; and

''(B) it is within the capacity of the claimant to waive his or her rights under such secrecy laws, or to obtain the financial records himself or herself, so that the financial records may be made available.

''(2) PRIVILEGE.—Nothing in this subsection shall be construed to affect the rights of a claimant to refuse production of any records on the basis of any privilege guaranteed by the Constitution of the United States or any other provision of Federal law.''.

**SEC. 105. CIVIL MONEY LAUNDERING JURISDICTION OVER FOREIGN PERSONS.**

Section 1956(b) of title 18, United States Code, is amended—

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

and indenting each subparagraph appropriately;

(2) by striking ''(b) Whoever'' and inserting the following:

''(b) CIVIL PENALTIES.—

''(1) IN GENERAL.—Whoever''; and

(3) by adding at the end the following:

''(2) JURISDICTION.—For purposes of adjudicating an action filed or enforcing a penalty ordered under this section, the district courts of the United States shall have jurisdiction over any foreign person, including any financial institution authorized under the laws of a foreign country, that commits an offense under subsection (a) involving a financial transaction that occurs in whole or in part in the United States, if service of process upon such foreign person is made in accordance with the Federal Rules of Civil Procedure or the laws of the foreign country in which the foreign person is found.

''(3) SATISFACTION OF JUDGMENT.—In any action described in paragraph (2), the court may issue a pretrial restraining order or take any other action necessary to ensure that any bank account or other property held by the defendant in the United States is available to satisfy a judgment under this section.''.

**SEC. 106. LAUNDERING MONEY THROUGH A FOREIGN BANK.**

Section 1956(c)(6) of title 18, United States Code, is amended to read as follows:

''(6) the term 'financial institution' includes—

''(A) any financial institution described in section 5312(a)(2) of title 31, or the regulations promulgated thereunder; and

''(B) any foreign bank, as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7));''.

**SEC. 107. SPECIFIED UNLAWFUL ACTIVITY FOR MONEY LAUNDERING.**

(a) IN GENERAL.—Section 1956(c)(7) of title 18, United States Code, is amended—

(1) in subparagraph (B)—

(A) by striking clause (ii) and inserting the following:

''(ii) any act or acts constituting a crime of violence;''; and

(B) by adding at the end the following:

''(iv) fraud, or any scheme to defraud, committed against a foreign government or foreign governmental entity;

''(v) bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official;

''(vi) smuggling or export control violations involving munitions listed in the United States Munitions List or technologies with military applications as defined in the Commerce Control List of the Export Administration Regulations; or

''(vii) an offense with respect to which the United States would be obligated by a multilateral treaty either to extradite the alleged offender or to submit the case for prosecution, if the offender were found with the territory of the United States;'';

(2) in subparagraph (D)—

(A) by inserting ''section 541 (relating to goods falsely classified),'' before ''section 542'';

(B) by inserting ''section 922(l) (relating to the unlawful importation of firearms), section 924(m) (relating to firearms trafficking),'' before ''section 956'';

(C) by inserting ''section 1030 (relating to computer fraud and abuse),'' before ''1032''; and

(D) by inserting ''any felony violation of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.),'' before ''or any felony violation of the Foreign Corrupt Practices Act''; and

(3) in subparagraph (E), by inserting ''the Clean Air Act (42 U.S.C. 6901 et seq.),'' after ''the Safe Drinking Water Act (42 U.S.C. 300f et seq.),''.

**SEC. 108. CRIMINAL FORFEITURE FOR MONEY LAUNDERING CONSPIRACIES.**

Section 982(a)(1) of title 18, United States Code, is amended by inserting ''or a conspiracy to commit any such offense,'' after ''of this title,''.

**SEC. 109. FUNGIBLE PROPERTY IN FOREIGN BANK ACCOUNTS.**

Section 984(d) of title 18, United States Code, is amended by adding at the end the following:

''(3) In this subsection, the term 'financial institution' includes a foreign bank, as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7)).''.

**SEC. 110. SUBPOENAS FOR BANK RECORDS.**

Section 986(a) of title 18, United States Code, is amended—

(1) by striking ''section 1956, 1957, or 1960 of this title, section 5322 or 5324 of title 31, United States Code'' and inserting ''section 981 of this title'';

(2) by inserting ''before or'' before ''after''; and

(3) by striking the last sentence.

**SEC. 111. FUGITIVE DISENTITLEMENT.**

(a) IN GENERAL.—Chapter 163 of title 28, United States Code, is amended by adding at the end the following:

**''§ 2467. Fugitive disentitlement**

''Any person who, in order to avoid criminal prosecution, purposely leaves the jurisdiction of the United States, declines to enter or reenter the United States to submit to the jurisdiction of the United States, or otherwise evades the jurisdiction of a court of the United States in which a criminal case is pending against the person, may not use the resources of the courts of the United States in furtherance of a claim in any related civil forfeiture action or a claim in any third-party proceeding in any related criminal forfeiture action.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''2467. Fugitive disentitlement.''.

**SEC. 112. ADMISSIBILITY OF FOREIGN BUSINESS RECORDS.**

(a) IN GENERAL.—Chapter 163 of title 28, United States Code, is amended by adding at the end the following:

**''§ 2468. Foreign records**

''(a) DEFINITIONS.—In this section—

''(1) the term 'business' includes business, institution, association, profession, occupation, and calling of every kind whether or not conducted for profit;

''(2) the term 'foreign certification' means a written declaration made and signed in a foreign country by the custodian of a record of regularly conducted activity or another qualified person, that if falsely made, would subject the maker to criminal penalty under the law of that country;

''(3) the term 'foreign record of regularly conducted activity' means a memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses, maintained in a foreign country; and

''(4) the term 'official request' means a letter rogatory, a request under an agreement, treaty or convention, or any other request for information or evidence made by a court of the United States or an authority of the United States having law enforcement responsibility, to a court or other authority of a foreign country.

''(b) ADMISSIBILITY.—In a civil proceeding in a court of the United States, including a civil forfeiture proceeding and a proceeding in the United States Claims Court and the United States Tax Court, unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness, a foreign record of regularly conducted activity (or a duplicate of such record), obtained pursuant to an official request, shall not be excluded as evidence by the hearsay rule if a foreign certification, also obtained pursuant to the same official request or subsequent official request that adequately identifies such foreign record, attests that —

''(1) the foreign record was made, at or near the time of the occurrence of the matters set forth, by (or from information transmitted by) a person with knowledge of those matters;

''(2) the foreign record was kept in the course of a regularly conducted business activity;

''(3) the business activity made such a record as a regular practice; and

''(4) if the foreign record is not the original, the record is a duplicate of the original.

''(c) FOREIGN CERTIFICATION.—A foreign certification under this section shall authenticate a record or duplicate described in subsection (b).

''(d) NOTICE.—

''(1) IN GENERAL.—As soon as practicable after a responsive pleading has been filed, a party intending to offer in evidence under this section a foreign record of regularly conducted activity shall provide written notice of that intention to each other party.

''(2) OPPOSITION.—A motion opposing admission in evidence of a record under paragraph (1) shall be made by the opposing party and determined by the court before trial. Failure by a party to file such motion before trial shall constitute a waiver of objection to such record, except that the court for cause shown may grant relief from the waiver.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''2468. Foreign records.''.

**SEC. 113. CHARGING MONEY LAUNDERING AS A COURSE OF CONDUCT.**

Section 1956(h) of title 18, United States Code, is amended—

(1) by striking ''(h) Any person'' and inserting the following:

''(h) CONSPIRACY; MULTIPLE VIOLATIONS.—

''(1) CONSPIRACY.—Any person''; and

(2) by adding at the end the following:

''(2) MULTIPLE VIOLATIONS.—Any person who commits multiple violations of this section or section 1957 that are part of the same scheme or continuing course of conduct may be charged, at the election of the Government, in a single count in an indictment or information.''.

**SEC. 114. VENUE IN MONEY LAUNDERING CASES.**

Section 1956 of title 18, United States Code, is amended by adding at the end the following:

''(i) VENUE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a prosecution for an offense under this section or section 1957 may be brought in any district in which the financial or monetary transaction is conducted, or in which a prosecution for the underlying specified unlawful activity could be brought.

''(2) EXCEPTION.—A prosecution for an attempt or conspiracy offense under this section or section 1957 may be brought in the district in which venue would lie for the completed offense under paragraph (1), or in any other district in which an act in furtherance of the attempt or conspiracy took place.''.

**SEC. 115. TECHNICAL AMENDMENT TO RESTORE WIRETAP AUTHORITY FOR CERTAIN MONEY LAUNDERING OFFENSES.**

Section 2516(1)(g) of title 18, United States Code, is amended by striking ''of title 31, United States Code (dealing with the reporting of currency transactions)'' and inserting ''or 5324 of title 31 (dealing with the reporting and illegal structuring of currency transactions)''.

**TITLE II—DRUG TESTING AND INTERVENTION FOR INMATES AND PROBATIONERS**

**SEC. 201. SHORT TITLE.**

This title may be cited as the ''Combatting Drugs in Prisons Act of 1998''.

**SEC. 202. ADDITIONAL REQUIREMENTS FOR THE USE OF FUNDS UNDER THE VIOLENT OFFENDER INCARCERATION AND TRUTH-IN-SENTENCING INCENTIVE GRANT PROGRAMS.**

Section 20105(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13705(b)) is amended—

(1) by striking ''(b) To be eligible'' and inserting the following:

''(b) ADDITIONAL REQUIREMENTS.—

''(1) ELIGIBILITY FOR A GRANT.—To be eligible'';

(2) by striking ''a State shall provide assurances'' and inserting the following: ''a State shall—

''(A) provide assurances'';

(3) by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(B) not later than September 1, 1998, have established and implemented, consistent with guidelines issued by the Attorney General, a program of drug testing and intervention for appropriate categories of convicted offenders during periods of incarceration and criminal justice supervision, with sanctions (including denial or revocation of release) for positive drug tests.

''(2) USE OF FUNDS.—Notwithstanding section 20102, amounts received by a State pursuant to section 20103 or section 20104 may be—

''(A) applied to the cost of offender drug testing and appropriate intervention programs during periods of incarceration and criminal justice supervision, consistent with guidelines issued by the Attorney General;

''(B) used by a State to pay the costs of providing to the Attorney General a baseline study, which shall be consistent with guidelines issued by the Attorney General, on the prison drug abuse problem in the State; and

''(C) used by a State to develop policies, practices, or laws establishing, in accordance with guidelines issued by the Attorney General, a system of sanctions and penalties to address drug trafficking within and into correctional facilities under the jurisdiction of the State.''.

**SEC. 203. USE OF RESIDENTIAL SUBSTANCE ABUSE TREATMENT GRANTS TO PROVIDE FOR SERVICES DURING AND AFTER INCARCERATION.**

Section 1901 of part S of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ff) is amended by adding at the end the following:

''(c) ADDITIONAL USE OF FUNDS.—Each State that demonstrates that the State has established 1 or more residential substance abuse treatment programs that meet the requirements of this part may use amounts made available under this part for drug treatment and to impose appropriate sanctions for positive drug tests, both during incarceration and after release.''.

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Mr. DASCHLE. Mr. President, drug trafficking, money laundering and drug use in prisons are significant problems that will continue to worsen unless local, state and federal governments can work more closely together to determine viable solutions. Drug trafficking and money laundering can negatively affect our society in many different ways, and the use of illegal drugs by prison inmates dramatically deceases any chance they have of getting their lives back on track after their release. Local, state and federal governments are already hard at work to determine solutions to these corrosive problems, and I am very pleased to join Senators LEAHY, CLELAND, FEINSTEIN, and KOHL in introducing The Money Laundering Enforcement and Combating Drugs in Prison Act of 1998, which will provide state and federal governments with additional tools to fight drug trafficking, money laundering and drug use in prisons.

This legislation will complement the Administration's comprehensive 10-year National Drug Control Strategy by providing federal prosecutors with additional means to seize assets linked to illegal criminal and drug activity and prevent drug kingpins and others from engaging in money laundering. Initiatives such as the Safe and Drug Free Schools Act, and the Administration's highly effective radio and TV ads currently airing in 12 pilot cities are sending the kind of anti-drug messages that must reach our young people. The Money Laundering Enforcement and Combating Drugs in Prison Act of 1998 adds to these efforts by reducing the demand for drugs by allowing states to use federal prison grant funds to test and treat drug-addicted inmates and parolees.

This legislation will greatly enhance the efforts of prosecutors to force international criminals out of hiding by reducing their ability to shield themselves behind foreign banking laws or use other procedural tricks. Moreover, the bill will ensure that defendants arrested overseas will no longer be able to take advantage of U.S. courts to fight against extradition to this country. It would allow federal prosecutors to temporarily seize U.S. assets owned by individuals arrested overseas and thus dramatically improve the ability of law enforcement agencies to shut down drug trafficking operation based outside the United States. Drug kingpins have little regard for nation boundaries, and our nations laws must provide us with the flexibility necessary to combat them.

Studies prove that an overwhelming majority of incarcerated individuals have been heavily influenced by drugs or alcohol, and those who are illegal drug or alcohol abusers are the most likely to be repeat offenders. If we want to stem the increase in our nation's prison population, we must determine which inmates are addicted to drugs or alcohol, reduce the availability of drugs in prisons and ensure inmates have access to the treatment they need while incarcerated. This legislation will help states meet all these goals by allowing them to use as much—or as little—of the federal prison funds they receive for drug testing and intervention and to develop a strategy to reduce drug trafficking in prisons.

State and federal governments are waging a battle against drug kingpins, and the Money Laundering Enforcement and Combating Drugs in Prison Act of 1998 will provide much-needed assistance to these ongoing efforts. By enacting this bill, I believe we will make great strides toward removing dangerous criminals and illegal drugs from our neighborhoods. I urge my colleagues to join me in support of this important legislation.

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By Mr. GRAHAM (for himself and Mr. MACK):

S. 2012. A bill to name the Department of Veterans Affairs medical center in Gainesville, Florida, as the ''Malcolm Randall Department of Veterans Affairs Medical Center''; to the Committee on Veterans Affairs.

MALCOLM RANDALL DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Mr. GRAHAM. Mr. President, I rise today, joined by my esteemed colleague Senator MACK, to introduce legislation to rename the Gainesville, Florida Veterans Affairs Medical Center after its distinguished and longtime Director: Malcolm Randall.

After thirty-two years as Director of the Gainesville VAMC, and a total of fifty-nine years in federal service, Mr. Randall retires today. He leaves behind a long list of accomplishments and an even longer list of admirers—myself included.

Mr. President, allow me to take a few minutes to highlight the career of this visionary person—a man who has redefined the term ''public servant'' over the last half-century.

Malcolm Randall's accomplishments are far-reaching and are a testament to the loyalty and devotion he has shown the United States throughout his lifetime.

His extensive service to our nation began when he enlisted in the Navy in July of 1942 and was sent off to the South Pacific in the midst of World War II. While courageously fighting on PT boats and battleships in the first battle of the Phillipine Sea, Mr. Randall was injured in the line-of-duty. After four years of valiant active military service, Mr. Randall continued serving his country through his dedicated work in the Veterans' Administration. His outstanding accomplishments and achievements during his tenure at the VA have been recognized with the two highest awards that the VA offers: the Meritorious Service Award, and the Exceptional Service Award, both of which recognize his outstanding performance and exceptional contributions to the improvement of health care for veterans.

In 1984, President Reagan paid homage to Mr. Randall with the Presidential Rank Award for his extraordinary accomplishments in the administration of VA programs in Florida,

and for exemplifying the highest standards in leadership. Most flattering to Mr. Randall was that this award was recommended by dedicated public servants and local leadership from his own community. Indeed, it was this innovative and thoughtful style of leadership that allowed Mr. Randall to foresee the challenges and obstacles that the VA would face in the 21st Century.

Mr. Randall's dogged determination to serve the veterans of Florida, coupled with his visionary leadership, led to his most significant contribution to our nation's veterans: VA restructuring. As Chairman of the Florida Network of VA Hospitals and Outpatient Clinics, Malcolm Randall realized that the VA had to undergo a major transformation to continue to serve veterans well. He understood that the VA health care system needed to modernize, become more efficient with its resources, and adapt to a new method for health care delivery.

Mr. Randall saw the future—that the VA was moving towards a ''no-new-starts'' policy for major hospital construction—and he became an early advocate for a new model of VA health care: a strong network of outpatient clinics and hospitals, designed to serve veterans in remote areas more effectively. As a result, 7 new outpatient clinics were built in Florida, a development which has allowed many thousands of Florida veterans to get the health care they deserve but were previously denied.

Throughout his long and successful tenure as Director of the Gainesville VAMA, Malcolm Randall has also been a leader in introducing new medical technology to improve the quality of care for the heroes of our country. His responsibility for VA health planning throughout the entire state enabled Mr. Randall to initiate affiliations with three major teaching hospitals—the University of South Florida, the University of Florida, and the University of Miami—and several community colleges. These partnerships have allowed veterans to receive the finest care available from institutions renowned throughout the country.

Mr. Randall's excellence has not been limited to his professional service. His community service throughout the state of Florida, and especially in his hometown of Gainesville, has resulted in several tributes and distinctions being bestowed upon him, including being named Gainesville's Citizen of the Year in 1977. The University of Florida also recognized his lifetime devotion to public service by awarding him an honorary doctorate of Public Service.

Mr. President, it has been one of the great treasures of my life to have shared the friendship of Malcom Randall. As governor and now as a United States Senator from Florida, Malcom has allowed me to enter his classroom on health care policy and his heart, which is full of compassion for American veterans. All he has done has emanated from his depth of concern for American veterans, firmly attached to his rigorous mind and dedicated spirit to put ideas into action. Florida and America are fortunate to have had him as a fellow citizen.

Mr. President, I salute Malcom Randall for all that he has done on behalf of all of our veterans. It is fitting that one of the best medical centers in the country bear his name.

Mr. MACK. Mr. President, I am proud to support my friend and colleague from Florida, Mr. GRAHAM, as we introduce legislation to commemorate the retirement and life's work of Mr. Malcom Randall. Mr. Randall has served his country for 59 years, 55 of which were spent with the Department of Veterans Affairs.

A native of East St. Louis, Illinois, Mr. Randall graduated from St. Louis University with a master's degree in hospital administration. He was among a handful of medical leaders who began to transform the health care system for veterans at the end of World War II. Mr. Randall is the founding Director of the VA Medical Center in Gainesville, and he has served in that post for 32 years. During that time, he has also helped establish VA hospitals and outpatient clinics in other Florida cities. The VA Medical Center in Gainesville now serves 10,000 inpatients and handles 250,000 outpatient visits per year.

Mr. Randall is America's longest serving administrator of veterans' health care services. He has won numerous awards for his exceptional service, including recognition for ''most outstanding performance'' on two occasions. He is retiring today, and while I am pleased that he will be able to take some time off to enjoy his years, I am saddened that the Department and the Center will be losing one of its greatest champions, and one of its most dedicated public servants.

In further recognition of Mr. Randall's dedication to serving the needs of America's veterans, BOB GRAHAM and I are proposing legislation to rename the Veterans Affairs Medical Center in Gainesville, Florida as the ''Malcom Randall Department of Veterans Affairs Medical Center''. Our legislation is identical to legislation offered by Representative KAREN THURMAN in the House of Representatives, which is supported by most of the Florida Congressional delegation. I look forward to working with my Senate colleagues to recognize and honor the work and service of Malcom Randall, and I wish Mr. Randall well in his future pursuits.

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By Mrs. FEINSTEIN:

S. 2013. A bill to amend title XIX of the Social Security Act to permit children covered under private health insurance under a State children's health insurance plan to continue to be eligible for benefits under the vaccine for children program; to the Committee on Finance.

CHILDREN'S HEALTH INSURANCE PROGRAM LEGISLATION

Mrs. FEINSTEIN. Mr. President, today I am introducing a bill to clarify that children receiving health insurance under the new Children's Health Insurance Program (CHIP) are eligible for free vaccines under the 1993 federal Vaccines for Children (VFC) program.

I want to especially commend the leadership of Congresswoman JANE HARMAN who is introducing an identical bill in the House today.

We are introducing these bills because the U.S. Department of Health and Human Services has apparently interpreted the law so narrowly that as many as 580,000 children in California will lose their current eligibility to receive free vaccines, under California's new Healthy Families program.

The federal Vaccines for Children program, created by Congress in 1993 (P.L. 105–33), provides vaccines at no cost to poor children. In 1997, as many 775,000 poor children in my state, who were uninsured or on Medicaid, received these vaccines. California received $60 million from the federal government to provide them.

Mr. President, what can be so basic to public health than immunization against disease? Do we really want our children to get polio, measles, mumps, chicken pox, rubella, and whooping cough—diseases for which we have effective vaccines, diseases which we have practically eradicated by widespread immunization? Every parent knows that vaccines are fundamental to children's good health.

Congress recognized the importance of immunizations in creating the program, with many Congressional leaders at the time arguing that childhood immunization is one of the most cost-effective steps we can take to keep our children healthy. It makes no sense to me to withhold them from children who (1) have been getting them when they were uninsured and (2) have no other way to get them once they become insured.

According to an Annie E. Casey Foundation report, 28 percent of California's two-year old children are not immunized. Add to that the fact that we have one of the highest uninsured rates in the country. Our uninsured rate for non-elderly adults is 22 percent, the third highest in the U.S., while the national uninsured rate is 17 percent. As for children, 1.7 million or 18 percent of our children are without health insurance, compared to 13 percent nationally, according to UCLA's Center for Health Policy Research. Clearly, there is a need.

In creating the new children's health insurance program in California, the state chose to set up a program under which the state contracts with private insurers, rather than providing eligible children care through Medicaid (Medi-Cal in California). Unfortunately, HHS appears to be interpreting this method of providing these children health insurance as making them ''insured,'' as

defined in the vaccines law, and thus ineligible for the federal vaccines. I disagree.

It is my view that in creating the federal vaccines program, Congress made eligible for these vaccines children who are receiving Medicaid, children who are uninsured, and native American children. I believe that in defining the term ''insured'' Congress clearly meant private health insurance plans. Children enrolled in California's new Healthy Families program are participating in a federal-state, subsidized insurance plan. Healthy Families is a state-operated program. Families apply to the state for participation. They are not insured by a private, commercial plan, as traditionally defined or as defined in the Vaccine for Children's law (42 U.S.C. sec. 1396s(b)(2)(B). On February 23, the California Medical Association wrote to HHS Secretary Donna Shalala, ''As they are participants in a federal and state-subsidized health program, these individuals are not ''insured'' for the purposes of 42 U.S.C. sec. 1396s(b)(B).''

The California Managed Risk Medical Insurance Board, which is administering the new program with the Department of Health Services, wrote to HHS on February 5, ''It is imperative that states like California, who have implemented the Children's Health Insurance Program (CHIP) using private health insurance, be given the same support and eligibility for the Vaccines for Children (VFC) program at no cost as states which have chosen to expand their Medicaid program.'' The San Francisco Chronicle editorialized on March 10, 1998, ''More than half a million California children should not be deprived of vaccinations or health insurance because of a technicality. . . ,'' calling the denial of vaccines ''a game of semantics.''

Children's health should not be a ''game of semantics.'' Proper childhood immunizations are fundamental to a lifetime of good health. I urge my colleagues to join me in enacting this bill into law, to help me keep our children healthy.

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

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

S. 2013

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

**SECTION 1. PERMIT CHILDREN COVERED UNDER PRIVATE HEALTH INSURANCE UNDER A STATE CHILD HEALTH PLAN TO CONTINUE TO BE ELIGIBLE FOR BENEFITS UNDER THE VACCINE FOR CHILDREN PROGRAM.**

(a) IN GENERAL.—Section 1928(b)(2)(A)(ii) of the Social Security Act (42 U.S.C. 1396s(b)(2)(A)(ii)) is amended by inserting '', except that for purposes of this paragraph a child who is only insured under title XXI shall be considered as being not insured'' after ''not insured''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the Balanced Budget Act of 1997.

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By Mr. BIDEN:

S. 2014. A bill to authorize the Attorney General to reschedule certain drugs that pose an imminent danger to public safety, and to provide for the rescheduling of the date-rape drug and the classification of certain ''club'' drug; to the Committee on the Judiciary.

THE NEW DRUGS OF THE 1990S CONTROL ACT

Mr. BIDEN. Mr. President, the best time to target a new drug with uncompromising enforcement pressure is before abuse of that drug has overwhelmed our communities.

That is why I introduced legislation last Congress to place tight federal controls on the date rape drug Rohpynol—also known as Roofies—which was becoming known as the Quaalude of the Nineties as its popularity spread throughout the United States.

My bill would have shifted Rohpynol to schedule 1 of the Federal Controlled Substances Act. Rescheduling is important for three simple reasons:

First, Federal re-scheduling triggers increases in State drug law penalties, and since we all know that more than 95 percent of all drug cases are prosecuted at the State level, not by the Federal Government, it is vitally important that we re-schedule.

Second, Federal re-scheduling to schedule 1 triggers the toughest Federal penalties—up to a year in prison and at least a $1,000 fine for a first offense of simple possession.

And, third, re-scheduling has proven to work. In 1984, I worked to reschedule Quaaludes, Congress passed the law, and the Quaalude epidemic was greatly reduced. And, in 1990, I worked to reschedule steroids, Congress passed the law, and again a drug epidemic that had been on the rise was reversed.

Despite evidence of a growing Rohpynol epidemic, some argued that my efforts to re-schedule the drug by legislation were premature. Accordingly, I agreed to hold off on legislative action and wait for a Drug Enforcement Administration decision on whether to schedule the drug through the lengthy and cumbersome administrative process.

As I predicted, the DEA report on Rohpynol—handed down in November—correctly concludes that despite the rapid spread of Rohpynol throughout the country, DEA cannot re-schedule Rohpynol by rulemaking at this time.

The report notes, however, that Congress is not bound by the bureaucratic re-scheduling process the DEA must follow. Congress can—and in my view should—pass legislation to reschedule Rohpynol.

Specifically the report states: ''This inability to reschedule [Rohpynol] administratively . . . does not affect Congress' ability to place [the drug] in schedule 1 through the legislative process''—as we did with Quaaludes in 1984 and Anabolic Steroids in 1990.

Let me also note that the DEA report confirmed a number of facts about the extent of the Rohpynol problem:

DEA found more than 4,000 documented cases—in 36 States—of sale or possession of the drug, which is not marketed in the United States and must be smuggled in.

''In spite of DEA's inability to reschedule [Rohypnol] through administrative proceedings, DEA remains very concerned about the abuse'' of the drug.

''Middle and high school students have been known to use [Rohypnol] as an alternative to alcohol to achieve an intoxicated state during school hours. [The drug] is much more difficult to detect than alcohol, which produces a characteristic odor.''

''DEA is extremely concerned about the use of [Rohypnol] in the commission of sexual assaults.''

''The number of sexual assaults in which [Rohypnol] is used may be underreported''—because the drug's effects often cause rape victims to be unable to remember details of their assaults and because rape crisis centers, hospitals, and law enforcement have only recently become aware that Rohypnol can be used to facilitate sex crimes.

Nonetheless, ''DEA is aware of at least 5 individuals who have been convicted of rape in which the evidence suggests that [the Rohypnol drug] was used to incapacitate the victim.'' ''The actual number of sexual assault cases involving [the drug] is not known. It is difficult to obtain evidence that [the Rohypnol drug] was used in an assault.''

I would also note that my efforts to re-schedule this drug have already had beneficial results: The manufacturer of Rohypnol recently announced that it had developed a new formula to minimize the potential for abuse of the drug in sexual assaults.

This is an important step. But pills produced under the old Rohypnol formula are still in circulation, and pills made by other manufacturers can still be smuggled in. Furthermore, the new formula will not prevent kids from continuing to ingest this dangerous drug voluntarily for a cheap high.

In short, stricter, Federal controls remain necessary; and DEA is powerless to respond to Rohypnol abuse until the problem gets even worse.

Therefore, I am reintroducing my bill to re-schedule Rohypnol in schedule 1 of the Controlled Substances Act. I urge my colleagues to support this effort to take action against this dangerous drug now, rather than waiting for the problem to develop into an epidemic.

My bill also places ''Special K''—ketamine hydrochloride—a dangerous hallucinogen very similar to PCP, on schedule III of the Controlled Substances Act. Despite Special K's rising popularity as a ''club drug'' of choice among kids, the drug is not even illegal in most States. This has crippled State

authorities' ability to fight ketamine abuse.

For example, in February 1997, two men accused of stealing ketamine from a Ville Platte, Louisiana veterinary clinic and cooking the drug into a powder could not be prosecuted under State drug control laws because ketamine is not listed as a Federal controlled substance.

Similarly, a New Jersey youth recently found to be with possessing and distributing ketamine could be charged with only a disorderly persons offense.

Prosecutors are trying to combat increased Ketamine use by seeking lengthy prison terms for possession of the drugs—like marijuana—that users mix with Ketamine, but if it is just Special K, there's nothing they can do about it.

I am convinced that scheduling Ketamine will help our effort to fight the spread of this dangerous drug by triggering increases in State drug law penalties.

Without Federal scheduling, many States will not be able to address the Ketamine problem until it is too late and Special K has already infiltrated their communities.

Medical professionals who use Ketamine—including the American Veterinary Medical Association and the American Association of Nurse Anesthetists—support scheduling, having determined that it will accomplish our goal of ''preventing the diversion and unauthorized use of Ketamine'' while allowing ''continued, responsible use'' of the drug for legitimate purposes. [Letter from Mary Beth Leininger, D.V.M., President of the American Veterinary Medical Association]

And the largest manufacturer of Ketamine has concluded that ''moving the product to schedule III classification is in the best interest of the veterinary industry and the public.'' [Letter from E. Thomas Corcoran, President of Fort Dodge Animal Health, a Division of American Home Products Corporation].

Scheduling Ketamine will give State authorities the tools they desperately need to fight its abuse by young people—and end the legal anomaly that leaves those who sell Ketamine to our children beyond the reach of the law—even when they are caught ''red-handed''. I urge my colleagues to support this legislation.

In addition to raising controls on Rohypnol and Ketamine, the legislation I am introducing today would increase the ability of the Attorney General to respond to new drug emergencies in the future.

Our Federal drug control laws currently allow the Attorney General limited authority to respond to certain new drugs on an emergency basis—by temporarily subjecting them the strictest Federal control while the extensive administrative procedure for permanent scheduling proceeds.

But the Attorney General has not been able to use this authority to respond to the Rohypnol and Special K emergencies—because she does not have authority to—move drugs from one schedule to another, or to schedule drugs that the Food and Drug Administration has allowed companies to research but not to sell.

This amendment would grant the administration this important authority by—authorizing the Attorney General to move a scheduled drug—like Rohypnol—to schedule I in an Emergency; by applying emergency rescheduling authority to ''investigational new drugs''—like Special K—that the Food and Drug Administration has approved for research purposes only, but not for marketing.

And by providing that a rescheduling drug remains on the temporary schedule until the administrative proceedings reach a final conclusion on whether to schedule.

This legislation would give the Attorney General the necessary tools to respond quickly when evidence appears that a drug is being abused. I urge my colleagues to support the bill.

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By Mr. BIDEN:

S. 2015. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to provide incentives for the development of drugs for the treatment of addiction to illegal drugs, and for other purposes; to the Committee on Labor and Human Resources.

THE NEW MEDICINES TO TREAT ADDICTION ACT OF 1998

Mr. BIDEN. Mr. President, today I am introducing the New Medicines to Treat Addiction Act of 1998, legislation that builds upon my efforts in previous Congresses to promote research into and development of new medicines to treat the ravages of hard core drug addiction.

Since the first call to arms against illegal drugs in 1989, we have learned just how insidious hardcore drug addiction is, even as the ravages of substance abuse—on both the addict and his victims—have become ever more apparent. The frustration in dealing with a seemingly intractable national problem is palpable, most noticeably in the heated rhetoric as politicians blame each other for the failure to find a cure. What gets lost underneath the noise is the recognition that we have not done everything we can to fight this problem and that, like all serious ills, we must take incremental steps one at a time, and refuse to be overwhelmed by the big picture.

Throughout my tenure as Chairman of the Senate Judiciary Committee, I called for a multifaceted strategy to combat drug abuse. One of the specific steps I advocated was the creation of incentives to encourage the private sector to develop medicines that treat addiction, an area where promising research has not led—as one would normally expect—to production of medicines. The bill I am introducing today, the New Medicines To Treat Addiction Act of 1998, will hopefully change that. It takes focused aim at one segment of the drug-abusing population—hardcore addicts, namely users of cocaine and heroin—in part because these addicts are so difficult to treat with traditional methods, and in part because this population commits such a large percentage of drug-related crime.

In December, 1989, I commissioned a Judiciary Committee report, ''Pharmacotherapy: A Strategy for the 1990's.'' In that report, I posed the question, ''If drug use is an epidemic, are we doing enough to find a medical 'cure' for this disease?'' The report gave the answer ''No.'' Unfortunately, almost a decade later, the answer remains the same. Developing new medicines for the treatment of addiction should be among our highest medical research priorities as a nation. Until we take this modest step, we cannot claim to have done everything reasonable to address the problem, and we should not become so frustrated that we effectively throw up our hands and do nothing.

Recent medical advances have increased the possibility of developing medications to treat drug addiction. These advances include a heightened understanding of the physiological and psychological characteristics of drug addition and a greater base of neuroscientific research.

One example of this promising research is the recent development of a compound that has been proven to immunize laboratory animals against the effects of cocaine. The compound works like a vaccine by stimulating the immune system to develop an antibody that blocks cocaine from entering the brain. Researchers funded through the National Institute of Drug Abuse believe that this advance may open a whole new avenue for combating addiction.

Despite this progress, we still do not have a medication to treat cocaine addiction or drugs to treat many other forms of substance abuse, because the private sector is unsure of the wisdom of making the necessary investment in the production and marketing of such medicines.

Private industry has not aggressively developed pharmacotherapies for a variety of reasons, including a small customer base, difficulties distributing medication to the target population, and fear of being associated with substance abusers. We need to create financial incentives to encourage pharmaceutical companies to develop and market these treatments. And we need to develop a new partnership between private industry and the public sector in order to encourage the active marketing and distribution of new medicines so they are accessible to all addicts in need of treatment.

While pharmacotherapies alone are not a ''magic bullet'' that will solve our national substance abuse problem, they have the potential to fill a gap in

current treatment regimens. The disease of addiction occurs for many reasons, including a variety of personal problems which pharmacotherapy cannot address. Still, by providing a treatment regimen for drug abusers who are not helped by traditional methods, pharmacotherapy holds substantial promise for reducing the crime and health crisis that drug abuse is causing in the United States.

The New Medicines to Treat Addiction Act would encourage and support the development of medicines to treat drug addiction in three ways.

It reauthorizes and increases funding for the Medications Development Program at the National Institute of Health, which for years has been at the forefront of research into drug addiction.

The bill also creates two new incentives for private sector companies to undertake the difficult but important task of developing medicines to treat addiction.

First, the bill would provide additional patent protections for companies that develop drugs to treat substance abuse. Under the bill, pharmacotherapies could be designated ''orphan drugs'' and qualify for an exclusive seven-year patent to treat a specific addiction. These extraordinary patent rights would greatly enhance the market value of pharmacotherapies and provide a financial reward for companies that invest in the search to cure drug addiction. This provision was contained in a bill introduced by Senator KENNEDY and me in 1990, but was never acted on by Congress.

Second, the bill would establish a substantial monetary reward for companies that develop drugs to treat cocaine and heroin addiction but shift the responsibility for marketing and distributing such drugs to the government. This approach would create a financial incentive for drug companies to invest in research and development but enable them to avoid any stigma associated with distributing medicine to substance abusers.

The bill would require the National Academy of Sciences to develop strict guidelines for evaluating whether a drug effectively treats cocaine or heroin addiction. If a drug meets these guidelines and is approved by the Food and Drug Administration, then the government must purchase the patent rights for the drug from the company that developed it. The purchase price for the patent rights is established by law: $100 million for a drug to treat cocaine addiction and $50 million for a drug to treat heroin addiction. Once the government has purchased the patent rights, then it is responsible for producing the drug and distributing it to clinics, hospitals, state and local governments, and any other entities qualified to operate drug treatment programs.

This joint public/private endeavor will correct the market inefficiencies that have thus far prevented the development of drugs to treat addiction and require the government to take on the responsibilities that industry is unwilling or unable to perform.

America's drug problem is reduced each and every time a drug abuser quits his or her habit. Fewer drug addicts mean fewer crimes, fewer hospital admissions, fewer drug-addicted babies and fewer neglected children. The benefits to our country of developing new treatment options such as pharmacotherapies are manifold. Each dollar we spend on advancing options in this area can save us ten or twenty times as much in years to come. The question isn't ''Can we afford to pursue a pharmacotherapy strategy?'' but rather, ''Can we afford not to?''

Congress has long neglected to adopt measures I have proposed to speed the approval of and encourage greater private sector interest in pharmacotherapy. We cannot let another Congress conclude without rectifying our past negligence on this issue. I urge my colleagues to join me in promoting an important, and potentially ground breaking, approach to addressing one of our nation's most serious domestic challenges.

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By Mr. D'AMATO (for himself, Ms. MIKULSKI, Ms. SNOWE, Mr. MOYNIHAN, Mr. CHAFEE, Mr. DASCHLE, Mr. INOUYE, Mr. BINGAMAN, Mr. JOHNSON, Mr. DODD, Mr. KENNEDY, Ms. MOSELEY-BRAUN, Mrs. FEINSTEIN, and Mrs. BOXER):

S. 2017. A bill to amend title XIX of the Social Security Act to provide medical assistance for breast and cervical cancer-related treatment services to certain women screened and found to have breast or cervical cancer under a Federally funded screening program; to the Committee on Finance.

THE BREAST AND CERVICAL CANCER TREATMENT ACT OF 1998

Mr. D'AMATO. Mr. President, I rise today to introduce bi-partisan legislation which will allow states the option of providing Medicaid coverage to women who have been diagnosed with breast and cervical cancer through the federal government's breast and cervical cancer early detection program.

Currently, the CDC breast and cervical cancer program provides low-income, uninsured women with coverage for cancer screening, covering mammographies and pap smears. While this program begins to fill a crucial need, this legislation allows Congress to make this program even better. The result has often been that uninsured women are diagnosed with cancer and then left to scramble to find treatment.

In 1990 Congress passed a bill that was a breakthrough for the early detection of breast and cervical cancer in women. The Breast and Cervical Cancer Mortality Prevention Act of 1990 authorized the Center for Disease control to increase screening services for women who are low-income. From July of 1991 to March of 1997, CDC's program provide mammography screening to over 500,000 women and diagnosed nearly 3,500 cases of breast cancer. During this same period, the program provided over 700,000 Pap tests and found more than 300 cases of invasive cervical cancer. This is good news for the early detection of cancers in women.

But the bad news is that all women are not getting treated for cancer. Screening does not prevent cancer deaths; it must be coupled with treatment. Congress tried to ensure that women would get treatment, by requiring that state programs seek out services for the women they screen. But wherever I've traveled in New York, I've been hearing reports that programs are over burdened. Volunteers are working over time. Program administrators are having to rely on public hospitals and charity care. Women are having to hold bake sales to get treatment. This is wrong. It's not what Congress intended when it passed the Cancer Prevention Act in 1990.

Now, a newly published study of the program documents that approaches for delivering treatment services are fragmented, and in danger of breaking down. I am very concerned, Mr. President, that the program is over burdened and needs help. The women of America need this program. Early detection saves lives. However, Mr. President, if we are unable to treat the women who are diagnosed with breast cancer, we have failed them.

I commend the local programs that are working hard to line up treatment services for women. These programs are doing whatever they can to see that women with cancer get care. But the fact is that these solutions are labor-intensive and have long-range consequences of the program itself. The CDC study shows that programs are having a hard time recruiting new providers and must limit the number of women screened. Today the program serves only 12 to 15% of all women who are eligible nationally. And this percentage is likely to decrease. The study also shows that fewer physicians will be able to offer free or reduced-fee services in the future, because of changes in the health-care system. My point is, and the study shows, that whatever fragile delivery systems for treatment are in place now are in jeopardy and overburdened. Women are not getting the treatment they need.

In June 1997, Senator MOYNIHAN and I were successful in including an amendment in the Budget Resolution that addressed this and would have solved this problem. Unfortunately, that amendment was passed by the Senate but later died in conference. Mr. President, we must not let these women fall through the cracks any longer. This legislation provides a mechanism to fix the problem that these under served women face.

Mr. President, I began the fight in 1992 for more research funding for breast cancer. With the help of the National Breast Cancer Coalition and the

women of New York—women like Barbara Balaban, Geri Barish, and Doctor Susan Love, Senator HARKIN and I started a research program in the Army that has grown to over $750 million and continues to provide research dollars for the latest, cutting edge technologies and research.

We must not abandon the women of America who are diagnosed with breast and cervical cancer, only to find that there is no way to pay for their treatment. Congress has responded to the call for more research money for breast cancer, we must now continue that fight to provide increased treatment for every woman diagnosed with breast and cervical cancer.

The National Breast Cancer Coalition has made me very aware of the problems that women are facing regarding treatment after diagnosis under the CDC program. And I am concerned that the problem is getting worse.

We make speeches and wear pink ribbons to show our commitment to fight breast cancer—but now is the time to act to support a simple amendment that will make real contribution to the fight against breast cancer. It will save lives and ensure that women, when diagnosed through the federal program, will not have to hold bake sales to get treatment.

I join my colleagues, Senator MOYNIHAN, Senator SNOWE, and Senator MIKULSKI, in sponsoring legislation that will establish a mechanism for women's treatment. This is a targeted measure that will allow states the option of providing Medicaid to women who have participated in the CDC program and have been diagnosed with breast and cervical cancer. I am determined to solve this problem before Congress is adjourned this year. It is irresponsible of the federal government to do otherwise.

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

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

S. 2017

*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 ''Breast and Cervical Cancer Treatment Act of 1998''.

**SEC. 2. OPTIONAL MEDICAID COVERAGE OF CERTAIN BREAST OR CERVICAL CANCER PATIENTS.**

(a) COVERAGE AS OPTIONAL CATEGORICALLY NEEDY GROUP.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(1) in subclause (XIII), by striking ''or'' at the end;

(2) in subclause (XIV), by adding ''or'' at the end; and

(3) by adding at the end the following:

''(XV) who are described in subsection (aa)(1) (relating to certain breast or cervical cancer patients);''.

(b) GROUP AND BENEFIT DESCRIBED.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end the following:

''(aa)(1) Individuals described in this paragraph are individuals who—

''(A) are not described in subsection (a)(10)(A)(i);

''(B) have not attained age 65;

''(C) satisfy income and resource requirements to be treated as a low-income woman for purposes of being given priority under section 1504 of the Public Health Service Act (42 U.S.C. 300n); and

''(D) are not otherwise covered under creditable coverage, as defined in section 2701(c) of the Public Health Service Act (45 U.S.C. 300gg(c)).

''(2) For purposes of this title, the term 'breast or cervical cancer-related treatment services' means services that are medically necessary or appropriate for the treatment of breast or cervical cancer and complications arising from such treatment and for which medical assistance is made available under the State plan to individuals described in subsection (a)(10)(A)(i).''.

(c) PRESUMPTIVE ELIGIBILITY.—

(1) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by inserting after section 1920A the following:

''PRESUMPTIVE ELIGIBILITY FOR CERTAIN BREAST OR CERVICAL CANCER PATIENTS

''SEC. 1920B. (a) STATE OPTION.—A State plan approved under section 1902 may provide for making medical assistance for breast or cervical cancer-related treatment services available to an individual described in section 1902(aa)(1) (relating to certain breast or cervical cancer patients) during a presumptive eligibility period.

''(b) DEFINITIONS.—For purposes of this section:

''(1) PRESUMPTIVE ELIGIBILITY PERIOD.—The term 'presumptive eligibility period' means, with respect to an individual described in subsection (a), the period that—

''(A) begins with the date on which a qualified entity determines, on the basis of preliminary information, that the individual is described in section 1902(aa)(1), and

''(B) ends with (and includes) the earlier of—

''(i) the day on which a determination is made with respect to the eligibility of such individual for services under the State plan, or

''(ii) in the case of such an individual who does not file an application by the last day of the month following the month during which the entity makes the determination referred to in subparagraph (A), such last day.

''(2) QUALIFIED ENTITY.—

''(A) IN GENERAL.—Subject to subparagraph (B), the term 'qualified entity' means any entity that—

''(i) is eligible for payments under a State plan approved under this title and provides breast or cervical cancer-related treatment services; and

''(ii) is determined by the State agency to be capable of making determinations of the type described in paragraph (1)(A).

''(B) REGULATIONS.—The Secretary may issue regulations further limiting those entities that may become qualified entities in order to prevent fraud and abuse and for other reasons.

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing a State from limiting the classes of entities that may become qualified entities, consistent with any limitations imposed under subparagraph (B).

''(c) ADMINISTRATION.—

''(1) IN GENERAL.—The State agency shall provide qualified entities with—

''(A) such forms as are necessary for an application to be made by an individual described in subsection (a) for medical assistance under the State plan, and

''(B) information on how to assist such individuals in completing and filing such forms.

''(2) NOTIFICATION REQUIREMENTS.—A qualified entity that determines under subsection (b)(1)(A) that an individual described in subsection (a) is presumptively eligible for medical assistance for breast or cervical cancer-related treatment services under a State plan shall—

''(A) notify the State agency of the determination within 5 working days after the date on which determination is made, and

''(B) inform such individual at the time the determination is made that an application for medical assistance under the State plan is required to be made by not later than the last day of the month following the month during which the determination is made.

''(3) APPLICATION FOR MEDICAL ASSISTANCE.—In the case of an individual described in subsection (a) who is determined by a qualified entity to be presumptively eligible for medical assistance for breast or cervical cancer-related treatment services under a State plan, the individual shall apply for medical assistance under such plan by not later than the last day of the month following the month during which the determination is made.

''(d) PAYMENT.—Notwithstanding any other provision of this title, medical assistance for breast or cervical cancer-related treatment services that—

''(1) are furnished to an individual described in subsection (a)—

''(A) during a presumptive eligibility period,

''(B) by a entity that is eligible for payments under the State plan; and

''(2) are included in the care and services covered by the State plan;

shall be treated as medical assistance provided by such plan for purposes of section 1903(a)(5)(B).''.

(2) PRESUMPTIVE ELIGIBILITY CONFORMING AMENDMENTS.—

(A) Section 1902(a)(47) of the Social Security Act (42 U.S.C. 1396a(a)(47)) is amended by inserting before the semicolon at the end the following: ''and provide for making medical assistance for breast or cervical cancer-related treatment services available to individuals described in subsection (a) of section 1920B during a presumptive eligibility period in accordance with such section''.

(B) Section 1903(u)(1)(D)(v) of such Act (42 U.S.C. 1396b(u)(1)(D)(v)) is amended—

(i) by striking ''or for'' and inserting '', for''; and

(ii) by inserting before the period the following: '', or for medical assistance for breast or cervical cancer-related treatment services provided to an individual described in subsection (a) of section 1920B during a presumptive eligibility period under such section''.

(d) ENHANCED MATCH.—Section 1903(a)(5) of the Social Security Act (42 U.S.C. 1396b(a)(5)) is amended—

(1) by striking ''an'' and inserting ''(A) an'';

(2) by adding ''plus'' after the semicolon; and

(3) by adding at the end the following:

''(B) an amount equal to 75 percent of the sums expended during such quarter which are attributable to the offering, arranging, and furnishing (directly or on a contract basis) of breast or cervical cancer-related treatment services; plus''.

(e) LIMITATION ON BENEFITS.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended in the matter following subparagraph (F)—

(1) by striking ''and (XIII)'' and inserting ''(XIII)''; and

(2) by inserting before the semicolon at the end the following: '', and (XIV) the medical assistance made available to an individual described in subsection (aa)(1) who is eligible for medical assistance only because of subparagraph (A)(ii)(XV) shall be limited to medical assistance for breast or cervical cancer-related treatment services''.

(f) CONFORMING AMENDMENTS.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended in the matter preceding paragraph (1)—

(1) in clause (x), by striking ''or'' at the end;

(2) in clause (xi), by adding ''or'' at the end; and

(3) by inserting after clause (xi) the following:

''(xii) individuals described in section 1902(aa)(1),''.

(g) EFFECTIVE DATE.—The amendments made by this section apply to medical assistance furnished on or after October 1, 1998, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

Ms. MIKULSKI. Mr. President, I rise today as an original cosponsor of a bill that will put an end to the half-promise the federal government has made to women screened under the National Breast and Cervical Cancer Protection Program. When Congress first passed this program as the Breast and Cervical Cancer Mortality Prevention Act in 1990, it was a breakthrough for early detection of breast and cervical cancer. And I was proud to be its chief Senate sponsor. There is still good reason to be proud of this program. By March of 1997, the program had provided mammography screening to over 500,000 women and Pap tests to over 700,000. Nearly 3,500 women have been diagnosed with breast cancer and an additional 300 women with invasive cervical cancer. In Maryland alone, by December 1996, the state had provided more than 35,000 mammograms and 21,000 Pap tests, and diagnosed nearly 300 women with breast cancer and 13 women with invasive cervical cancer.

But when we passed that program we expected—and demanded—assurances that women who are found to have breast cancer be provided the necessary diagnostic services, including breast biopsies and treatment services. The program has not lived up to the promise. While a variety of innovative strategies have emerged across the country at the state and local levels to help women get treatment, the reality is that the system is overloaded. Some state programs require providers to arrange for treatment before they can participate in the program; a very few like Maryland have been able to come up with a small pool of general revenues, but generally these funds are available for breast diagnostic services, not treatment. In others, program administrators have to rely on public hospitals, donated services and charity care. In the end, thousands of women who run local screening programs are spending countless hours finding treatment services for women diagnosed with breast cancer.

This is not what we had in mind. Not at all. The system for obtaining treatment services—which at its best was an ad-hoc patchwork—has broken down. Of those women diagnosed with cancer in the United States, nearly 3,000 women have no way to afford treatment—they have no health care insurance coverage or are underinsured. These women want to pay for their services, but they often simply don't have the financial resources on their own.

It's a cruel and heart breaking irony for the federal government to promise to screen low-income women for breast and cervical cancer, but not to establish a program to treat those women who have been diagnosed with cancer through a federal program. Screening alone does not prevent cancer deaths; but treatment can.

A recent study of the program done for the Centers for Disease Control and Prevention found that while treatment was eventually found for almost all of the women screened, some women did not get treated at all, some refused treatment, and some experienced delays. The study also underscores the terribly labor intensive efforts that go into finding treatment for these women—often at the expense of screening. The lack of coverage for diagnostic and treatment services has also had a very negative impact on the program's ability to recruit providers, further restricting the number of women screened. It is sad that 8 years after enactment, the program serves only 12 to 15 percent of all women who are eligible nationally. And this is likely to get worse. The study shows there are already additional stresses on the program as increasing numbers of physicians do not have the autonomy in today's ever increasing managed care system to offer free or reduced-fee services.

Breast cancer advocates from across the country are reporting that local programs are so badly strained that they have resorted to holding bake sales and community lunches to raise money for treatment services for the women they serve. Others have cobbled together the funds at great effort—when they are sickest—and most in need of taking care of their health. One woman in Massachusetts reported that she cashed in her life insurance policy to cover the costs of her treatment.

It is clear that the short-term, ad-hoc strategies of providing treatment have broken down: for the women who are screened; for the local programs that fund the screening program; and for the states that face increasing burdens. Because there is no coverage for treatment, state programs are having a hard time recruiting providers, volunteers are spending a disproportionate amount of time finding treatment for women, and fewer women are receiving treatment. We can't grow the program to serve the other 78 percent of eligible women if we can't promise treatment to those we already screen.

Women shouldn't have to hold a bake sale to get treated for breast cancer—especially if the federal government has held out the promise of early detection. It is an outrage that women with cancer must go begging for treatment. That's why I'm cosponsoring this bill. It will establish a mechanism for women to be treated. It will guarantee Medicaid coverage for necessary treatment services to women who are eligible for the CDC program, and found to have breast cancer or cervical cancer. Although I wish the bill would require the States to provide the benefit, the reality is such that we have made this program for now, an optional benefit, and place the responsibility on the States to choose to participate. By doing so, states would in effect, extend the federal-state partnership that exists for the screening services in the CDC program to treatment services.

This bill is the best long-term solution. It is strongly supported by the National Breast Cancer Coalition representing over 400 organizations and 100,000's of women across the nation. I urge my colleagues to join in and cosponsor this critical piece of legislation and make good on the promise of early detection.

Mr. MOYNIHAN. Mr. President, I rise today to introduce with my colleague Senator D'AMATO, and with Senators MIKULSKI and SNOWE, legislation important to ensuring that women with breast cancer and cervical cancer will receive coverage for their treatment. The Centers for Disease Control and Prevention (CDC) has a successful nationwide program—National Breast and Cervical Cancer Early Detection program—that screens low-income uninsured women for breast and cervical cancer. However, CDC's program does not have funding to treat these women after they are diagnosed.

The women eligible for cancer screening under the CDC program are low-income individuals and yet are not poor enough to qualify for Medicaid coverage. They do not have health insurance coverage for these screenings and for subsequent cancer treatment.

From July of 1991 to March of 1997, the CDC program provided mammography screening to almost 600,000 women and diagnosed nearly 3,500 cases of breast cancer. During this same period, the program also provided over 700,000 pap smears and found more than 300 cases of invasive cervical cancer.

The CDC screening program has had to divert a significant amount of time and funding in order to find treatment opportunities for the women found to have breast and cervical cancer. The lack of subsequent funding for treatment has, therefore, jeopardized the programs' primary function: to screen low-income uninsured women for breast and cervical cancer. Currently, the program screens about 12 to 15 percent of all eligible women.

A recent study conducted at Battelle Centers for Public Health Research and Evaluation and the University of Michigan School of Public Health on treatment funding for women screened

by the CDC program found that, although funding for treatment services were found for most of these women, they often experienced time delays. In addition, during the search for treatment funding, the CDC program lost contact with several women. The study also found that the sources of treatment funding are uncertain, tenuous and fragmented. The burden of funding treatment often fell upon providers themselves. The uncertainty and delays worsen the stress of coping with cancer. Some women, upon learning that they have cancer, must hold lunches and bake sales to raise funds to cover their needed treatment.

Our legislation would provide treatment coverage for the women screened and diagnosed through the CDC program and who are uninsured. States will have the option to provide this coverage through its Medicaid program. If a state chooses this option, they will receive an enhanced match for the treatment coverage, similar to the federal match provided to the sate for the CDC screening program.

Mr. President, the Senate has approved this proposal in the past. A similar provision was included in the Senate version of last year's Balanced Budget bill. It is my hope that the Senate will again support this important legislation.

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By Mr. JOHNSON:

S. 2018. A bill to amend the Internal Revenue Code of 1986 to extend the work opportunity tax credit to employers providing employment in economically distressed communities; to the Committee on Finance.

THE REEMPLOYMENT TAX CREDIT ACT OF 1998

Mr. JOHNSON. Mr. President I am pleased to introduce legislation today that will foster job growth and job creation in distressed communities. This important legislation, the ''Reemployment Tax Credit Act of 1988,'' will provide needed assistance to communities when they are impacted by significant job losses.

Twice in the last year, communities in my state have suffered the difficult repercussions of massive job losses in the area. The circumstances in Huron and those in the Northern Hills region differed considerably, however, in both instances the job losses affected far reaching elements of the local economy. I proudly introduce this legislation to enhance the ability of distressed communities to address the challenges of sudden economic dislocation.

This bill will extend the existing Work Opportunity Tax Credit to include dislocated workers affected by plant closings or other events resulting in extensive job losses. This tax credit accelerates opportunities for business growth and expansion in distressed communities therefore decreasing unemployment insurance expenditures, reducing the flight of dislocated workers, allowing families to remain in their community and in their homes. It serves to stabilize the local economy and minimize the negative impacts on other local businesses.

The most successful and immediate action to address economic dislocation is to reemploy workers. The Reemployment Tax Credit Act of 1998 will make a serious and positive impact on the growth and prosperity of our communities. I urge my colleagues to support this effort to provide distressed communities with this critical assistance to help them recover from extraordinary economic hardship.

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By Mr. ASHCROFT:

S. 2019. A bill to prohibit the use of Federal funds to implement the Kyoto Protocol to the United Nations Framework Convention on Climate Change unless or until the Senate has given its advice and consent to ratification of the Kyoto Protocol and to clarify the authority of Federal agencies with respect to the regulation of the emissions of carbon dioxide; to the Committee on Environment and Public Works.

THE ECONOMIC GROWTH AND SOVEREIGNTY PROTECTION ACT

Mr. ASHCROFT. Mr. President, I rise to introduce legislation to protect the strength and future growth of the American economy, and to uphold the system of checks and balances that is central to our government. The Clinton Administration's irresponsibility at the Kyoto Summit makes it necessary for Congress to act. On December 11, 1998, this administration agreed to an amendment to the United Nations Framework Convention on Climate Change.

An amendment that clearly did not meet the standards for ratification established by this body in the Byrd-Hagel Resolution by a vote of 95–0. The administration simply ignored the Senate's resolution—thereby ignoring the will of the American people. The resolution was clear and unmistakable it in its criteria. It stated that the administration should not agree to binding emission targets unless developing countries also were bound by the targets and that the administration must not agree to anything that severely damages the economy of the United States. The Kyoto Protocol fails both tests.

On the first criteria, the Kyoto Protocol does not include a single developing nation. One hundred and thirty-four developing nations, including China, Mexico, India, Brazil, and South Korea, many of whom compete with the United States for trade opportunities, are completely exempt from any obligations or responsibilities for reducing greenhouse gas emissions.

The Kyoto Protocol would legally bind the United States to reduce our greenhouse gas emissions to 7 percent below 1990 levels by the years 2008 to 2012. It even goes much further than President Clinton's own bottom line that he personally announced last October pledging would not accept a baseline below 1990 levels in greenhouse gas emissions. He also said there must be ''meaningful participation'' from all developing countries.

It is clear that the Protocol fails the second criteria. Numerous independent economic studies predicted serious economic harm even if the administration had held to its position that it enunciated last October. These studies found 2.4 million job losses, significant increases in energy costs, a 50-cent increase in gas prices per gallon, a drop in economic growth rates of more than 1 percent a year, and major American industries being driven out of business or driven out of the United States—industries like steel, aluminum, petroleum refining, chemicals, iron, paper products, and cement.

That is why American agriculture, American labor, American business and industry and many consumer groups have all united in opposition to this treaty. Yet, our negotiators in Kyoto—the ones who were supposed to be looking out for the American people—cut a deal that would have had an even more devastating and extreme impact on the U.S. economy and on the lives of the American people.

The administration's recent attempt to develop an economic analysis showing ''minimal'' harm to the U.S. economy clearly are flawed. No models, no numbers, no percentages, no economics. It is based on fabrication and vapor, on what Senator HAGEL called ''wildly optimistic assumptions'' such as China, India and Mexico agreeing to the binding commitments in this treaty.

This is what one observer in Kyoto—the leader on this issue in the United States Senate, along with Senator BYRD—Senator HAGEL, had to say about the administration's activities in Kyoto. ''After Vice President GORE came to Kyoto and instructed our negotiators to show 'increased flexibility' the doors were thrown open and the objective became very clear. The objective was: Let us get a deal at any cost. The clear advice of the U.S. Senate and the economic well-being of the American people were abandoned under pressure from the U.N. bureaucrats, international environmentalists and the 134 developing countries that were not even included—not even included—in the treaty. The United States of America was the only Nation to come out of these negotiations worse than it came in. In fact, there was no negotiation in Kyoto; there was only surrender.''

From an environmental standpoint, the Kyoto ''deal'' is completely inadequate. The treaty is so flawed that it will do virtually nothing to slow the growth of manmade greenhouse gasses in the atmosphere. Even if one accepts the validity of the science on global warming, which is still uncertain and at best contradictory, this treaty would do nothing to stop any of these emissions. The Kyoto ''deal'' excludes the very developing nations who will be responsible for more than 60 percent of the world's manmade greenhouse gas emissions early in the next century.

In fact, as more and more American scientists review the available data on global warming, it is becoming increasingly clear that the vast majority believe the commitments for reduction of greenhouse gas emissions made by the Administration in the Kyoto ''deal'' is an unnecessary response to an exaggerated threat—''to an exaggerated threat'' that the Vice President himself is caught up in making. Last week, more than 15,000 scientists, two-thirds with advanced academic degrees, released a petition they signed urging the United States to reject the Kyoto ''deal.'' The petition, expressly states that:

There is no convincing scientific evidence that human release of carbon dioxide, methane, or other greenhouse gases is causing or will cause catastrophic heating of the Earth's atmosphere and disruption of the Earth's climate.

The administration understands that the Kyoto ''deal'' does not meet these standards because they have made it clear that the President will not send this document to the Senate for ratification.

However, not only did the administration ignore the Senate when agreeing to this deal, they are continuing to ignore it even today. A number of my constituents, particularly farmers and small business owners, have come to me with grave concerns over the administration's ''back door'' implementation of the Protocol's requirements.

For example, the Administration has requested $6.3 billion in its 1999 budget in order to begin meeting its obligations under the Kyoto Protocol. This money would go to a number of federal agencies and departments including the Department of Energy, the Environmental Protection Agency, Housing and Urban Development, the Commerce Department, and the Department of Agriculture.

The administration, in a document relating to electricity restructuring, which was circulating through the Environmental Protection Agency, referenced reducing emission to ''meet our greenhouse gas emission budget under the Kyoto Protocol.'' The memorandum further states that electricity restructuring also should take environmental concerns into account in order to ''deliver on the President's commitments.''

Many federal agencies are in the process of establishing Kyoto implementation offices. The Environmental Protection Agency currently is discussing whether the agency has the power under the Clean Air Act or the Energy Policy Act to regulate carbon dioxide emissions—a key emission limited under the Kyoto Protocol.

In the news conference after cutting the deal in Kyoto, administration officials seemed to indicate that since the U.S. has ten years to meet the greenhouse gas emission targets established at Kyoto—the administration has ten years to involve the Senate in its activities.

Mr. President, the Constitution clearly states that while the Executive Branch has the authority to negotiate international treaties, that only the United States Senate has the authority to ratify such treaties. We cannot allow the Executive Branch to usurp the power of Congress by implementing the treaty—a treaty that will have such a devastating impact on the United States—without the Senate first being ratified by this body.

A treaty is the most solemn international obligation that can be entered upon by sovereign people. The sovereignty of the United States was purchased with the blood of patriots, and the Constitution defined the treaty making power with great care. The blood and treasure of our nation may not be placed at hazard by a treaty unless the President and Congress are in agreement. The Framers created this shared power in part because the United States intended to reject utterly the European tradition that invested the monarch with unfettered power to conduct foreign policy—even to the extremity of spending the lives of citizens in wars conducted to satisfy his vanity or dynastic ambition. Under our Constitution, the President may not on his own bind the sovereignty of the United States to the terms of a treaty unless that treaty has been ratified by two-thirds of the Senate.

The treaty making power, then is not only shared and checked, but ratification must meet the high standard of a two-third vote. The Administration's Kyoto agenda is constitutionally offensive in several respects. First, the President is not to behave like a predemocratic ruler who makes commitments at will that bind the nation. Second, the Executive branch is proceeding to inflict severe damage on our economy and our people, without deliberation by the Congress. Finally, the Administration is proceeding to impose an unratified—and therefore meaningless—treaty, a treaty so badly flawed that it would, on its face, be rejected by the Senate.

Unfortunately, it is unlikely that the administration's activities will stop merely because members of the Senate, members of the House of Representatives, or citizens of the United States point out the Constitutional implications. Therefore, today I am offering the Economic Growth and Sovereignty Protection Act. This act simply would prohibit any federal agency from spending federal funds on implementing the treaty until such time that it is ratified by the United States Senate.

In addition, since the EPA has raised the issue of whether it has the ability to regulate carbon dioxide emissions, this act would make it clear that no federal agency has such power without the express authority from the Congress.

Mr. President, the Constitution cannot be ignored. It established a system of checks and balances which must be preserved and protected. The interests and the sovereignty of this great Nation cannot be ignored. To allow other nations' interests to become more important—to dictate our domestic policy—would be unconscionable. The will of the American people cannot be ignored. To do so would crush the very foundation on which this democracy was established.

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By Mr. HOLLINGS:

S. 2020. A bill to amend title 10, United States Code, to permit beneficiaries of the military health care system to enroll in Federal employees health benefits plans; to improve health care benefits under CHAMPUS and TRICARE Standard, and for other purposes; to the Committee on Armed Services.

THE MILITARY HEALTH CARE EQUALITY ACT

Mr. HOLLINGS. Mr. President, I rise today to introduce the Military Health Care Equality Act. Mr. President, it may come a surprise to many that the Department of Defenses has reneged on its promise to those who have honorably served in our military forces. That, Mr. President, is the promise of lifetime, quality healthcare for the military retiree and his family. I now introduce legislation that will offer all Senators the opportunity to join with me in righting this unconscionable wrong.

Today our military retirees feel betrayed. Before joining, and while serving, they were promised quality, lifetime healthcare. However, that promise is being broken. Military health care facilities have closed because of the downsizing of our military forces. Those military health facilities that remain can treat fewer and fewer retirees. The TRICARE system has high overhead and its provider fees are so low that many health care providers will not participate. In addition, in some areas, retirees do not have access to provider networks. Finally, the TRICARE system will not treat Medicare eligible retirees. Mr. President, it is just not right that the military retiree is the only Federal retiree who is prevented from using his employer provided health care when reaching Medicare age.

This legislation requires the DOD to provide all military retirees with health care that is comparable to the care provided by the Federal Employees Health Benefits Plan, or failing that, to make the FEHBP available. In addition, this legislation would require that TRICARE be improved to the FEHBP level. This Legislation will not prevent a retiree from using a military health care facility. However, it will improve and increase the health care choices for our retirees.

Our military men and women have given much to protect our country in time of peace and war. We must acknowledge this by providing them the available, affordable, quality health care that they were promised. No lesser measure will suffice.

Therefore, I urge my colleagues to join me in immediately enacting this

legislation so that we can now begin to care for military retirees, as promised, in a manner they so richly deserve for their service to our great Nation.

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By Mr. SARBANES (for himself and Mr. LIEBERMAN):

S. 2021. A bill to provide for regional skills training alliances, and for other purposes; to the Committee on Labor and Human Resources.

THE TECHNOLOGY SKILLS PARTNERSHIP ACT OF 1998

Mr. SARBANES. Mr. President, today, joined with Senator LIEBERMAN, I am introducing legislation to provide our nation's workforce with the information technology and computer skills it needs to meet the emerging and rapidly changing requirements in our various technology sectors. I am delighted to have my distinguished colleague from Connecticut—whose efforts on behalf of the high technology sector and its workforce have been second to none—join as an original co-sponsor of the Technology Skills Partnership Act of 1998. The purpose of the Technology Skills Partnership Act is to establish regional initiatives to provide the skills that industry and workers require to remain competitive in the global, high technology marketplace.

The United States is currently the world's science and technology leader. Technical innovation, which according to a 1995 report by the President's Council of Economic Advisors has been responsible for more than half of America's productivity growth over the past fifty years, has positioned us at the forefront of the global economy. In my view, we could not have achieved this status without the most skilled, innovative, and competitive workforce in the world. The high tech global economy is evolving at such a rapid pace however, that if we fail to keep our workforce honed and highly skilled —whether in advanced computer programming or computer based manufacturing technology —we risk losing this edge.

A growing number of industries throughout the country are reporting serious difficulties in hiring workers with appropriate computer and information technology skills. Recent reports have estimated up to 190,000 unfilled information technology jobs in the United States due to a shortage of qualified workers. Many businesses point to the lack of skilled workers as a primary reason for their limited competitiveness and growth.

In my own State of Maryland, the high technology sector currently faces an estimated lack of 10–12,000 workers with appropriate technology skills. A recent Maryland Department of Business and Economic Development survey indicates that 80% of firms which hire manufacturing or skilled trades workers, reported significant difficulty in finding applicants with the required skills for technology intensive jobs. The same survey indicates that more than two thirds of businesses hiring computer technicians, engineers, analysts, or other technical or laboratory personnel experienced difficulty finding qualified workers. It also mentions that fifty-five percent of firms that hire college-level scientist or technical program graduates reported the same difficulty and that 62% of these firms reported that their need for hiring these types of graduates is expected to increase over the next five years.

Without the appropriate skills for the new economy, hundreds of thousands of American workers face stagnation in their jobs or worse. While well intentioned, most existing training programs are not structured in a way which addresses this problem from the perspective of industry and directly prepares our workers for these types of positions. To help meet the demand in this regard, a unique approach which is flexible enough to address the fluctuations and transitions of our high technology economy is required. In order to train and educate new entrants to the workforce, workers dislocated by economic change, and workers already in the workplace facing increased demands for higher levels of technology related skills, we must establish an industry driven framework which recognizes and addresses this need on a continuum. Without such a framework, this country and its workers stand to lose significant ground in the global economy.

While some post-secondary training institutions have reached out to industry and become more customer-focused, more still must identify ways to respond directly to the changing skills and needs of employers. Many community colleges, and even four-year colleges and universities, lack the resources to purchase up-to-date equipment on which to train workers in relevant knowledge and skills. In addition, while some colleges and universities have been able to establish partnerships with some larger firms that have human resource departments, building partnerships and a two-way dialogue with small and medium-sized firms has proven more difficult.

Relevant, focused and systematic training and upgrading of infotech skills is essential to linking and transitioning our supply of skilled American workers to the powerful and emerging demand of today's high tech economy. Without direct participation by industry, however, and an understanding of regional dynamics which help us identify specific solutions to address specific industry and regional needs, a significant portion of the U.S. workforce will be left behind.

Mr. President, having the appropriate information technology skills is becoming more and more important in all sectors of our economy, not only in high and biotech industries and the manufacturing sector, but also in the so-called low-tech industries. More than half of the new jobs created between 1984 and 2005 require or will require some education beyond high school. The percentage of workers who use computers at work has risen from 25% to 46% between 1984 and 1993. Moreover, firms today are not only using more technology, but are also reorganizing production processes in new ways, such as cellular production, use of teams, and other high performance structures and methods requiring higher levels and new kinds of skills.

According to the American Society for Training and Development, company spending on training has not kept up with today's evolving needs. In 1995, American businesses spent $55 billion a year upgrading the skills of their employees, 20 percent more than a dozen years ago. However, the number of employees has increased by 24 percent, meaning that private-sector spending hasn't kept pace. In order to bridge this gap, we need to pool our resources and coordinate our perspectives on this matter.

Most firms, but particularly small and medium-sized enterprises, have limited capacity to engage in significant and sustained workforce development efforts. Managers and owners of most firms are simply too busy running their business to develop training systems, especially for new or dislocated workers. Firms also often lack information on what kind of training their firms need and where to get it. As a result, most firms forego training initiatives and instead try to hire workers away from other companies in related fields.

Moreover, because workers are so transient, individual employers are reluctant to bear the burden of training employees, be they new or incumbent workers, simply due to the likelihood is that the employee will leave and go to work for a competitor. In light of this possibility, many firms simply cannot envision an adequate return on the investment for paying to train their employees. This, coupled with an increasingly competitive global marketplace, is one reason why many larger companies that once supported in-house training programs have since eliminated these efforts.

The legislation I am introducing would establish regional working groups across the country in which employers, public agencies, schools, and labor unions can pool resources and expertise to train workers for emerging job opportunities and jobs threatened by economic and technological transition. It will help develop targeted consortia of industry, workers and training entities across the country to assess where and what gaps in this regard exist and provide the skills that industry and workers require to remain competitive and get ahead.

Specifically, it would authorize a grants program—to be overseen by the Department of Commerce's National Institute of Standards and Technology—and provide up to a $1 million federal match, for every dollar invested by state and local governments and the private sector for these working

groups. The Department would budget $50 million annually for this purpose and funds would be allocated through a competitive grants process, with each consortia of firms as applicants.

Through a sector based approach, this legislation would direct meaningful participation in building an alliance by ensuring that each consists of at least 10 firms. These alliances would allow for participation from state and local officials, educational leaders, regional chapters of trade associations and union officials. However, each would be predominantly made up of industry, and as I have mentioned, would be industry driven. Indeed, if we are going to address the skills crisis in this country, industry must have a leadership role in establishing the means by which we continue to build and upgrade the skills of workers in technology related fields.

Smaller scale versions of the types of skills alliances which my legislation proposes to develop have already shown promise. In Wisconsin, metal-working firms got together with the AFL–CIO in a publicly sponsored effort that used an abandoned mill building as a teaching facility, teaching workers essential skills on state-of-the-art manufacturing equipment. Rhode Island helped develop a skills alliance among plastics firms, who then worked with a local community college to create a polymer training laboratory linked to an apprenticeship program that guarantees jobs for graduates. In Washington, DC telecommunications firms donated computers, and helped to set up a program to train public high school students to be computer network administrators and are now hiring graduates of the program at an entry-level salary of $25,000–30,000.

Each of these initiatives is an investment in our workforce for the 21st Century. If we are to truly transition the U.S. worker to a technology based economy, we must ensure that these best practice examples become standard practice. I urge my colleagues to join me in ensuring the swift enactment of this legislation. I ask that a copy of this legislation be printed in the RECORD.

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

S. 2021

*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 ''Technology Skills Partnership Act of 1998''.

**SEC. 2. DEFINITION.**

For purposes of this Act, the term ''Secretary'' means the Secretary of Commerce.

**TITLE I—SKILL GRANTS**

**SEC. 101. AUTHORIZATION.**

(a) IN GENERAL.—The Secretary of Commerce, acting through the Director of the National Institute of Standards and Technology, and in consultation and coordination with the Secretary of Labor, shall provide grants to eligible entities described in subsection (b) to assist such entities to aid workers in improving job skills necessary for employment in specific industries.

(b) ELIGIBLE ENTITIES DESCRIBED.—

(1) IN GENERAL.—An eligible entity described in this subsection is a consortium that—

(A) shall consist of representatives from not fewer than 10 businesses (or nonprofit organizations that represent businesses) in a common industry; and

(B) may consist of representatives from 1 or more of the following:

(i) Labor organizations.

(ii) State and local government.

(iii) Education organizations.

(2) MAJORITY OF REPRESENTATIVES.—A majority of the representatives comprising the consortium shall be representatives described in paragraph (1)(A).

(3) ADDITIONAL REQUIREMENT.—To the maximum extent practicable, each of the businesses, organizations, and governments whose representatives form an eligible entity under paragraph (1) shall be located in the same geographic region of the United States.

(c) PRIORITY FOR SMALL BUSINESSES.—In providing grants under subsection (a), the Secretary shall give priority to an eligible entity if a majority of representatives forming the entity represent small-business concerns, as described in section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(d) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity under subsection (a) may not exceed $1,000,000 for any fiscal year.

**SEC. 102. APPLICATION.**

(a) CERTAIN STATES WITH MULTIPLE CONSORTIA.—In a State in which 2 or more eligible entities seek grants under section 101 for a fiscal year, as determined by the Governor of the State, the Governor may solicit proposals from the entities concerning the activities to be carried out under the grants. If the Governor solicits such proposals, based on the proposals received, the Governor shall submit an application on behalf of 1 or more of the entities to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. The provisions of this title relating to eligible entities shall apply to each of the entities for which the Governor applies.

(b) OTHER STATES.—In a State in which only 1 eligible entity seeks a grant under section 101 for a fiscal year, as determined by the Governor of the State, or in which the Governor does not solicit proposals as described in subsection (a), the Secretary may not provide a grant under section 101 to the eligible entity unless such entity submits to the Secretary an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

**SEC. 103. USE OF AMOUNTS.**

(a) IN GENERAL.—The Secretary may not provide a grant under section 101 to an eligible entity unless such entity agrees to use amounts received from such grant to aid workers in improving job skills (which may include skills related to computer technology, computer-based manufacturing technology, telecommunications, and other information technologies) necessary for employment by businesses in the industry with respect to which such entity was established.

(b) CONDUCT OF PROGRAM.—

(1) IN GENERAL.—In carrying out the program described in subsection (a), the eligible entity may provide for—

(A) an assessment of training and job skill needs for the industry;

(B) development of a sequence of skill standards that are correlated with advanced industry practices;

(C) development of curriculum and training methods;

(D) purchase or receipt of donations of training equipment;

(E) identification of training providers;

(F) development of apprenticeship programs;

(G) development of training programs for dislocated workers;

(H) development of the membership of the entity;

(I) provision of training programs for workers; and

(J) development of training plans for businesses.

(2) ADDITIONAL REQUIREMENT.—In carrying out the program described in subsection (a), the eligible entity shall provide for development and tracking of performance outcome measures for the program and the training providers involved in the program.

(c) ADMINISTRATIVE COSTS.—The eligible entity may use not more than 10 percent of the amount of a grant to pay for administrative costs associated with the program described in subsection (a).

**SEC. 104. REQUIREMENT OF MATCHING FUNDS.**

The Secretary may not provide a grant under section 101 to an eligible entity unless such entity agrees that—

(1) it will make available non-Federal contributions toward the costs of carrying out activities under section 103 in an amount that is not less than $2 for each $1 of Federal funds provided under a grant under section 101; and

(2) of such non-Federal contributions, not less than $1 of each such $2 shall be from businesses with representatives serving on the eligible entity.

**SEC. 105. LIMIT ON ADMINISTRATIVE EXPENSES.**

The Secretary may use not more than 5 percent of the funds made available to carry out this title to pay for Federal administrative costs associated with making grants under this title.

**SEC. 106. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to carry out this title $50,000,000 for each of the fiscal years 1999, 2000, and 2001.

**TITLE II—PLANNING GRANTS**

**SEC. 201. AUTHORIZATION.**

(a) IN GENERAL.—The Secretary of Commerce, acting through the Director of the National Institute of Standards and Technology, and in consultation with the Secretary of Labor, shall provide grants to States to enable the States to assist businesses, organizations, and agencies described in section 101(b) in conducting planning to form consortia described in such section.

(b) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to a State under subsection (a) may not exceed $500,000 for any fiscal year.

**SEC. 202. APPLICATION.**

The Secretary may not provide a grant under section 201 to a State unless such State submits to the Secretary an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

**SEC. 203. REQUIREMENT OF MATCHING FUNDS.**

The Secretary may not provide a grant under section 201 to a State unless such State agrees that it will make available non-Federal contributions toward the costs of carrying out activities under this title in an amount that is not less than $1 for each $1 of Federal funds provided under a grant under section 201.

**SEC. 204. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to carry out this title $5,000,000 for fiscal year 1999.

Mr. LIEBERMAN. Mr. President, I am pleased to rise in support as an

original cosponsor of my colleague Senator SARBANES' bill, the Technology Skills Partnership Act of 1998. I am delighted that Senator SARBANES has taken the initiative in developing this innovative approach to help solve one of the biggest problems this country is facing—an insufficiently skilled workforce. This bill has the bold but achievable goal of trying to change the mindset of U.S. companies in this country in favor of collaborating on training skilled workers for their industry.

We are facing a shortage of skilled workers in this country. Estimates are as high as 190,000 unfilled jobs in the information technology industry alone. But it isn't just the high-tech industry that needs workers with high-tech skills. All industries now need workers with computer literacy, including what we might consider ''lower-tech'' manufacturing and services such as auto repair shops.

In the long-term, we need to improve our students' education in the math and sciences and attract more students into these areas. Universities need to attract more college students into scientific, engineering, and technical fields. Ultimately, a large part of the responsibility will lie with industry to attract workers into these careers by creating attractive career paths and financial rewards that can compete for the best students.

In the short term, high-tech industry would like to raise H1–B visa caps. But we need to do something more than let foreign workers fill the gap in high-tech workers that now exists. We need to train our workforce with skills that fit industry's needs today. Industry must be a large part of the solution. Only with industry leading the skills training can we be sure that workers are being trained for jobs that actually exist. That is why this bill creates an industry-drive training program.

Why does the federal government need to be involved? Because industry does not normally cooperate in training workers. Small companies, and 90% of firms in the United States are small businesses, don't have the resources to invest in lengthy training. Larger companies used to provide training programs, but in the high-tech field, workers move quickly from one job to another chasing higher salaries. Many companies are reticent to invest in long-term training for employees that may quickly move on. Cooperation within an industry provides a solution to this problem.

The government's role in this bill would be to provide the catalyst to bring the companies together to cooperate on training. The federal funds are matched dollar for dollar by, first, funds from the state and, second, funds from a consortium of 10 or more companies. The federal funds are meant only to start the process—federal funding ends after three years—and then the states and industry continue the cooperative training programs alone.

Let me give you an example from my home state: Connecticut. A recent report prepared by Connecticut's Industry Cluster Advisory Board found that: . . . the demand for skilled manufacturing workers far exceeds the number of students graduating from manufacturing programs.'' There is a ''negative perception of manufacturing as a career choice.'' People ''still think of manufacturing as a dirty, low-paying environment with no hope for advancement. Today, manufacturing is clean, and typically a computer-based environment which pays an average annual wage in the $30,000 range or more with appropriate skills and training.''

The report continues:

Substantial investment in training is necessary for companies to compete in this new environment. However, since most precision manufacturing companies are small businesses—of the 750 in the Hartford region only 7.4% have more than 100 employees—companies that are dependent upon their skilled workers for success are not prepared to support worker training.

The report says further:

While Connecticut has a wealth of public technical training resources, these traditional programs cannot meet the current demand fast enough and do not have a direct link from training to employment.

By stimulating industry-led training, we can guarantee a direct link from training to employment that is missing is traditional public sector training programs. In addition, most public sector training programs are focused on unemployed, dislocated, or disadvantaged workers. This program is open to all workers, including incumbent workers who want to improve their skills and increase their opportunities for higher wages and advancement. Further, this program is specifically created to allow participation by small and medium-sized companies.

In the last few years, a small number of regional and industry-based training alliances in the United States have emerged, usually in partnership with state and local governments and technical colleges. In Rhode Island, with help from the state's Human Resource Investment Council, plastics firms developed a skills alliance. The Wisconsin Regional Training Partnership, metal-working firms in conjunction with the AFL–CIO, set up a teaching factory to train workers. While some partnerships have emerged around the country, there are documented difficulties in fostering this kind of collective action without some federal backing. Without some kind of support to create alliances, small- and medium-sized firms just don't have the time or resources to collaborate with anybody on training. In fact, almost all the existing regional skills alliances report that they would not have been able to get off the ground without an independent, staffed entity to operate the alliance. Widespread and timely deployment of these kinds of partnerships is simply not likely to happen without the incentives established by a federal initiative. This can help create successful models and templates that others can replicate across the nation.

I am proud to support the Technology Skills Partnership Act of 1998 and urge my colleagues to join me in taking this step toward an immediate, short-term solution to the shortage of skilled workers in our country.

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By Mr. DEWINE (for himself, Mr. HATCH, Mr. LEAHY, Mr. ABRAHAM, and Mr. DASCHLE):

S. 2022. A bill to provide for the improvement of interstate criminal justice identification, information, communications, and forensics; to the Committee on the Judiciary.

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THE CRIME IDENTIFICATION TECHNOLOGY ACT OF 1998

Mr. DEWINE. Mr. President, I rise today to introduce the Crime Identification Technology Act of 1998.

More than 20 years of experience working in the criminal justice system have taught me that information is absolutely crucial to successful law enforcement. As a prosecutor in Greene County, Ohio; as Lieutenant Governor overseeing Ohio's anti-crime and anti-drug efforts; and later as a member of the House and Senate Judiciary Committees, I have seen first-hand the importance of information and record-keeping to criminal justice.

Our state and local law enforcement organizations—as well as our courts—need to develop and upgrade their criminal information and identification systems. The Federal Government has already invested billions of dollars in information and identification systems whose benefits will go largely unrealized—unless states receive the resources to be able to participate in these systems. Our national data bases are only as good as the information in which the states provide by their participation.

Unfortunately, there is still a wide disparity between the criminal identification systems that are available—and the ability of state and local law enforcement to develop and use them. For example, while computer technology exists that allows law enforcement to match fingerprints electronically with criminal history databases, most states lack the equipment and resources necessary to connect on any broad scale with the databases operated by the Federal Bureau of Investigation (FBI).

Too many States lack the resources to contribute state criminal histories to the FBI criminal history database in a timely manner or in a computer-ready format, and have inadequate equipment to retrieve information from the database quickly or on a widespread geographic basis.

While we may disagree about the Brady Act, it funded the National Criminal History Improvement Program (N-CHIP), administered by the Bureau of Justice Statistics, which has successfully helped states prepare to perform background checks. Unfortunately, N-CHIP expires this year—but not all states are fully operational.