By Mr. JEFFORDS (for himself, Ms. COLLINS, and Mr. ENZI):

S. 1648. A bill to amend the Public Health Service Act and the Food, Drug and Cosmetic Act to provide for reductions in youth smoking, for advancements in tobacco-related research, and the development of safer tobacco products, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. FORD:

S. 1649. A bill to exempt disabled individuals from being required to enroll with a managed care entity under the medicaid program; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1650. A bill to suspend temporarily the duty on synthetic quartz substrates; to the Committee on Finance.

S. 1651. A bill to suspend temporarily the duty on 2,4-bis((octylthio)methyl)-o-cresol; to the Committee on Finance.

S. 1652. A bill to suspend temporarily the duty on 2,4-bis((octylthio)methyl)-o-cresol; epoxidized triglyceride; to the Committee on Finance.

S. 1653. A bill to suspend temporarily the duty on 4-((4,6-bis(octylthio)-1,3,4-triazine-2-yl)amino)-2,6-bis(1,1-dimethylethyl)phenol; to the Committee on Finance.

S. 1654. A bill to suspend temporarily the duty on 1-Hydroxy cyclohexyl phenyl ketone; to the Committee on Finance.

S. 1655. A bill to suspend temporarily the duty on 2-hydroxy-2-methyl-1-phenyl-1-propane; to the Committee on Finance.

S. 1656. A bill to suspend temporarily the duty on bis(2,4,6-trimethyl benzoyl) phenyl phosphine oxide; to the Committee on Finance.

S. 1657. A bill to suspend temporarily the duty on bis(2,6-dimethoxy-benzoyl)-2,4-trimethyl pentyl phosphinenoxide and 2-hydroxy-2-methyl-1-phenyl-1-propanone; to the Committee on Finance.

S. 1658. A bill to suspend temporarily the duty on (2-Benzothiazolylthio)-butane-dioic acid; to the Committee on Finance.

S. 1659. A bill to suspend temporarily the duty on calcium bis{monoethyl(3,5-di-tert-butyl-4-hydroxybenzyl) phosphonate}; to the Committee on Finance.

S. 1660. A bill to suspend temporarily the duty on 2-(dimethylamino)-1- {4-(4-morpholinyl)}-2-(phenylmethyl)-1-butanone; to the Committee on Finance.

S. 1661. A bill to suspend temporarily the duty on N-Ethylmorpholine, cmpd. with 3-(4-methylbenzoyl) propanoic acid (1:2); to the Committee on Finance.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1662. A bill to authorize the Navajo Indian irrigation project to use power allocated to it from the Colorado River storage project for on-farm uses; to the Committee on Indian Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. DOMENICI (for himself, Mr. DODD, Mr. COCHRAN, Ms. MIKULSKI, Mr. BENNETT, Mr. LIEBERMAN, Mr. KEMPTHORNE, Mr. DORGAN, Mr. FRIST, and Mr. CLELAND):

S. Res. 176. A resolution proclaiming the week of October 18 through October 24, 1998, as ''National Character Counts Week''; to the Committee on the Judiciary.

By Mr. COVERDELL (for himself, Mr. CLELAND, Mr. SMITH of New Hampshire, Mr. LOTT, Mr. HAGEL, and Ms. MOSELEY-BRAUN):

S. Res. 177. A resolution recognizing, and calling on all Americans to recognize, the courage and sacrifice of the members of the Armed Forces held as prisoners of war during the Vietnam conflict and stating that the American people will not forget that more that 2,000 members of the Armed Forces remain unaccounted for from the Vietnam conflict and will continue to press for the fullest possible accounting for all such members whose whereabouts are unknown; considered and agreed to.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 178. A resolution to authorize production of Senate documents and representation by Senate Legal Counsel in United States f.u.b.o. Kimberly Industries, Inc., et al. v. Trafalgar House Construction, Inc., et al.; considered and agreed to.

By Mr. MURKOWSKI:

S. Con. Res. 76. A concurrent resolution enforcing the embargo on the export of oil from Iraq; to the Committee on Foreign Relations.

By Mr. SESSIONS:

S. Con. Res. 77. A concurrent resolution expressing the sense of the Congress that the Federal government should acknowledge the importance of at-home parents and should not discriminate against families who forego a second income in order for a mother or father to be at home with their children; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALLARD:

S. 1635. A bill to amend the Internal Revenue Code of 1986 to reduce the maximum capital gains rates, to index capital assets for inflation, and to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Finance.

CAPITAL GAINS AND ESTATE TAX REFORM LEGISLATION

Mr. ALLARD. Mr. President, I spent the month of January attending town meetings throughout the State of Colorado. That is one of the things, when I go back to my State, that I spend a lot of time doing—visiting the counties and visiting with the people of Colorado. Over the years, we continue to have the issue of taxes brought up in the town meetings—probably more so now than at any time that I can recall since having town meetings.

The American people simply want to have their tax system reformed, particularly those in Colorado. They want lower taxes, they want a simpler tax system, and they want less intrusive means of collecting those taxes.

Last year, Congress enacted modest tax relief, but it was only a first step. It's time to move forward with more aggressive tax reform.

Today, I am introducing legislation that will do four things:

It will continue to reduce the capital gains tax to a top rate of 14 percent.

It will restore the one-year holding period for capital gains treatment.

It will index capital gains and, thereby, eliminate the taxation of gains that are due solely to inflation.

And then, finally, it will eliminate the estate tax.

These changes will provide important tax relief for families and businesses, and continue to ensure that our economy remains the most competitive in the world.

Mr. President, the new year has certainly brought good news concerning the Federal budget. But let's be honest. The budget is balancing because of the hard work of the American people, not because of any bold action by the Federal Government. Economic performance in recent years has exceeded all expectations. The result is that the American people have been sending greater and greater amounts of their earnings to Washington. The budget is balancing because of an explosion in tax receipts, not because of any restraint in spending. In fact, the budget continues to grow at a healthy pace. Federal spending in 1998 is estimated to be 4.3 percent above the 1997 level—well in excess of inflation. Many would like this to continue.

The President assured us in a previous State of the Union Address that, ''the era of big Government is over.'' But it is clear that he is now proposing a new era of big Government.

I favor a different course. We should not squander the people's surplus on more Government. Instead, we should begin to pay down the debt and reform the tax system. We should put American families ahead of the insatiable appetite of Washington, DC, for more Government spending.

Despite last year's budget bill, taxes remain higher than they have ever been. Tax freedom day—the day to which the average American works to pay the combined Federal, State, and local tax burden—is May 9, which is the latest it has ever been. A reduction in the Federal debt and a reasonable level of taxation should be the twin objectives of Congress as we enter the next century. Our job is to ensure that the bridge to the 21st century does not become a toll bridge.

Mr. President, let me begin with a discussion of capital gains taxes. I call the capital gains tax the ''growth tax.'' Nearly all Americans own capital, and they experience a tax on that capital when they sell the stocks, or a small business, or a farm.

Mr. President, let's look at how this capital gains, or growth tax, hits ordinary working Americans. Stock ownership has doubled in the last 7 years, to the point where 43 percent of all adult Americans own stock. Obviously, with those numbers, stock ownership is not just confined to the wealthy; it is spread throughout society. Today, half of the investors are women, and half are noncollege graduates. Stocks are typically held for retirement, education expenses, and other long-term goals. This is precisely the type of saving and investing that we need in our economy.

Mr. President, I can't leave this topic without talking about small business owners and farmers. There is no clearer area where the ''growth tax'' makes no

sense. Millions of American families put their lives into building small businesses and farms. Often, those businesses or farms are sold to finance a decent retirement. But this can only occur after Uncle Sam gets his cut of one-third or more of all the gains.

Simply put, low taxation makes it less costly to take the risks that are critical in a capitalist economy. I am proposing that we enact a maximum capital gains tax of 14 percent, with those in the lowest tax bracket paying only 7 percent. Last year's reduction of the capital gains rate was a big plus, but it came with a price—the holding period required to qualify for the lower tax was extended from 12 months to 18 months.

The holding period change is a poor attempt by the Government to micromanage the economy. This is the type of Government management that has so clearly failed in Asia. A market economy functions best when capital flows freely, unencumbered by Government distortions. The holding period for long-term capital gains treatment has been 12 months for years, and it should stay that way.

Mr. President, an additional mistake that Congress made in last year's bill was a failure to include indexing. The real ''growth tax'' is often much higher than 20 percent. This is because our Tax Code does not protect Americans from taxation on capital gains that result from inflation. This is one of the most unfair aspects of the growth tax. Government policies contribute to inflation, and Government turns around and taxes its citizens on that inflation.

For this reason, I fought hard to see that indexing was included last year. I offered an amendment to the tax bill that would have added indexing. The amendment was carefully structured to avoid any revenue loss. Obviously, I was disappointed with the defeat of this amendment. I presume that this was due largely to the President's opposition to indexing and his veto threat. Despite this, we got a strong vote, and I promised that I would be back.

I have included indexing in this bill, and I fully intend to offer this at each opportunity. Some have dismissed indexing as ''too costly,'' but for me this is an issue of fundamental fairness. It is wrong for the Federal Government to tax citizens on inflation.

Since I mentioned the issue of cost, let me make a few points on this. I have long maintained that a capital gains tax cut will increase revenue. In the short run, it encourages the sale of assets that would not otherwise occur. This obviously increases revenue.

In the long run, a rate cut facilitates a higher level of economic growth. This also results in greater tax revenue.

Unfortunately, during last year's tax debate, we continued to operate under revenue models that forecast a loss to the government from the capital gains rate cut.

I hope we can soon put this notion to rest for good.

It is already apparent that capital gains revenues will be coming into the Treasury at a considerably higher level than forecast last year when we were talking about capital gains. 1998 capital gains revenues could be as much as 50% higher than previously forecast.

Even state governments will benefit from the rate cut. Earlier this month, analysts for the Colorado Legislature forecast that the capital gains tax changes would result in an additional $38 million this year for the Colorado state budget.

Obviously, the impact at the federal level will be many times greater.

ESTATE TAX ELIMINATION

The final provision in this tax bill is the elimination of the estate tax.

Frankly, the estate tax makes no sense.

While the tax raises only 1 percent of federal revenues, it destroys family businesses and farms.

The estate tax is double taxation.

At the time of a person's death, much of their farm, business, and life savings has already been subjected to federal, state, and local tax. These same assets are taxed again under the estate tax.

The estate tax fails to distinguish between cash and non-liquid assets.

Family businesses are often asset-rich, and cash poor. But the value of all assets must be included in the taxable estate.

This can force liquidations, and family businesses can see their livelihood eliminated in order to pay a tax of up to 55 percent. Yes. That is right—up to 55 percent.

This practice threatens the stability of our families and communities while inhibiting growth and economic development.

The National Center for Policy Analysis reports that a 1995 survey by Travis Research Associates found that 51 percent of family businesses would have difficulty surviving the estate tax, 14 percent of business owners said it would be impossible to survive, 30 percent said they would have to sell part or all of their business.

This is supported by a 1995 Family Business Survey conducted by Matthew Greenwald and Associates which found that 33% of family businesses anticipate having to liquidate or sell part of their business to pay the estate tax.

Recently, the accounting firm Price Waterhouse calculated the taxable components of 1995 estates. While 21% of assets were corporate stock and bonds, and another 21% were mutual fund assets, fully 32% of gross estates consisted of ''business assets'' such as stock in closely held businesses, interests in non-corporate businesses and farms, and interests in limited partnerships. In larger estates this portion rose to 55%.

Clearly, a substantial portion of taxable estates consists of family businesses.

The recent tax bill increased the estate tax exemption from $600,000 to $1 million. However, this is done very gradually and does not reach the $1 million level until 2006. The bill also increased the exemption amount for a qualified family owned business to $1.3 million. While both actions are a good first step, they barely compensate for the effects of inflation. The $600,000 exemption level was last set in 1987, just to keep pace with inflation the exemption should have risen to $850,000 by 1997.

Incremental improvements help, but we need more substantial reform. It is time to eliminate this tax entirely. This action has been taken in countries such as Australia and Canada. Unfortunately, the United States retains what are arguably the highest estate taxes in the world.

Among industrial nations, only Japan has a higher rate than the U.S. But Japan's 70% top rate applies only to inheritance of $16 million or more. The U.S. top rate of 55% kicks in on estates of $3 million or more. France, the United Kingdom, and Ireland all have top rates of 40%, and the average top rate of OECD countries is only 29%.

Repeal of the estate tax would benefit the economy. George Mason University Professor Richard Wagner estimates that within seven years of elimination of the estate tax the output of the country would be increased by $79 billion per year, resulting in up to 228,000 new jobs. Under the current system, the energy that could go into greater productivity is expended by selling off businesses, dividing resources and preparing for the absorption of an estate by the government. Those businesses that survive the estate tax often do so by purchasing expensive insurance. A 1995 Gallup survey of family firms found that 23% of the owners of companies valued at over $10 million pay $50,000 or more per year in insurance premiums on policies designed to help them pay the eventual tax bill.

The same survey found that family firms estimated they had spent on average over $33,000 on lawyers, accountants and financial planners in order to prepare for the estate tax.

Ironically, the estate tax is often justified on the grounds that it helps to equalize wealth. But this effect is greatly exaggerated. A 1995 study published by the Rand Corporation found that for the very wealthiest Americans, only 7.5% of their wealth is attributable to inheritance—the other 92.5% is from earnings.

Mr. President, it is time to repeal this outdated tax. We must insist that no more American families lose their business because of the estate tax. We must ensure that when a family is coping with all the inevitable costs of passing a business from one generation to the next, the Federal Government is not there as an added burden.

Mr. President, it is my hope that by introducing this tax legislation and placing these proposals on the table we can begin to debate significant tax relief for 1998.

Each of these changes: a lower capital gains rate, indexing, and repeal of the estate tax, are consistent with long-term tax reform. And each of them can be enacted this year.

By Mr. WELLSTONE:

S. 1636. A bill to provide benefits to domestic partners of Federal employees; to the Committee on Finance.

THE DOMESTIC PARTNERSHIP BENEFITS AND OBLIGATIONS ACT OF 1998

Mr. WELLSTONE. Mr. President, last October, Congressman BARNEY FRANK broke new ground when he introduced HR2761, the Domestic Partnership Benefits and Obligations Act of 1997. I am here today to break ground in the Senate by introducing the Domestic Partnership Benefits and Obligations Act of 1998. This bill does not introduce new benefits; it simply extends existing benefits to a previously uncovered group of employees for very little cost.

Mr. President, let me take a moment to outline my bill. This bill provides benefits for same-sex domestic partners of civilian, federal employees. Partners must be living together, in a committed, intimate relationship, and responsible for each other's welfare and financial obligations. It provides access to five categories of benefits in the same way that married spouses have access: participation in retirement programs, life insurance, health insurance, compensation for work injuries, and upon the death of a government employee, the domestic partner would be deemed a spouse for the purpose of receiving benefits.

This is a bill about justice, about fairness, about equity in the workplace. This bill is about saying to our gay and lesbian employees, ''We value your contribution to the workplace, and to show you we value you, we're going to protect your families, like we protect the families of married employees, by providing them with benefits.'' It is about providing the opportunity for same-sex domestic partners to provide their partners—who previously have been denied—access to such benefits as health insurance.

For many people in this country, insurance benefits for their loved ones are automatic, they are expected, they are the norm. But benefits didn't start out that way. In fact, they are a relatively modern invention. Benefits in the form of compensation were created in the 1940's, essentially to increase compensation for some employees who were prohibited by law from getting pay increases. So instead of more pay, employers paid for certain products and services such as health insurance to take care of their employees and to make their businesses more attractive to potential employees. For gay men and lesbians, most of these benefits are completely inaccessible.

But where is it written in stone that only married spouses and their children deserve benefits? Yes, many employers have chosen to limit benefits to married spouses and their children, but more and more, governments, universities, and private businesses have been making a different choice. Business and organizations like the San Francisco 49ers, Reader's Digest, Starbucks, Coors, Ben and Jerry's, Kodak, Disney, the Union Theological Seminary, the Episcopal Diocese of Newark, the International Brotherhood of Electrical Workers #18, Mattel, the Vermont Girl Scout Council, and more than 50 Fortune 500 companies have made the right choice to offer domestic partnership benefits. A more fair and equitable choice. A more humane choice.

I am disappointed that domestic partnership benefits have already been offered in some cities and by some businesses since 1982 but here we are in 1998 and we're just now talking about them here in the Senate. Today there are at least 42 cities and municipalities, 12 counties, 1 state, and 342 private sector for-profit and not-for profit businesses and unions which offer domestic partner benefits. The good news, though, is that we have more than 15 years worth of employers' experiences with providing these benefits.

By virtue of our vote on DOMA, we have said that same-sex couples cannot marry. But that doesn't mean that people in long-term, loving, and committed relationships don't deserve to have the opportunity to provide their loved ones with health insurance, survivor benefits, and other benefits. Domestic partnership legislation levels the playing field for same-sex partners who are not allowed to marry. This bill is aimed at correcting that inequity. Here is the story of how not having domestic partnership benefits effected one couple's lives:

Anonymous: My partner and I have been together for almost six. About a year ago, he had to leave work due to a serious heart condition. Since my employer doesn't include domestic partnership benefits, we had to pay all of his expenses out of pocket. For quite some time I had to support him from my salary, or else he would have ended up on welfare. We are still scrimping and saving to try and pay off the health care expenses that should have been covered by my insurance (if we had dp benefits). Almost all of my heterosexual friends have been ''married'' less time than my partner and I and received benefits immediately after the marriage. Their relationships seem no more permanent than my own. When my partner and I have been together for fifty years, we will still not have insurance for him through my employer.

Not only are domestic partnership benefits fair and just, they cost very little. Employers have found that upon implementing domestic partnership benefits, one percent of all employees—at most—actually sign up their same-sex partners for benefits. And more often, it is less than one percent. Even taking the most liberal figures, there is no legitimate reason to argue that more than 1% of our almost 300,000 federal civilian employees will enroll. And even though this is a relatively small number of employees—at most 30,000—let me tell you, these benefits are of critical importance to those who do.

For example, Marieta Louise Luna is a graduate student studying in the Divinity School at Duke University. She says,

I just returned home from the hospital on Thursday night from having a knee replacement made possible largely because of the fact that Kathryn is a Duke employee and I have domestic partner benefits.

Guaranteed, I could not have had the surgery if I had not had domestic partner benefits. For me, it was the literal difference between walking and being handicapped for the next several years.

And at a cost of less than 1% of the total benefits budget—or less—it is truly worth making this investment.

Some might be afraid that domestic partnership policies could open the door to fraud with people signing up their friends in order to get health insurance.

Most employers never ask for verification of a heterosexual marriage. I have never been asked to provide a marriage certificate to prove I'm married, and I doubt that many of you have either.

But my bill has stringent requirements for qualifying as domestic partners. Among other requirements, partners must sign an affidavit certifying that they share responsibility for a significant measure of each other's common welfare and financial obligations. And they must show documentation to prove it—such as copies of a mortgage or lease with both names on it, copies of bank statements showing joint checking or savings accounts, copies of durable powers of attorney for property and health, or copies of wills specifying each other as the major recipients of each other's financial assets.

In addition, my bill specifies serious consequences for fraud, including the possibility of disciplinary action, termination of employment, and repayment of any insurance benefits received.

Finally, there are criminal statutes that provide that making false statements and defrauding the government are crimes which can result in a fine and/or imprisonment up to 5 years.

The bottom line is that this bill creates serious consequences for fraud, establishes that every effort will be made to minimize fraud by those falsely claiming to be domestic and specifies that those caught will be seriously punished.

Let me tell you one more story:

Anonymous from Minnesota: I have had the same health care benefits package for nearly 16 years. I began family coverage when I married in 1978. Our two children were added when they were born. My ex-husband remained on my insurance policy after we divorced—at no additional cost—even though we were not legally married.

I am now in a committed lesbian relationship. My partner had been teaching part-time in a private school for two years before she became eligible for health insurance through her employer. Two weeks before her insurance was to take effect she was stricken with severe abdominal pain. Though we considered ''toughing it out'' until her insurance kicked in, it became increasingly clear that

she needed to be treated immediately. She had a large, twisted ovarian tumor removed. By the time of the surgery, her insurance was in place. We breathed a sigh of relief.

Months later we learned that because her pain started (and was briefly treated) before her insurance began, the claim for coverage for the surgery and hospital stay were disallowed because there was a pre-existing condition exclusion in her insurance policy. We are now faced with over $5,500 (plus 12% interest per year) in medical bills. This may not seem like a lot of money to some people, but it certainly is to us. And it's money that wouldn't have had to be spent at all if she had been on my family coverage all along.

So why is it that my ex-husband (no legal relation) was entitled to continue receiving benefits until he married, but my life partner has had to go without medical insurance? The answer is simple—discrimination.

This is a bill about fairness. This is about equity in the workplace. This is about protecting employees' loved ones. It's the right thing to do.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

ADDITIONAL STORIES REGARDING DOMESTIC PARTNERSHIP BENEFITS

Wendy I. Horowitz: My partner was ill for almost a year. I worked for a large conservative company that never considered implementing domestic partner benefits. After seeing one of my co-workers get married and have instant coverage for her husband (after they had been married for a day), I decided to apply for benefits for my partner. They were denied. Her illnesses were related to her tonsils, and the doctors suggested that she have them removed. I had to come up with the money to pay for this surgery (over $4,000 by the end of it all), which put a great financial burden on us and on our relationship.

Jim and Hal: As an employee of the State of Maryland (through my graduate assistantship), I receive comprehensive health benefits. Although I could share my benefits with a married spouse, I am not able to do a thing for my partner Hal. Hal is another ''starving student''; he is in a doctoral program at American University. Unfortunately, American does not offer full health coverage to its graduate assistants, so Hal is having to make do with emergency health coverage. This has adversely affected us in two ways. First, we have to cover Hals' regular health maintenance (e.g., dental checkups) which is a strain on our already stretched budget. Second and more importantly, Hal has a heart problem for which regular appointments with a cardiologist are recommended. We are not in a position to pay specialist fees out-of-pocket; thus, we are unhappily have to settle for doctors at American University's health center.

U Minnesota: R and S are their late 30's, and they have been in a committed relationship for 20 years. S is self-employed as a psychotherapist and is registered with the University as R's domestic partner.

Four years ago, R gave birth to the couple's first child L. R was able to put L on her health insurance policy as a dependent. The couple incurred no additional cost or additional deductibles for L's birth or subsequent medical treatment.

Three years later, S gave birth to the couple's second child M. Because the University only recognizes formal adoption (not guardianship) for direct dependent coverage, M is only listed as S's child and not R's child. Since the University's domestic partnership plan only provides medical premium reimbursement for partners and their dependents, R and S incurred significantly higher costs for M's birth than for L's birth.

Specifically, the couple pays out $526 every 3 months for S and M's insurance policies which each have a $500 deductible (the University plan has no deductible and low copays for dependent care). Reimbursement from the University for this cost takes additional 3 months after the couple pays. Due to IRS regulations, which do not recognize the partners as a couple, the University's reimbursement to the employee is taxed. The end result of all the complications of this system for the couple is that they have $1,500 in outstanding debt for unreimbursed health premiums. In addition, they were charged $1,000 in deductibles plus higher copays for M's birth. They have had to take out a loan to cover these health care related expenses.

Becky Liddle: I am a tenured associate professor. My domestic partner quit her job and moved here to Alabama in June of '97, as the ''trailing spouse'' in a dual career couple. We thought she would find work very quickly. But due in part to sexual orientation discrimination in hiring, she has been unable to find professional work and health benefits. She is working full-time for Kelly Services, which does not include health benefits. We brought her a 4-month hospitalization policy before she quit her job, assuming that would be more than enough time—it wasn't. She has no health insurance. We have looked at policies she could buy herself, but they are extremely expensive, and cover very little. My university will not allow me to put my domestic partner on our insurance (in fact, Blue Cross of Alabama explicitly states in its policy that ''spouse'' is limited to someone of the opposite sex). Consequently, every time she gets sick it is a crisis, and we make potentially life-threatening choices about whether she should go to the doctor. For example, she got pneumonia a few weeks ago. This is, she had all the symptoms of pneumonia, according to our Time/Life ''medical advisor—complete guide to alternative & conventional treatments'' book, which has become her primary care ''physician''. The book said if it was viral she should just go to bed, but if it was bacterial it could be life threatening. It appeared from her symptoms to be viral, so we did not spend the money to go to a doctor. This time we were right. She recovered fine in about a week. Of course, if we'd been wrong, she could be dead. I think we make good decisions about how to spend our limited health-care dollars. But I ought to be able to put her on my insurance.

Eva Young: I live with my partner of 10 years in Minneapolis. I have benefits through my work place. Even though the University of Minnesota offers ''domestic partnership'' benefits, these don't work for us. To be able to get pretax benefits (analogous to what a married couple get), we would have to declare my partner a dependant. This is degrading to my partner. Although I currently have a better job than she does (it pays better and is permanent), it doesn't mean we should have to declare her a dependant (with all the negative connotations that has) in order to get the benefits we are both entitled to. To add insult to injury, I am taxed at the single rate, even though I am primary breadwinner for a family of 4. I consider this an equal pay for equal work issue. Why should I get paid less than my married coworker, just because I am not legally married?

Not having the same benefits that a heterosexual married couple keeps my family in poverty. My family would not be in poverty if we had the same rights as married couples do. It's that simple. This isn't something that is just for the gay couple—it also will affect a lot of children. Actually, domestic partnership will do little for the dual career gay couple, where both individual are in good jobs—it's going to make a difference for gay couples who have families, or have one partner who is uninsured. Allowing gay couples to insure their partner and partner's children through their workplace insurance could also help some individuals get off government assistance.

Kirk A. Nass: My domestic partner and I have been together nearly 14 years. My partner, Michael E. Gillespie, was an attorney in Seattle when we met, now he is self-employed and runs a business in Oakland which provides physicians as expert witnesses to lawyers and insurance companies for plaintiff work. Michael's past employers never provided good medical coverage, if they provided it at all. In 1989 I finished graduate school and started a job with Chevron. Michael quit his job to move with me to the San Francisco Bay Area. Chevron provides excellent health coverage to its employees, but I was unable to cover him because domestic partners were not eligible for coverage at the time. The prospect of him having a major medical event and us not being able to pay for it bothered me for years.

After starting his own business five years ago, he joined an HMO (Kaiser Permanente, No. Calif.) under an individual plan. In 1995 he was diagnosed with Type II diabetes; in 1996 he suffered a heart attack and underwent an angioplasty to open the blocked artery. Because of his HMO coverage, all of his diabetes care, his stay in intensive care, and the angioplasty were covered. He's now in excellent health. If his business failed—even if he still worked for some of his past employers—we would not have had the financial resources to pay for his cardiac care.

On Jan. 1, 1998, Chevron began extending medical and dental coverage (and some other benefits) to the same and opposite sex domestic partners of employees and the partners' eligible children. The coverage Chevron provides for Michael through Kaiser is even better than what he was paying for himself at Kaiser. It's the first time since we've been together he's had full coverage and the first time I haven't had to worry.

Having domestic partners benefits such as medical coverage is important to us because it makes me sure that the most important person in my life can be taken care of when he needs to be. The experiences we've gone through together, although they've led to successful conclusions, have shown too often that ''what-if'' scenarios can be all too real.

Dan Ross: My partner of 5 years has cerebral palsy (a congenital condition; in his case, it creates overly-tight muscle tone). After orthopedic surgery to correct some aspects of his gait, he had to make significant changes to his walk, and work on daily stretches, most of which require assistance. He is (and was) able to walk on his own, although now does so with a cane. He travels quite a bit for his job and works long hours, so it is difficult for us to work on this on a regular schedule. He can't take a leave of absence form his job, or even temporarily resign, to work on physical therapy full-time, because he absolutely needs his health insurance and he is afraid of jeopardizing that. (Some insurance plans even make cerebral palsy a ''pre-existing condition''.) My health insurance won't cover him, of course, and until recently, I wouldn't have been able to take sick leave to stay with him in the hospital and at home. He was bedridden for a total of two weeks after the surgery. As it was, I hurried back and forth between work and home, because I had just begun a new job, and didn't want to make a bad impression there; but he had scheduled the surgery for around Christmas, so there were many

people off on vacation time during that period. The issue of domestic partnership benefits—whether equity in providing health insurance, or even just uniform treatment in granting sick/caregiving and bereavement leave—is important to us as a result.

Pam Herman-Milmoe: I am a federal employee and Sara has just finished her Masters Degree in Clinical Psychology. While she was in school she had access to limited benefits, but now that she is job hunting she is completely uninsured. She is working in a paid internship position that is providing great experience and a real service to the community, but no benefits. As she moves on in her career she would like to establish her own practice, but if she does she'll have to pay for her own benefits without any support. The practice of denying benefits to domestic partners puts us at a severe economic disadvantage compared with my coworkers. They can use the money their spouses save on benefits for investments and other purposes. Sara and I plan on having children, who will be covered by my benefits, but money that would support their education and upbringing will have to go to pay for benefits for Sara.

Steve Crutchfield: A year ago, my partner of 22 years was fired from his job. When he lost his job, he lost his health insurance benefits. He was able to maintain benefit through a COBRA plan, but it cost us an additional $150 per month to maintain his health benefits. Now that his COBRA benefits are expiring, he has to buy individual medical insurance at a cost of over $300 month.

If we had a domestic partner benefits law in place, I could have put him under my insurance benefits as the spouse of a Federal Government Worker. However, since our relationship is not recognized as a marriage, I am unable to enjoy the medical insurance benefits accorded to my colleagues who are in traditional marriages.

David Perkins: My partner of fifteen years came with me to Champaign-Urbana, Illinois in order that I might take a job. We have been here over three years and he has not been able to find anything other than part-time work that offers no benefits. Because the state or the University does not extend benefits to same-sex partners, he is without any health benefits whatsoever—and as he will soon turn forty-five years old, health insurance is too expensive for us to pay out-of-pocket. If anything, should happen to him—it will either completely wipe me out financially, or he will be thrown on the mercy of the taxpayers as an indigent case. Not a dramatic story, true—but a fear we live with daily.

Anonymous: My partner and I have 3 children ages 15, 13 and 3. I gave birth to the first 2 before getting together with her. The youngest one we had together. Shortly after the arrival of our youngest, the opportunity arrived that I could stay home and care for her instead of putting her in day care. But in quitting my job I also had to give up my health care benefits. My partner's company does not offer domestic benefits so I am not covered for my asthma medication that I need to breath. I also am a high risk for breast cancer due to family history (mother, grandmother and 3 sisters) but I agreed to stay home for the benefit of all our children.

Anon: My (same-sex) partner moved in with me in Pennsylvania two years ago. She had been self-employed (a clinical psychologist with a private practice) in CO. We are/have been in a long-term committed relationship for three years. She had been paying her own health insurance, but since she gave up her income to move here, she had no way of continuing to pay it. My employer (a college) has a subsidized health insurance benefit for married couples only; if we had been married, the additional coverage would have cost $60. Instead, I had to pay $175 monthly so that she would have less adequate health insurance than I have. Since she needed surgery within months of moving here, with a long recovery period, she also could not earn money to help with expenses. We had to spend money on a lawyer to get documents assuring the hospital that I (an ''unrelated'' person) could make decisions for her were she to be incapacitated, etc. Furthermore, she could not avail herself of the physical recreational facilities at the college since she was not a bona fide spouse. I had to pay a membership fee for her to join a ''Y'' so she could use the physical exercise equipment she needed to recover from her surgery. All in all, not having our partnership recognized has cost me a bundle.

Mindy Kurzer: My partner Linda and I have been in a committed relationship for 7 years and have a 2 year old daughter named Della. I was very pleased when the University of Minnesota instituted a domestic partner policy about 3 years ago. This policy has helped our family, because Linda is self-employed and previously carried only catastrophic coverage with lots of exclusions for pre-existing conditions. Since the U of M started this policy, we have been able to purchase a very comprehensive medical policy for her. This has turned out to be extremely important, because she was in a car accident 2 years ago, and sustained serious injuries for which she underwent two surgeries and still requires medical treatment. With her current health insurance, we have been able to get her excellent care—without it, I doubt we would have been able to do so.

Domestic partner benefits are important to our community, but I think they are also important to the broader society. I have had numerous opportunities to leave the University of Minnesota and have chosen to stay here in part because the University has shown a commitment to reducing discrimination. As more and more businesses and Universities institute domestic partner benefits, institutions that do not (including the government) may be disadvantaged when it comes to getting and retaining top-notch employees.

Sibley Bacon: I work for Peoplesoft, Inc. who provides domestic partner benefits to same sex couples. My partner, and I have been together for 4 years * * * she is self-employed, so we opted to have her covered through Peoplesoft. This year she developed a 5.5 cm dermoid tumor on one of her ovaries which was causing her a great deal of pain on a daily basis. Our health insurance paid for the surgery and follow up visits. This would have cost us thousands of dollars had we not had the coverage through Peoplesoft. Additionally she's been able to see a physical therapist to address some old gymnastics injuries. Needless to say, I am eternally grateful that my company provides these benefits to its gay and lesbian employees. Domestic partner coverage will certainly be a deciding factor in the future if I ever end up looking for a job outside of Peoplesoft.

Toni A.H. McNaron: My partner, and I have been in a committed relationship for almost 20 years (our anniversary is in June). We own a large home in south Mpls., pay lots of property taxes, earn well over $100,000 a year, and are the first people in our neighborhood to shovel our walks in winter.

One of our very nice heterosexual neighbors just married his girlfriend and sometimes doesn't shovel until the next day.

The moment he and she signed the marriage license, she had his full health coverage and retirement plan benefits from his quite successful legal coverage and retirement plan benefits from his quite successful legal practice. My partner has never had a PENNY of coverage during the 34 years I've worked as a professor at the University of Minnesota. And, even more unfair, if I were killed by a drunk on the freeway on the way home tonight, she would not even get a condolence letter from the University. Instead she would get a check for the ENTIRE amount of my retirement—considerable after 34 years. Furthermore, she would have to pay the federal government approximately $90,000 at tax time because of her ''windfall.'' (How amazing to consider it a windfall to have your beloved partner of 20 years killed.)

My neighbor's wife would get a condolence letter from his firm explaining to her her options for collecting his retirement funds. She is smart and would choose to have them delayed until she is older and then to have them parceled out over time so that she would pay next to no taxes on them.

Nancy: I am in Texas on internship. Rose, my partner, is back home in Minnesota. Rose has fibromyalgia/chronic fatigue syndrome and a number of other health problems. She is in the process of leaving her job and applying for disability. Partly because of her health problems, we would like to relocate permanently to Texas. However, it will take several months for her disability claim to be processed so she can get on Medicare. She can continue her insurance coverage under COBRA, but that would only be good in Minnesota, since her coverage is with a local HMO. I can't put her on my insurance due to lack of domestic partner benefits. So we're faced with a number of unattractive options: (1) I could look for a job in Minnesota, even though both of us would rather move south and that move would be good for Rose's health. (2) She could move here and be without insurance coverage for her multiple health problems until she is approved for disability. (3) We could prolong our geographic separation and have the expense of maintaining separate households until she gets on disability, which can be a very long process. I think this is typical of the difficult choices gay and lesbian couples are forced to make without domestic partner benefits.

Julie Ford: My name is Julie Ford, I am the Director of News and Public Affairs for a television station in Sarasota, Florida. My partner is Vicky Oslance, who is a surgical technician by trade but who has chosen to work per diem instead of full time in order to maintain our household since my full time job is very demanding and time consuming. Working per diem, she of course has given up health benefits. This is an added expense for us, one that the other married department heads at my workplace do not have to deal with. I an my partner have been together nearly 9 years . . . longer than most of the married people I work with. We maintain a joint checking account, stock portfolio, and own property together. It is totally unfair for me to have to pay an outrageous amount to insure Vicky's health when other married people at my workplace can get inexpensive company health insurance for their spouses.

Susan Hagstrom. When I was hired by UC Berkeley five year ago, I was struck by the lack of equal compensation for equal work. What I did not know then was how close to home this inequality would hit.

I recall vividly the day Debra, my partner of seven years, suffered an excruciating ruptured disk. I cried as I watched her in so much pain that she could not stand, sit, or work and had to literally crawl to the bathroom. I cried when she refused to get an MRI because we couldn't afford the $1000 procedure or the expensive doctor visits. I cannot fully describe to you how difficult this lack of benefits has been for me and for Debra.

Lori Stone: Until recently, my partner had a job that provided a much inferior benefit plan to my own. Because the deductible on her plan was so high, she would often elect not to get treated for illness, preferring just to ''ride it out.'' Of course this was a risky way to go, and it back-fired on us, when she came down with kidney stones, and was eventually hospitalized. The physical trauma plus the debts we have incurred, because I was unable to cover my partner's expenses, have been difficult to surmount.

I currently work for an organization that has excellent medical benefits but no provision for me to be able to cover my partner's medical expenses. If I had been able to cover my partner under my plan, I believe we wouldn't be in the unfortunate financial situation that we are today.

Thanks so much for taking this bold move. I pray for the day when I won't feel so disenfranchised in my own country.

DOMESTIC PARTNER BENEFITS—VIGNETTES—CLV/GLCAC

[First case]

Bill and his partner Joseph have been living together in a committed relationship for 8 years. Bill worked as an attorney for a large Minneapolis firm for 12 years before he was diagnosed with MS and had to leave his job within a year from diagnosis. Joseph works as a maintenance engineer for the State of Minnesota. Bill's income was two times Joseph's current income when he was able to work. The benefits Bill received on the firm's short term disability plan have expired, and no long term disability plan was in place. Bill requires 24 hour care, but is not yet eligible for inpatient nursing care.

Bill's doctor visits and medications are covered by Medical Assistance. Medical Assistance will not, however, pay for the cost of Bill's in-home care attendants. Bill's doctors have recommended 24 hour care. Joseph must continue to work to pay household expenses. The loss of Bill's income and medical and care expenses have forced the men to sell their home and trim many other expenses. The insurance plan offered by Joseph's employer would cover the cost of in-home care for the spouse or dependent of the employee. The State of Minnesota does not, however, offer health care benefits for unmarried partners of its employees. At the rate Joseph is spending money to pay for Bill's care, it is likely that he will have to leave his job at the State, collect public assistance and care for Bill himself.

[Second case]

Debra and Sara have been living together in a committed relationship for five years. They own a home together and have made other major purchases together. Debra and Sara had a child (Michael) 2 years ago. Sara gave birth to the child. Debra's employer offers health and life insurance benefits to domestic partners, and children of domestic partners are considered dependents of the employee for purposes of insurance coverage. Sara is self employed. Michael, Sara and Debra are all covered by insurance as a family through Debra's employer's plan. Six months ago Debra was recruited by a competing business because of her unique skill and experience, and was offered a job. The job would be a step up for Debra in the advancement of her career. The pay is about the same, but the prospective employer does not offer health and life benefits to unmarried partners and would not cover Michael as a dependent of Debra's. For these reasons, Debra decides to decline the offer of employment and delays career advancement as a result. The competing business misses out on Debra's unique skill and experience.

[Third case]

Joe is a student at a private college. His partner Jim works for a mid-size accounting firm. Jim's employer does not offer benefits to unmarried partners/dependents of its employees. Jim and Joe can't afford to pay the $160.00 per month for Joe's health insurance, and since Joe is only 38 years old, they hope the risk of health problems is low, and decide that he will have to go without coverage. Within a year, Joe is diagnosed with Crohn's disease and requires surgery, treatment and ongoing medications that are very expensive. Joe quits school under the financial pressure to look for a job that offers health benefits. Joe gets a job quickly and applies for health coverage, but the insurer will not cover any costs associated with Joe's pre-existing condition of Crohn's disease.

PERSONAL STATEMENTS—UNIVERSITY OF MINNESOTA

Selected personal statements of gay and lesbian University employees on the impact of not having equal benefits.

1. The University should honor its nondiscrimination policy statement by eliminating all polices that discriminate on the basis of sexual orientation. The University should recognize domestic partnership couples as they do married couples. I simply want for my family what a married employee can count on for his/her family. If, as an employee they receive a benefit, so should I. The solution is to provide similar benefits to domestic partnership couples or remove the benefits from married couples. As employees of the University we should have the same treatment. Gays and lesbians employed by the University have been systematically excluded from benefits that have been provided to their heterosexual colleagues with whom they work side by side, sometimes performing exactly the same work. That is very wrong and needs to be corrected!

On a personal level, for the 25 years I have been employed at the University I have been denied the full employment status and benefits provided to my heterosexual colleagues. This has cost me dearly financially, and has sent me the message that who I love is not valued. This treatment tells me that my family concerns are not important to the University. Although I am also an employee of the University I am not provided with the same health care security for my family as are my married colleagues.

Finally, as I approach retirement, I am outraged to find out that my partner can not defer taxes upon receiving my retirement money in the case of my death as a married spouse is able to do. This amounts to a huge financial loss for my partner and other gay and lesbian employees and their partners. Imagine your spouse having to pay 28% of $250,000 ($70,000) or 31% of $300,000 ($93,000) right off the top, thus diminishing the amount received by our partners to $180,000 and $207,000 respectfully. This is a concrete example for two of us currently long time employees of the University and who are also in long term domestic partnership relationships. In addition, both couples have registered under the city of Minneapolis domestic partner ordinance.

I am angry, disappointed and frustrated that the Board of Regents, President Hasselmo and the administrative leadership of the University have not taken action to enforce the University's nondiscrimination policy. The University should be playing a leadership role in righting this wrong, first, for its employees and then in initiating changes for the state of Minnesota and in urging Federal tax law changes.

2. When my partner's mother unexpectedly committed suicide five years ago, I was scheduled to leave that morning for an out-of-state business trip. I'll never forget my struggle over how I would approach my supervisor to request permission to either cancel the trip or to send someone in my place. I was up for a promotion and I was afraid that to acknowledge my sexual preference to this person, who I knew held fundamental religious values, would compromise my work and my livelihood.

I ultimately equivocated and asked if I could send someone else on the trip, because my ''housemate—slash(/)—best friend needed my support. As you might guess, this didn't sound sufficiently persuasive and I left on the trip (shortened by two days) with the ''blessing'' of my partner, who, of course, was in shock. I succumbed to fear and in doing so compromised my own humanity and my bond with my partner. It is still deeply painful for me to remember the coerciveness of the situation, the fear and intimidation that I experienced, and my own personal failing.

It was one of the most demeaning and dehumanizing experiences of my life. I ask those of you who are married to imagine having to make such a choice: imagine having to ask permission to be with your grieving partner. There are no reparations the University can offer me to recast the past. I would, however, like to think that the Board of Regents and central administrators have the compassion and courage to act now so that others will not be confronted with such a choice.

3. The University is discriminating on the basis of sexual orientation. My family doesn't receive the same benefits as families of heterosexuals.

I have had the Group Health Plan benefits package for nearly sixteen years. I began family coverage when I married (1978), adding my spouse at a nominal monthly fee to the single coverage I already carried (which was paid in full by the University). When my children were born (1983, 1986) the cost of family coverage didn't change. In fact, the cost of family coverage is constant no matter how many dependents you have on the policy. I was amazed to learn that the cost of family coverage (including coverage for my ex-husband) remained the same even after getting a divorce. My ex-husband remained on my insurance policy—at no additional cost—even though we were not legally married.

I am now in a committed lesbian relationship. My partner and I have a relationship every bit as stable and committed as a marriage, but we are not entitled to the same benefits I enjoyed when I was married.

My partner had been teaching part-time in a private school for two years before she became eligible for health insurance through her employer. Two weeks before her insurance was to take effect she was stricken with severe abdominal pain. Though we considered ''toughing it out until her insurance kicked in, it became increasingly clear that she needed to be treated immediately. She had a large, twisted ovarian tumor removed in October, 1990. By the time of the surgery, her insurance was in place. We breathed a sigh of relief.

Months later we learned that because her pain started (and was briefly treated) before her insurance began, the claim for coverage for the surgery and hospital stay were disallowed because there was a pre-existing condition exclusion in her insurance policy. We are now faced with over $5,000 (plus 12% interest per year) in medical bills. That may not seem like a lot of money to some people, but it certainly is to us. And it's money that wouldn't have had to be spent at all if she had been on my family coverage all along.

So why is it that my ex-husband (no legal relation) was entitled to continue receiving benefits until he married, but my life partner has had to go without medical insurance? The answer is simple—discrimination.

4. One of my colleagues, a male who is heterosexual, received his Ph.D. the same year I

did. We have taught the same number of years and were tenured here the same year. However, he has received health benefits for his wife and two children during this time. I believe that would add up to several thousand dollars more that he has received from this University than I have. My partner is self employed part time and works at the University only to receive benefits. I feel that I am discriminated against based on my sexual preference and have suffered significant financial loss by having to pay for health benefits for my partner and our child.

5. I feel discredited in all but the most professional senses since my University will not acknowledge the centrality of my relationship with my partner of 14 plus years. This level of constant and costly discrimination makes any positive responses to me from the institution bittersweet at best and hypocritical at worst. My family life is erased and made invisible by an institution of learning which tauts acceptance of diversity and pursuit of truth. When I'm not furious, I'm terribly sad.

6. It is very demoralizing to see the incredible benefits that my married colleagues (heterosexual) get and know that it will be a fight to get the same. My partner is self-employed and health coverage is astronomical for self-employed people. In order to buy a plan similar to that at the U, it would cost us $5–$7000 a year. Since it's so costly, my partner does not have very good health coverage and as a result I am very concerned about what would happen if a serious health crisis occurs.

So I am not just losing the $1500 or so the U would pay out to cover her because of the lack of recognition, I will have to pay $5–$7000 per year more than most of my colleagues. I view this as if I received that much less salary per year. How can the U have sexual orientation, gender and marital status in the equal opportunity statement and not consider this discrimination?

I wrote a letter to Gus Donhower when I heard of the proposed changes in health coverage. One option proposed was that those people covered by their spouses' employment could get the cash equivalent of coverage instead of being covered by the U. I suggested that if that were done, then those of us without spouses or dependents should certainly get the cash equivalent of spousal/dependent coverage. It seems an obvious parallel to me. He responded by saying it was an interesting idea but there's no money for this added benefit. Well, I think that's like saying it would be nice to pay blacks or women what we pay men, but we just don't have the money. One has no choice but to find the money. If there really isn't enough then some benefits may need to be removed from those who have them, in order to provide for those who don't. Maybe people with more than two children need to pay for their health insurance, or perhaps the cost for an employee for spousal coverage needs to increase. The current discrimination is so clear to me (of course I'm not a lawyer) that I wonder if a lawsuit could successfully challenge the University's non-compliance with its equal opportunity statement.

At this point, my commitment, dedication, willingness to work hard under increasingly difficult pressure, is affected by my feeling of not being seen, recognized, and treated equally to my heterosexual colleagues. Right now, it's hard not to feel taken advantage of . . . .

7. My partner returned to school to pursue a second advanced degree. She attends the University of Minnesota. At the same time, one of my married colleagues' spouse returned to school. Their health insurance profile did not change at all. Ours changed dramatically. Because I cannot get health insurance for my partner of 10 years (longer than my married colleague), we have paid 2,500 per year in health insurance and routine health care out of pocket. Over three years, the tax on being a lesbian has been $7,500. I realize of course, that the cost of my health insurance would have increased during this period, so the net cost to us would have been above my current health insurance but below $7,500. This economic burden is a clear example of otherwise similarly situated people being treated differently solely on the basis of sexual orientation.

Let me add that I do not think that the University should require public registration of partnerships to receive partnership benefits unless the state revokes the so-called ''sodomy'' law. To ask for such registration imposes the acknowledgement of legal risk as a cost for benefits. In addition, if reduced tuition is available for other family members, this benefit should be extended to gay and lesbian families as well.

8. The University considers me ''single''. As a ''single'' person, I subsidize both married couples and individuals with children. But as a domestic partner I should be able to enjoy the same benefits as other ''married'' couples.

Last summer my partner required minor surgery for skin cancer. Because she was a substitute teacher, she had no coverage. As a result we became responsible for the bills. This created more financial and emotional distress for us which I am certain impacted my own productivity.

Another issue I have is that it seems the administration wants us to provide documentation (e.g. registration, affidavits, etc.) to prove we are indeed a couple. Does the University require married couples to provide an affidavit or their marriage license when applying for benefits?

Furthermore, the domestic partnership applications become public records. Given the history of the discriminatory treatment meted out on gays and lesbians in ours and other cultures, I would not want to be that public in my sexual orientation, especially in a state without a human rights amendment protecting us.

9. How do I feel about the University's treatment of domestic partners? Not positive! My partner and I each have one dependent. We must each pay for family benefits which is a huge commitment, especially since my partner is self-employed and self-insured. Many of us are on federal benefits. If the University changes its policy we'll need help so that we can move to University benefits.

10. I feel that if the University is unable to provide health benefits to unmarried partners they should also refuse benefits to married partners and only cover under age dependents. I consider the lack of these benefits to be an unequal and discriminatory pay scale, with married employees receiving higher compensation levels just because they are married.

By Mr. TORRICELLI (for himself and Mr. KOHL):

S. 1637. A bill to expedite State review of criminal records of applicants for bail enforcement officer employment, and for other purposes; to the Committee on the Judiciary.

THE BOUNTY HUNTER ACCOUNTABILITY AND QUALITY ASSURANCE ACT OF 1998

Mr. TORRICELLI. Mr. President, today I am joined by my distinguished colleague from Wisconsin, Senator KOHL, in introducing the ''Bounty Hunter Accountability and Quality Assurance Act of 1998.'' Our bill will begin the process of reforming the revered but antiquated system of bail enforcement in this country.

Throughout our nation's proud history, bounty hunters have proved a valuable addition to our law enforcement and recovery efforts. About 40 percent of all criminal defendants are released on bail each year, and in 1996 alone more than 33,000 skipped town. Police departments, no matter how efficient or determined, cannot be expected to deal with so many bail jumpers in addition to their other duties. But while public law enforcement officers recover only about 10 percent of defendants who skip town, bounty hunters catch an incredible 88 percent of bail jumpers.

Because of the special, contractual nature of the relationship between bail bondsmen and those who use them to get out of jail, bounty hunters have traditionally enjoyed special rights—a nineteenth century Supreme Court case affirmed that while bounty hunters may exercise many of the powers granted to police, they are not subject to many of the constitutional checks we place on those law enforcement officials. As a result, bounty hunters need not worry about Miranda rights, extradition proceedings, or search warrants.

The ability to more efficiently track and recover criminal defendants serves a valuable purpose in our society. But the lack of constitutional checks on bounty hunters also opens the system up to the risk of abuse. Each of us has read or heard about cases in which legitimate bounty hunters or those simply posing as recovery agents have wrongfully entered a dwelling or captured the wrong person.

In one recent Arizona case, several men claiming to be bounty hunters broke into a house, terrorized a family and ended up killing a young couple who tried to defend against the attack. It now appears that these men were simply ''posing'' as bounty hunters, but there are other reported incidents in which ''legitimate'' bounty hunters have broken down the wrong door, kidnaped the wrong person, or physically abused the targets of their searches. And there is little recourse for the innocent victims of wrongful acts.

Our legislation would begin the process of making bounty hunters more accountable to the public they serve, and would help to restore confidence in the bail enforcement system. The bill would not unduly impose the will of the federal government on states, which have traditionally regulated bounty hunters. Our legislation contains only three simple provisions, each of which will make it easier to better regulate bounty hunters, but none of which will overburden states.

The first provision of the ''Bounty Hunter Accountability and Quality Assurance Act'' would simply allow a national bail enforcement organization to run background checks through the

FBI, ensuring that there will be a relatively easy way to keep convicted felons out of the bail enforcement business. A nearly identical provision related to private security guards recently passed the House by a nearly unanimous vote.

The second provision of the bill directs the Attorney General of the United States to establish model guidelines for states to follow when creating their own bail enforcement regulations. In the course of her work, the Attorney General will be specifically directed to look into three areas identified by the bill—whether bounty hunters should be required to ''knock and announce'' before entering a dwelling, whether they should be required to carry liability insurance (most already do), and whether convicted felons should be allowed to obtain employment as bounty hunters. While states are not required to follow the model guidelines, those states who choose to adopt the guidelines within two years will receive priority for Byrne grant funding.

Finally, this bill makes bail bond companies liable for the acts of the bounty hunters they hire. The clarification of liability in our bill will encourage these companies to carefully select and perhaps even train the bounty hunters in their employ. Perhaps we can cut down on the worst abuses if we force employers to take a closer look at who they hire.

Mr. President, it is time to start the process of making rogue bounty hunters more accountable, while at the same time restoring America's confidence in the long tradition of bail enforcement that dates from the earliest days of this nation. I urge my colleagues to join us in taking this first step towards this process, and I thank my distinguished colleague from Wisconsin, Senator KOHL, for joining me in introducing this bill today.

I ask unanimous consent that the full text of this bill be published in the RECORD.

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

S. 1637

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 ''Bounty Hunter Accountability and Quality Assistance Act of 1998''.

SEC. 2. FINDINGS.

Congress finds that—

(1) bail enforcement officers, also known as bounty hunters or recovery agents, provide law enforcement officers with valuable assistance in recovering fugitives from justice;

(2) regardless of the differences in their duties, skills, and responsibilities, the public has had difficulty in discerning the difference between law enforcement officers and bail enforcement officers;

(3) the American public demands the employment of qualified, well-trained bail enforcement officers as an adjunct, but not a replacement for, law enforcement officers; and

(4) in the course of their duties, bail enforcement officers often move in and affect interstate commerce.

SEC. 3. DEFINITIONS.

In this Act—

(1) the term ''bail enforcement employer'' means any person that—

(A) employs 1 or more bail enforcement officers; or

(B) provides, as an independent contractor, for consideration, the services of 1 or more bail enforcement officers (which may include the services of that person);

(2) the term ''bail enforcement officer''—

(A) means any person employed to obtain the recovery of any fugitive from justice who has been released on bail; and

(B) does not include any—

(i) law enforcement officer;

(ii) attorney, accountant, or other professional licensed under applicable State law;

(iii) employee whose duties are primarily internal audit or credit functions; or

(iv) member of the Armed Forces on active duty; and

(3) the term ''law enforcement officer'' means a public servant authorized under applicable State law to conduct or engage in the prevention, investigation, prosecution, or adjudication of criminal offenses, including any public servant engaged in corrections, parole, or probation functions.

SEC. 4. BACKGROUND CHECKS.

(a) IN GENERAL.—

(1) SUBMISSION.—An association of bail enforcement employers, which shall be designated for the purposes of this section by the Attorney General, may submit to the Attorney General fingerprints or other methods of positive identification approved by the Attorney General, on behalf of any applicant for a State license or certificate of registration as a bail enforcement officer or a bail enforcement employer.

(2) EXCHANGE.—In response to a submission under paragraph (1), the Attorney General may, to the extent provided by State law conforming to the requirements of the second paragraph under the heading ''Federal Bureau of Investigation'' and the subheading ''Salaries and Expenses'' in title II of Public Law 92–544 (86 Stat. 1115), exchange, for licensing and employment purposes, identification and criminal history records with the State governmental agencies to which the applicant has applied.

(b) REGULATIONS.—The Attorney General may promulgate such regulations as may be necessary to carry out this section, including measures relating to the security, confidentiality, accuracy, use, and dissemination of information submitted or exchanged under subsection (a) and to audits and recordkeeping requirements relating to that information.

(c) REPORT.—Not later than 2 years after the date of enactment of this Act, the Attorney General shall submit to the Committees on the Judiciary of the Senate and the House of Representatives a report on the number of submissions made by the association of bail enforcement employers under subsection (a)(1), and the disposition of each application to which those submissions related.

(d) STATE PARTICIPATION.—It is the sense of Congress that each State should participate, to the maximum extent practicable, in any exchange with the Attorney General under subsection (a)(2).

SEC. 5. MODEL GUIDELINES.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Attorney General shall publish in the Federal Register model guidelines for the State control and regulation of persons employed or applying for employment as bail enforcement officers.

(b) RECOMMENDATIONS.—The guidelines published under subsection (a) shall include recommendations of the Attorney General regarding whether a person seeking employment as a bail enforcement officer should be—

(1) allowed to obtain such employment if that person has been convicted of a felony offense under Federal law, or of any offense under State law that would be a felony if charged under Federal law;

(2) required to obtain adequate liability insurance for actions taken in the course of performing duties pursuant to employment as a bail enforcement officer; or

(3) prohibited, if acting in the capacity of that person as a bail enforcement officer, from entering any private dwelling, unless that person first knocks on the front door and announces the presence of 1 or more bail enforcement officers.

(c) BYRNE GRANT PREFERENCE FOR CERTAIN STATES.—

(1) IN GENERAL.—Section 505 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3755) is amended by adding at the end the following:

''(e) PREFERENCE FOR CERTAIN STATES.—Notwithstanding any other provision of this part, in making grants to States under this subpart, the Director shall give priority to States that have adopted the model guidelines published under section 5(a) of the Bounty Hunter Accountability and Quality Assistance Act of 1998.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect 2 years after the date of enactment of this Act.

SEC. 6. JOINT AND SEVERAL LIABILITY FOR ACTIVITIES OF BAIL ENFORCEMENT OFFICERS.

Notwithstanding any other provision of law, a bail enforcement officer, whether acting as an independent contractor or as an employee of a bail enforcement employer on a bail bond, shall be considered to be the agent of that bail enforcement employer for the purposes of that liability.

By Mr. CONRAD (for himself, Mr. DASCHLE, Mr. KENNEDY, Mr. LAUTENBERG, Mr. REED, Mr. LEAHY, Mr. DODD, Mr. BINGAMAN, Mr. DURBIN, Mr. BAUCUS, Mr. DORGAN, Mr. ROCKEFELLER, Mr. KERREY, Mr. WYDEN, Mr. WELLSTONE, Mr. TORRICELLI, Mrs. BOXER, Mr. KERRY, Mr. BUMPERS, Mr. MOYNIHAN, Mr. JOHNSON, Mr. BREAUX, Mr. KOHL, Ms. LANDRIEU, Ms. MOSELEY-BRAUN, and Mr. LIEBERMAN):

S. 1638. A bill to help parents keep their children from starting to use tobacco products, to expose the tobacco industry's past misconduct and to stop the tobacco industry from targeting children, to eliminate or greatly reduce the illegal use of tobacco products by children, to improve the public health by reducing the overall use of tobacco, and for other purposes; to the Committee on Finance.

THE HEALTHY KIDS ACT

Mr. CONRAD. Mr. President, I rise today to introduce legislation that we call the HEALTHY Kids Act. It addresses the question of how we form a national policy on tobacco.

I am joined in cosponsorship by Senators AKAKA, BAUCUS, BINGAMAN,

BOXER, BREAUX, BRYAN, BUMPERS, DASCHLE, DODD, DORGAN, DURBIN, JOHNSON, KENNEDY, BOB KERREY, JOHN KERRY, KOHL, LANDRIEU, LAUTENBERG, LEAHY, MOSELEY-BRAUN, MOYNIHAN, REED, ROCKEFELLER, TORRICELLI, WELLSTONE, and WYDEN. And we have additional Senators who are considering cosponsorship of this legislation as we speak.

First of all, I thank the Democratic leader, Senator DASCHLE, for his strong leadership and support of the work of the task force. Months ago he called me and asked me to head up an effort within the Democratic Caucus to draft tobacco legislation. We have engaged 21 members of this task force in a lengthy effort to listen to those affected and to try to craft a responsible national tobacco policy.

We held 18 hearings. We heard over 100 witnesses. We held hearings across the country. We engaged in this level of effort because the subject is so important.

Tobacco is the only product that when used legally—and as the manufacturer intended—addicts and kills its customers.

For too long tobacco companies have waged war on our kids. It is time to counterattack.

For too long big tobacco has hooked our kids on a lifelong addiction. It is time to stop it.

For too long the tobacco industry has deliberately targeted kids as ''replacement smokers'' to fill the shoes of over 425,000 Americans killed by tobacco each year.

Let me repeat that. Over 400,000 deaths a year in this country are caused by the use of tobacco products. Many more, as we have heard in our hearings, have suffered terribly. As we heard Monday at a hearing in Newark, NJ, when we heard from Pierce Frauenheim, a coach and assistant principal who had a laryngectomy because of throat cancer caused by the use of tobacco products. He told us of the terror and trauma of that illness. And we heard from a young woman named Gina Seagrave, a young woman who lost her mother to a massive heart attack when she was only 45 years of age because of using tobacco products. Her tears told the story of her family's pain and suffering.

Mr. President, those stories are rewritten day in and day out because of the awful effects of tobacco. There is something we can do about it if only we have the political will and the courage to act. Witnesses told us repeatedly that we need a comprehensive plan to dramatically reduce the use of tobacco products in our country. That is what we present today—the HEALTHY Kids Act.

Mr. President, the HEALTHY Kids Act is the work of the Senate Democratic task force on tobacco legislation. The HEALTHY Kids Act provides responsible tobacco policy. It protects children, promotes the public health, helps tobacco farmers, and resolves Federal, State and local legal claims, without providing immunity to the industry; it invests in children and health care; it provides savings for Social Security and Medicare; and it reimburses taxpayers for costs that have been imposed on them by the use of these products.

The HEALTHY Kids Act protects children. It does that with a healthy price increase—a $1.50 a pack health fee phased in over 3 years. It protects children by providing the Food and Drug Administration with full authority to regulate these products. It provides strong penalties for those companies that fail to reach the targeted projection for the reduction of teen smoking—a 67 percent reduction in teen smoking over the next 10 years. Those penalties are a 10-cent a pack penalty industry wide if the goals are not met and a 40-cent a pack penalty for the individual companies for their failure to reach the objective. We also protect children by providing comprehensive antitobacco programs. Included in that are counteradvertising, prevention programs, smoking cessation programs and research. Finally, in protecting children, we provide for retailer compliance—State licensure of retailers and no sales to minors.

The HEALTHY Kids Act also promotes the public health. It does so by addressing the question of secondhand smoke. Most public facilities in the country would be smoke free under our proposal. We would provide exemptions for bars, casinos, bingo parlors, hotel guest rooms—that is, hotels could have smoking and nonsmoking rooms as they do now—nonfast-food small restaurants, that is, those restaurants with less than 50 seats would be exempt; prisons, tobacco shops, and private clubs. At the same time we provide those exemptions, we also provide for no State preemption. If a State or local unit of government wants to have more stringent provisions, it is free to do so.

We also promote the public health by protecting the public's right to know. We provide for full document disclosure; all relevant documents go to the FDA. The FDA is able to make those documents public; and the public health interest overrides trade secret or attorney-client privileges when the FDA makes a determination that the public health is the overriding interest.

We also provide for international tobacco marketing controls: no promotion of U.S. tobacco exports. I am proud to say that in this administration we are not doing that, but in previous administrations they have. This would codify the conduct of this administration and provide for no promotion of U.S. tobacco exports. It also provides a code of conduct. No marketing to foreign children. Any activities carried out in this country to market to children in another country would be illegal. It also has modest funding for international tobacco control efforts. And we require warning labels, warning labels of the country that is the recipient of products sent from this country. And if they do not have a system of warning labels, then our own warning labels would apply.

The HEALTHY Kids Act also helps tobacco farmers. They were left out of the proposed settlement completely. Their interest was not addressed. We do not think that is fair. We provide $10 billion in just the first 5 years for assistance to farmers and their communities. We authorize funding for transition payments to farmers and quota holders. We provide for rural and community economic development retraining for tobacco factory workers and tobacco farmers and even college scholarships for farm families if the committees of Congress deem that appropriate.

The HEALTHY Kids Act makes very clear that we will not provide immunity to this industry, no special protection for future misconduct, no special protection against individual lawsuits for past misconduct. We do resolve the outstanding Federal, State, and local government legal claims. States, however, can opt out of this national settlement if they so choose, and cities and counties are assured of getting a fair share of reimbursements that go to States.

On the question of attorney's fees, we concluded that no monies from the HEALTHY Kids Act should be used for attorney's fees. With respect to the size of the fees, we deliberated long and hard, listened to all of the affected interests and concluded that the attorney's fees in these cases ought to be resolved by arbitration panels using ABA ethical guidelines. Those guidelines are set out with specificity in the legislation that I will introduce today.

And so if we are in a circumstance like the controversy in Florida, if the parties cannot agree, an arbitration panel would resolve the matter and determine what the attorney's fees were in the case that has been settled. That is also the case in other States. If the parties at interest reach agreement among themselves, there would not be an arbitration panel. But where there is disagreement as to what the appropriate attorney fees should be, an arbitration panel would be empowered to make the determination.

I do not think any of us want to see unjust enrichment of anybody based on a resolution of these tobacco issues and tobacco lawsuits around the country.

Mr. President, the HEALTHY Kids Act invests in children, in health, in savings for Social Security and Medicare, and reimburses taxpayers who have had costs imposed on them.

The distribution of the funds raised by the act is as follows: Payments to States are 41.5 percent of the revenues. The States would get 14½ percent of the money unrestricted; 27 percent would go to the States for children's health care, child care and improved education.

We would also provide 15.5 percent for antitobacco programs. That includes counteradvertising campaigns as well as smoking cessation and smoking prevention programs. NIH health research would be increased. They would receive 21 percent of the funds provided. Medicare would get 4 percent of the money initially but over time that would grow to 10 percent. Similarly, Social Security would get 6 percent of the money initially and that would grow to 12 percent over time.

We believe it is appropriate when you receive a windfall not to spend it all, and so we are providing that when the program is fully phased in, over 20 percent of the money, instead of being spent, will be used to strengthen Medicare and Social Security for the future.

That is what the American people want to see happen, and we have provided for it in this legislation. Farmers initially get 12 percent of the revenues to ease their transition. Obviously, they are going to take an economic hit here, and it seemed fair to us that they be included in any package to resolve these controversies. Over time their part of this package would be phased out and then the Medicare and Social Security parts of the legislation would see their share increased.

Mr. President, we have provided here a comparison of the tobacco revenue and spending, a comparison between what the President's budget called for and what The HEALTHY Kids Act calls for. First of all, in terms of total revenue, our plan would raise $82 billion over the next 5 years, some $500 billion over the next 25 years. In the first 5 years, the States would get in an unrestricted way $12 billion. They would get $22 billion for children—$14 billion for child care, $3 billion for health care for children and $5 billion for education. The research component of the plan would provide $17 billion to the National Institutes of Health for increased health research. Medicare initially would get $3 billion in the first 5 years. The farmers would get $10 billion. That is a 5-year figure. The antitobacco efforts would receive $13 billion, and savings for Social Security would be $5 billion.

Mr. President, The HEALTHY Kids Act is supported by the American public. We did extensive national polling to make certain that what we are proposing is in line with what the American people want and the polling data shows a high level of support for a significant per pack price increase which we have termed a health fee, significant public support for strong lookback penalties for failure to meet the goals of reducing teen smoking and no special protections for this industry.

That is what the American people want. That is what The HEALTHY Kids Act provides. With respect to the question of a $1.50 per pack health fee for youth smoking deterrence and health programs, the American people support that by more than a 2-to-1 margin—65 percent in favor, 30 percent opposed. By the way, this is across party lines, across regional lines. The American people support a $1.50 a pack health fee. The price increase support for youth smoking deterrence and health programs cuts across party lines. The poll shows if it is termed tax support it is very strong all across the country, even stronger if it is for a health fee. In fact, 69 percent of Democrats support the $1.50 health fee, 67 percent of Republicans.

There is also strong public support for a lookback penalty of 50 cents a pack if the industry fails to meet the goals for the reduction of teen smoking. By 54 percent to 34 percent the American public supports lookback penalties of 50 cents a pack or more. In fact, a significant majority of the 54 percent support a dollar a pack lookback penalty.

Voters are also strongly opposed to providing special protections to the tobacco industry. When we asked the American people: Do you want to give immunity to this industry? Do you want to give them special protection going forward? By 55 percent to 32 percent, they oppose any special protections being given to this industry. They say no to immunity. The HEALTHY Kids Act says no to immunity.

The HEALTHY Kids Act accomplishes the objectives laid out by President Clinton. He laid out five. He said you have to reduce teen smoking by providing tough penalties and a health fee or price increase that will deter youth smoking. We have full FDA authority. We are changing the industry culture. We meet the additional health goals laid out by the President, and protect tobacco farmers and their communities.

As the Vice President said yesterday when we unveiled this proposal in a press conference here on Capitol Hill: The administration strongly supports this bill.

The Vice President reported that if this bill comes to the President's desk, he will sign it and sign it without hesitation.

I expect that big tobacco will fight these initiatives. Indeed, we saw yesterday they came out swinging against the proposal that I am offering here today. We will hear from the tobacco industry, its lobbyists and its supporters in Congress, that we cannot have a health fee of $1.50 a pack, we can't fund public health programs or hold the industry and tobacco companies accountable if they sell to kids. We will hear from them that we cannot give FDA the same authority it has over prescription drugs and our food supply.

I submit, if we care about our kids' futures, we must do all of these things. This legislation lays down a marker for good, responsible, national tobacco policy to protect our kids and promote the public health. It sets a clear, unambiguous test against which other legislation can be measured. And it sets a challenge for those who say they want to protect our kids but have so far not produced effective tobacco control legislation. The HEALTHY Kids Act recognizes that tobacco is causing addiction, disease and death. It also recognizes that there is something we can do about it. HEALTHY Kids affirms life and health and our commitment to our children. It tells you we can make a difference.

I invite my colleagues to join in a bipartisan effort to pass legislation like we are offering here today. We can do it and we can make a difference. We can reduce the addiction, the disease and the death that is being caused by the use of tobacco products. Now is the time to act. The public supports it. Again, I ask my colleagues on both sides of the aisle to join us in this effort. There is no reason for this to be a partisan issue. There is every reason for us to work together to resolve the challenges posed to our society by the use of these products.

Mr. President, I note a colleague of mine, Senator REED of Rhode Island, is on the floor. Senator REED played a critical role in the development of this legislation. He was one of the most active participants on the task force who has worked for months to fashion these legislative proposals. I commend Senator REED publicly for his contributions to this effort.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I rise today to join my colleague, Senator CONRAD from North Dakota, in supporting and introducing the HEALTHY Kids Act and thank him for his kind words. I must say, if there is anyone who has been a true leader and true hero in this struggle to date, it has been KENT CONRAD, whose leadership helped pull together not only an impressive array of cosponsors but, with over hundreds of witnesses and many, many sessions, he was able to get to the substance of a very complicated and difficult issue: How are we going to respond to the crisis of teenage smoking in the United States? How are we going to protect the public health of America, particularly America's children?

Today we are introducing the HEALTHY Kids Act, which will, I believe, do that. Again, I commend Senator CONRAD for his great leadership and effort, and I look forward to working with him and all my colleagues to develop legislation that will once and for all prevent the illegal sale of cigarettes to children in this country.

We are all aware of the depressing statistics with respect to smoking and children in the United States. Today, some 50 million Americans are addicted to tobacco smoke. Every year, 1 million children become regular users of cigarettes, tobacco. One-third of them will die prematurely of lung cancer, emphysema, or other horrible smoking related illnesses.

This is an addiction. Fully three-quarters of smokers want to quit but they cannot because they are addicted. The most disturbing aspect of this addiction is it begins with young people. Mr. President, 90 percent of adult smokers today began to smoke while they were 18 years old or less. In fact, this goes down to children who are 10, 11, 12 years old. It is a shocking, disturbing, and all-too-real aspect of American life and culture. We have an opportunity, indeed an obligation, to do something about it. That is why I am here, along with Senator CONRAD, to join in the introduction of this HEALTHY Kids Act.

In my home State of Rhode Island, we have a situation in which adult smoking is beginning to stabilize. Unfortunately, teen smoking continues to rise, with a more than 25 percent increase among high school students. That is a bad omen for the future, a bad omen for the country. It is too easy for children to buy cigarettes. It is too easy, in a climate in which the tobacco industry spends upward of $5 billion a year making cigarette smoking appear to be alluring, sophisticated, adult-oriented—all those things which are attractive to children.

We know from the record that has emerged over the last several months in court proceedings that this is not a coincidence, we know that children have been deliberately targeted by cigarette companies. They are the replacement customers for the 400,000 Americans who die each year of smoking-related diseases. We have to stop that insidious replacement, that insidious attack on the youth of America.

We begin this legislative process in a situation in which the tobacco industry has worked hard to earn the distrust—let me say it again—the distrust of the American people. Over the years they have not been candid. They have deliberately confused, fought against, and frustrated attempts to regulate their product in the marketplace.

I recently came across an interesting story about youthful smoking among boys. One of the research scientists said, ''The cigarette smoker is slowly and surely poisoning himself and is largely unconscious of it.'' That report was in Education Magazine in 1909. The tobacco industry has long known that cigarette smoking is harmful to children, and harmful to public health.

In 1963, Battelle Laboratories in Switzerland did a series of studies for the British American Tobacco Company, that's the parent of Brown & Williamson Tobacco Company. The conclusion, after review of these studies by the general counsel of Brown & Williamson, was shown as follows: ''We are then in the business of selling nicotine, an addictive drug, effective in the release of stress mechanisms.'' Since 1960, the industry has known they were selling an addictive product, and has known they were selling a product that killed people.

It has all, though, been obscured and dressed up by advertising that would suggest to everyone that smoking is not harmful; indeed, claiming it is healthful. That is absolutely wrong. Back in the 1920s, the companies that were selling cigarettes were advertising themes like, ''20,679 physicians say Luckies are less irritating.'' Promoting cigarettes, in effect, as a healthful practice and not a harmful practice. Another theme of those days was, ''For digestion's sake, smoke Camels.'' Again emphasizing an illusory therapeutic value that never existed in cigarettes.

In 1953, an advertisement read, ''This is it. L&M filters are just what the doctor ordered.'' As if the medical profession was endorsing a product which they knew was harmful and which they suspected, but perhaps did not yet know, was highly addictive.

In this Congress, we have tried to rein in the use of tobacco by children, tried to control the access of young people and tried to warn the American public about the dangers of tobacco. In the 1960s, we brought the industry, we thought, kicking and screaming to accept legislatively mandated warning label. Only after the fact did we learn that the industry privately accepted this label as a good fortune because it allowed them to defend themselves in court with the notion that smokers assumed the risk because they read these labels. Only recently, with the evidence that is more and more conclusive each day of the addictive quality of cigarettes, has the industry begun to respond.

Today we are here to ensure that the past is not repeated, the past of addiction of young people to cigarettes and the past of a very pliant Congress, not effectively regulating the tobacco industry. That is why the HEALTHY Kids Act is so important. It represents a comprehensive effort to ensure that our children are safe and the public health is protected.

One of the important elements of this bill is a price increase of $1.50 a pack. This is not in any way an attempt of retribution on the industry. Rather, it recognizes the fact that a price increase is probably the strongest deterrent there is to teenage smoking. Unlike adult smokers who may already very well addicted, teenagers will respond to price increases. A price increase is one sure way, perhaps the best way, we can ensure that teenagers do not smoke.

The second aspect of the act is giving the FDA full authority over tobacco products, all tobacco products. This proposal would not condition their authority; it would give the FDA the authority, the responsibility, the obligation to regulate tobacco as it regulates so many other drugs and so many other products in our society.

This legislation also includes strong look-back penalties. The HEALTHY Kids Act would set a goal of reducing teenage smoking rates by 67 percent in 10 years and would hold manufacturers accountable for these tough goals by imposing 10-cent-a-pack penalties on the industry across the board and 40-cent penalties on brand-specific products that do not meet the targeted reductions. There would be no rebate. In the proposal the industry negotiated with the Attorneys General, there would be the possibility of a company receiving a rebate by just trying hard. This legislation would require the goal be met, not simply the effort be made. This would also include comprehensive anti-smoking programs, through advertising, prevention programs, and other means that would help ensure that children do not smoke. These program would also give adults, if they wish to change, access to programs to make sure they can make that transition from smoking to nonsmoking.

Because of the money that is generated, we will be able to commit significant resources to programs that are extremely important, programs that have been outlined so well by Senator CONRAD: education, child care, health resources.

Also, this legislation, importantly, does not curtail prospective liability for the tobacco industry. It would settle the suits that have been lodged by the State attorneys general. Also, it would settle claims with respect to governmental entities, but it would allow individual citizens who have been harmed and who will be harmed by tobacco smoke to bring their case to court.

I believe this is a crucial part of the legislation, because without this, the other mechanisms that we develop may well be undermined by sophisticated corporate reorganizations by the industry, by challenges to aspects of the law, and by many things which the tobacco companies have done in the past to remake themselves to comply with Federal statutes. Statutes which Congress thought would control their behavior but which in many cases not only did not control their behavior but gave the tobacco companies additional ammunition to defend themselves against civil suits in the courts.

I believe that this liability issue is an important one and one that distinguishes this legislation from others that have been introduced in this Congress.

We here today have the opportunity to do what all Americans want us to do, ensure that children do not have ready access to cigarettes, ensure that the next generation of Americans is not addicted before they become adults, ensure that the public health in this country is protected, ensure that we are able to create an environment in which a parent does not have to confront what must be one of the most harrowing moments, the realization that a young son or a young daughter is beginning to smoke and realizing also, as we do today, that that means that this child will die prematurely.

No parent should have to endure that moment. No child should have to be subject to the barrage of advertising,

the barrage of influences which have forced that child to smoke cigarettes. I look forward to working with my colleagues to enact this bill and to meet these goals. I look forward, as we all do, to the day in which cigarette smoking is not something that we associate with the youth of this country.

I yield my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to just take a few moments this afternoon to express my very warm appreciation to Senator CONRAD for the leadership that he has provided in bringing together a variety of different views and offering on behalf of the families of this country an absolutely superb proposal that is focused on how we are going to reduce smoking for the young people of this country.

This bill isn't the perfect solution, but I daresay that if this particular legislative proposal was enacted into law it would save the lives of millions of Americans.

This has been a long process, Mr. President, since the first Surgeon General pointed out the dangers of smoking. This has been a constant effort over many, many years to try and address this issue in a comprehensive and responsible way.

All of us take our hats off to the work that was done by the attorneys general that resulted in the June 20 settlement. But the legislation Senator CONRAD has introduced today is really a very, very comprehensive proposal that, in many respects, may be the most important legislative undertaking that we will have in this Congress.

Senator CONRAD and the other members of the task force should be commended in putting this proposal forward so early in the Congress. We know we have maybe 90 days left in this session, but I daresay that our time could not be more beneficially spent than in the debate and the discussion of this legislation.

I join with those in hoping that we can get thoughtful consideration of this legislation in the committee on the floor of the Senate. It incorporates the principles that have been identified by the public health community and those who have studied this issue over a long period of time which are most important in reducing smoking:

No. 1, raising the cost of cigarettes in a substantial way over a short period of time. In addition, the counteradvertising measures are very, very important. Those two measures in tandem can make a dramatic difference in the number of young people who will smoke in the future.

The strong FDA measures will also make sure the Agency will have the power and the authority to regulate nicotine and the other additives in cigarettes.

I think the attention that was given in the secondhand smoking proposals and also in recognizing our responsibilities of promoting cigarettes overseas are very thoughtful suggestions in these areas.

I want to add that I believe it is so important that the revenues that are raised from this proposal will give a substantial boost to programs that affect the children of this country. A very substantial part of the financial resources that are gained when this legislation is enacted will be focused on the children who have been the focus of the tobacco industry for over a long, long period of time. I commend the Senator and the task force for that commitment to the nation's children.

Secondly, there is an equally strong commitment towards supporting the biomedical research which offers such extraordinary opportunities for breakthroughs, not only in children's diseases but in other medical conditions such as cancer, AIDS, heart disease, diabetes, Alzheimer's Disease, and mental illness.

This legislation can make a major difference in the public health of the nation by reducing youth smoking. It can also make a major difference to the children of this nation in focusing resources to make their lives more hopeful in the future. And it can make a major difference in terms of the biomedical research opportunities at NIH which offer extraordinary hope in finding treatments for some of the nation's most severe medical conditions.

For all these reasons, this legislation should go forward. As Senator CONRAD has pointed out, he welcomes the chance for others to join in strong support of this legislation, but certainly it is the challenge that is laid out here. Others will have views. We hope they will come forward.

What we have heard so far is a deafening silence. I don't think the American people are going to tolerate a silence in blind opposition to what has been a very thoughtful, a very comprehensive, and a very detailed response to something that is of central importance to every family in this country.

I commend the Senator from North Dakota for all of his work and indicate a great desire to work closely with him and the others to make sure this legislation becomes law.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank Senator KENNEDY. He has been an outstanding member of this task force team. No member of the task force contributed more to the work of this group than Senator KENNEDY. He has played an absolutely key role in the development of this legislation, through his own efforts and the efforts of his outstanding staff. He has been a leader for a lifetime on these issues, and I extend my deepest personal appreciation to him for his assistance and support.

I would also like to recognize Senator BAUCUS, who is on the floor. Senator BAUCUS who is an original cosponsor of this bill has been enormously helpful as well. He is a member of the Senate Finance Committee and has a special understanding of the financial aspects of this legislation. I thank Senator BAUCUS for his commitment and his leadership as well.

Let me conclude by thanking my staff who have worked very long hours to produce this legislation: Bob Van Heuvelen, my policy director and chief counsel; Tom Mahr who is the person on my staff who heads up all of the health issues who has worked incredibly hard and with great skill to craft this legislation; Monica Boudjouk who has spent many a long evening helping us to put together the many details of the proposal before us; and Mark Harsch, a fellow on my staff who has been enormously helpful as well.

I thank them all for their contributions, as well as the staff of the other task force members who put a great deal of time and effort into working to produce this bill. I thank them all.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, the Senator from North Dakota is much too kind in his compliments of this Senator. The real credit goes to the Senator from North Dakota. We have seen many task forces appointed by various leaders on both sides of the aisle. I think we know that most task forces basically do their work. They meet, they have several meetings, and are earnest in trying to come up with a good solution assigned to them by the leader.

In this case, the Senator from North Dakota added new meaning to the definition of task force. First of all, they tasked; they worked very hard. I have not seen any effort since the days I have been in the Senate where a task force, a group worked so hard at so many meetings, called in so many outside experts in such a wide variety of fields to make sure they came up with a very solid, comprehensive, near bullet-proof proposal in an area that is as complicated as this, whether it is taxation issues, whether it is health issues, whether it is judicial issues, whatever they may be.

All of us who have any knowledge of the degree to which the Senator from North Dakota put this group together salute him. I have never seen anybody work as hard, as diligently and come up with such a fine product as the Senator from North Dakota. I hope that future task forces use his as a model, because if they do, the people of our country will be very, very well served, just as the Senator from North Dakota's task force has served America with his efforts and his work. He has done the best job of any Senator I have ever seen on any kind of task force or group effort trying to come up with a solution to a very complicated problem. Again, I salute him.

Mr. President, I ask unanimous consent that the following letters of support for the Healthy Kids Act be submitted into the RECORD following my remarks.

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

JOINT STATEMENT OF DRS. KOOP AND KESSLER ON THE CONRAD TASK FORCE BILL

''We have been working steadfastly with Republican and Democratic legislators to help fashion comprehensive tobacco legislation that will have the net effect of reducing the number of people who smoke and fundamentally changing the way the tobacco industry does business without granting them immunity or special concessions.

''The principles in the Conrad task force legislation track closely with the public health principles and goals outlined in the report of the Advisory Committee on Tobacco Policy and Public Health. It is a good step in a legislative process that we hope results in concrete, comprehensive public health measures to reduce the harm from smoking.

''We look forward to working with Sen. Conrad and all other members of the Congress to achieve these important public health goals.''

STATEMENT OF HUBERT H. HUMPHREY III, ATTORNEY GENERAL, STATE OF MINNESOTA

Re: Senator Kent Conrad's Healthy Kids Act, Wednesday, February 11, 1998

I commend Senator Conrad for his leadership of the Senate Democratic Tobacco Task Force in its efforts to address the number one public health issue of our day. The Healthy Kids Act, proposed by Senator Conrad today, is a monumental step forward in our efforts to advance public health and protest future generations of kids.

Senator Conrad's bill offers the best hope yet for saving our children from tobacco addiction, disease and death. It's a common sense approach that will reduce youth smoking rates dramatically and hold the tobacco industry accountable for results.

The bill's strong financial penalties against the industry for continuing to sell to kids creates a powerful economic incentive to reform this industry's conduct. And by giving the FDA full authority and oversight over the health hazards of tobacco, the tobacco industry's manipulation of nicotine to keep smokers addicted will finally come to an end.

This bill stands in stark contrast to the sweetheart deal proposed by the tobacco industry last summer. and it's because Senator Conrad and the Task Force asked the right question. Instead of asking ''what will the industry accept,'' Senator Conrad asked ''what is the right policy for the nation.'' And the result is a bill that gets it right for our children without giving this outlaw industry any special immunity that no other business in America enjoys.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, February 11, 1998.

Hon. KENT CONRAD,
U.S. Senate, Washington, DC.

DEAR SENATOR CONRAD: The National Association of Counties (NACo) is pleased to support your bill, the Healthy Kids Act. Not only does the legislation recognize the important health responsibilities counties assume in the nation's intergovernmental system, it also acknowledges the responsibilities they have for enforcing tobacco control ordinances. The bill is a very strong step forward for public health.

As we understand it, the Healthy Kids Act recognizes the unique and substantial tobacco-related health care costs counties incur separate from the states' costs. As you know, counties provide health care to individuals who have no private or federally subsidized insurance, such as Medicaid. Counties provide uncompensated care under general medical assistance programs; through their health facilities; and/or make payments to other facilities. Many also contribute directly to the non-federal share of Medicaid. A number of local governments filed suit against the tobacco industry prior to the June 1997 proposed settlement using these facts as a basis for part of their arguments.

We are also pleased to understand that county tobacco laws and enforcement activities would not be preempted by federal law under the bill. Counties must continue to be able to enact and enforce, with locally-determined remedies, local tobacco ordinances and penalties which are stronger than state or federal law.

Thank you again for your leadership on this issue. NACo looks forward to working with you to advance and refine the Healthy Kids Act.

Very Truly Yours,
RANDY JOHNSON,
President, NACo,
Hennepin County Commissioner.

AMERICAN PUBLIC HEALTH ASSOCIATION,
Washington, DC, February 11, 1998.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATOR CONRAD: The American Public Health Association (APHA), consisting of more than 50,000 public health professionals dedicated to advancing the nation's health, commends you for developing a comprehensive tobacco bill that is a significant step forward toward protecting public health, especially our nation's children and adolescents.

Your legislation addresses many priority issues for APHA and the public health community and we recognize that in these areas your bill provides stronger than the proposed settlement and many other current tobacco proposals in the Senate. APHA is particularly pleased with the following aspects of your tobacco bill:

Reaffirmation of FDA jurisdiction over tobacco products, especially the codification of the tobacco-related regulations promulgated this summer by the Secretary of Health and Human Services;

Preservation of state and local authority to impose stronger requirements, prohibitions, and other measures to control tobacco;

Creation of a national tobacco surveillance and evaluation program at the US Centers for Disease Control and Prevention to monitor patterns of tobacco use and assess the effectiveness of tobacco control efforts.

Requirement that tobacco control initiatives and programs funded under this bill utilize proven and effective methodologies;

Recognition that certain subpopulations, such as women and minorities, are disproportionately affected by tobacco products and calling for research to be conducted to study different effects of tobacco use on these groups;

Assistance to tobacco growers, their families, and communities;

Creation of an international code-of-conduct for tobacco companies to help protect children and adults in other countries from the dangers of tobacco products;

Support for international tobacco control efforts, including the funding of bilateral and multilateral assistance and the creation of a non-governmental organization to work with other NGOs abroad on tobacco control;

Ban on the use of taxpayer money to help promote U.S. tobacco products overseas;

Health care assistance to uninsured and underinsured individuals with financial hardship who suffer from tobacco-related illnesses and conditions;

Strengthen look-back provisions to ensure that tobacco companies are held accountable if adolescent smoking rates do not decrease;

No special legal protections for tobacco companies.

As you work with your Senate colleagues on moving tobacco legislation, we urge you to consider strengthening the public health title of the bill. Specifically, APHA advocates stronger involvement of the Centers for Disease Control and Prevention and state and local health departments in the myriad public health activities funded under this title, increased funding for the public health initiatives under this title, inclusion of additional public health tobacco use prevention and reduction initiatives such as environmental tobacco smoke education programs and research, and other public health and prevention focused efforts.

We are committed to working with you and your Senate colleagues from both sides of the aisle to ensure that the final tobacco control legislative vehicle is the strongest possible national tobacco policy. We appreciate your efforts to ensure the protection and promotion of public health and offer our assistance as you continue to work on this issue of critical global public health significance.

Sincerely,
RICHARD A. LEVINSON, MD, DPA,
Associate Executive Director,
Programs and Policy.

AMERICAN LUNG ASSOCIATION,
Washington, DC, February 11, 1998.

Hon. KENT CONRAD,
U.S. Senate, Washington, DC.

DEAR SENATOR CONRAD: The American Lung Association is pleased to endorse your tough tobacco legislation—The Healthy Kids Act. This is the legislation the American people have been demanding. It is not a deal for the tobacco industry. It is a promise to our children. We are grateful that you have made your legislative priority public health, not saving the tobacco industry.

Americans oppose special deals for Big Tobacco. This legislation reflects that sentiment and does not create unprecedented special protections for the tobacco industry.

Americans know that in their own communities they can pass even stronger public health laws than those passed at the federal level. This bill respects the rights of state and local governments to continue to pass strong measures.

This bill promises to create a solid national tobacco policy that will improve health. The American Lung Association believes that your approach will succeed.

Public opinion polling conducted recently for the American Lung Association and its medical section, the American Thoracic Society, found that voters overwhelmingly support (65% to 30%) the $1.50 per pack fee on cigarettes. Voters also support stiff penalties on tobacco companies if they continue to sell to our children (54% support a per pack penalty of $0.50 or more compared to 28% who want no penalty). The electorate opposes special protections for the tobacco industry (55% to 32%). Nearly seven out of ten voters (69% to 33%) want the tobacco companies to follow the same rules on marketing to children overseas as they do in the U.S. It is clear that your bill is in sync with the will of the American people.

The American Lung Association hopes that Congress will follow your lead—keep this

promise to our children—and enact the Healthy Kids Act into law.

Sincerely,

JOHN R. GARRISON,
CEO and Managing Director.

STATEMENT OF THE ENACT COALITION REGARDING THE INTRODUCTION OF THE HEALTHY KIDS ACT

(February 11, 1998) The ENACT coalition of major public health organizations applauds today's introduction of the Healthy Kids Act by Senator Conrad and his co-sponsors. We support a strong comprehensive approach and welcome this bill.

The Healthy Kids Act encompasses the key policies that ENACT has stated must be included in any effective tobacco control legislation. The bill contains strong and effective provisions regarding FDA authority over tobacco sales, manufacturing and advertising; significant price increases to deter use by kids; effective ''look-back'' penalties if sales to youth don't decrease; a vigorous crackdown on the illegal sale of tobacco to minors; protections from secondhand smoke; disclosure of tobacco industry documents; assistance to tobacco farmers; and support for efforts to reduce tobacco use internationally.

ENACT believes that only a comprehensive bill that meets our minimum criteria can adequately address the complex problem of tobacco use and reduce the number of kids who start using tobacco, and the number of adults who die each year.

We expect a number of additional proposals to be introduced in the House and Senate in the coming weeks. We will evaluate each of them, and those already introduced, for their adherence to the public health principles we have set forth. ENACT is committed to working with Senator Conrad and with Members of Congress from both parties to enact a comprehensive, bi-partisan, well-funded and sustainable tobacco control policy.

ENACT COALITION MEMBERS (FEBRUARY 11, 1998)

Allergy and Asthma Network—Mothers of Asthmatics, Inc.
American Academy of Child & Adolescent Psychiatry.
American Academy of Family Physicians.
American Academy of Pediatrics.
American Association for Respiratory Care.
American Association of Physicians of Indian Origin.
American Cancer Society.
American College of Cardiology.
American College of Chest Physicians.
American College of Occupational and Environmental Medicine.
American College of Physicians.
American College of Preventive Medicine.
American Heart Association.
American Medical Association.
American Psychiatric Association.
American Psychological Association.
American Society of Anesthesiologists.
American Society of Clinical Oncology.
American Society of Internal Medicine.
Association of American Medical Colleges.
Association of Black Cardiologists, Inc.
Association of Maternal and Child Health Programs.
Association of Schools of Public Health.
Campaign for Tobacco-Free Kids.
College on Problems of Drug Dependence.
Council of State & Territorial Epidemiologists.
Family Voices.
The HMO Group.
Interreligious Coalition on Smoking OR Health.
Latino Council on Alcohol & Tobacco.
National Association of Children's Hospitals.
National Association of County and City Health Officials.
National Association of Local Boards of Health.
National Hispanic Medical Association.
Oncology Nursing Society.
Partnership for Prevention.
Society for Public Health Education.
The Society for Research on Nicotine and Tobacco.
The Society of Behavioral Medicine.
Summit Health Coalition.

A number of the nation's major public health organizations have formed ENACT (Effective National Action to Control Tobacco). This growing coalition has pledged to work with the Congress, the Administration, the public health community and the American people to pass comprehensive, sustainable, effective, well-funded national tobacco control legislation.

STATEMENT BY THE COALITION FOR WORKERS' HEALTH CARE FUNDS SUPPORTING THE SENATE DEMOCRATIC TASK FORCE ''HEALTHY KIDS'' BILL

The Coalition for Workers' Health Care Funds represents some 2,500 union sponsored, multiemployer health and welfare funds which have brought class action law suits against the tobacco companies seeking reimbursement for their health care costs of tobacco-related diseases.

The Coalition believes that the legislation introduced by Senator Kent Conrad and Senator Tom Daschle on behalf of the Senate Democratic Tobacco Task Force is both sound and reasonable. It represents good public health policy, while at the same time protecting the civil justice rights of the multi-employer health & welfare community and others with claims against the tobacco companies.

We are particularly pleased that the legislation includes an adjustment assistance program for those tobacco workers who might be adversely effected by the legislation, and we encourage the sponsors to further develop this important program. Such assistance for workers is essential in light of the fact that for the past 18 years, the tobacco companies have engaged in a systematic corporate policy to downsize the workforce without assistance for its workers.

According to the ''Statistical Abstract of the Unite States 1997'' the tobacco industry has reduced its total employment by over 40% since 1980; from 69,000 in 1980 to 41,000 in 1996. Moreover, the ''Abstract'' projects that by 2005 the industry will have further reduced its U.S. employment to 26,000, for an overall reduction since 1980 of 62.4%. Absolutely none of this workforce reduction has been due to a profit decline for the industry since, again according to the ''Abstract'' the annual value of the domestic product has remained constant at about $35 billion. It is also no secret that the U.S. tobacco manufactures have been moving production facilities overseas. All of this occurred long before any ''Tobacco settlement'' was ever negotiated or anticipated. It is the direct result of the same corporate strategy that we have witnessed in industry after industry; from machine tools and electrical equipment to textiles and semi-conductors. In their effort to maximize profits American corporations have closed manufacturing facilities in the U.S. and moved to countries with the lowest wages and least labor protections.

Employment in the Tobacco Industry

In its effort to enact federal legislation to immunize itself from effective legal action, the tobacco industry has engaged in an attempt to economically ''blackmail'' the workers employed in the tobacco industry. The industry has argued that unless the tobacco deal, with immunity, is enacted that it will be forced to shut-down its operations in the United States and move production overseas.

The fact of the matter is that over the last 18 years, the industry has dramatically reduced employment by 40% and intends to continue this trend in the future.

The tobacco industry employment figures reproduced below are from the ''Statistical Abstract of the United States 1997'', the ultimate source of which is the industry itself.

All Employees—all products:	
1980	69,000
1990	49,000
1996	41,000
2005-(proj.)	26,000
Production Employees—all products:	
1980	54,000
1990	36,000
1996	31,000
All Employees—cigarettes:	
1980	46,000
1990	35,000
1996	28,000
Production Employees—cigarettes:	
1980	35,000
1990	26,000
1996	21,000

Notes:

1. These figures were prepared long before the announced ''Tobacco Settlement''.

2. Less than half of all tobacco production workers are represented by labor unions.

3. The Union sponsored labor-management health & welfare funds which have brought suit against the tobacco companies represent 30 million union workers, retirees and their families.

Source: Statistical Abstract of the United States, 1997, p. 416 & p. 425.

Mr. LAUTENBERG. Mr. President, I want to speak in strong support of the HEALTHY Kids Act, which was introduced by Senator CONRAD. Senator CONRAD chaired our tobacco task force, on which I served as vice chairman, and I thought, as did most on our side, that he did an incredibly thorough job in researching the issues and hearing from the various affected parties.

Mr. President, this bill today reflects the consensus of our task force. It is the vision of the Senate Democrats and has cosponsors from all sectors of the Democratic Party. Although some of us differ on certain specific points, all of us who are cosponsoring this legislation agree that this bill contains the right approach to tackling the devastating health problems that come from smoking cigarettes.

At the heart of this proposal is a per pack price increase of $1.50. This price increase will be phased in over three years and then indexed to inflation to maintain a deterrent effect on youth smoking.

I am particularly pleased, Mr. President, with this aspect of the HEALTHY Kids Act because it was adopted from a bill I introduced last year, the Public Health and Education Resource Act, which is S. 1343.

I believe now—as I did then—that if we are serious about reducing teen smoking, we have to increase the price swiftly and dramatically. It seems to have the most deterrent effect of all measures on youth because when the price goes up that far they cannot afford to pick up the habit, for which we are grateful.

This bill also includes much of the bill that Senator KENNEDY sponsored, and that I had the opportunity to support as a cosponsor, again representing the views of several of our Members to be included in this consensus package.

The focus of any tobacco legislation must be on improving the health of future generations of Americans, and this bill accomplishes that very clearly. In addition to funding various programs that will reduce teen smoking and benefit the well-being of children, it provides unfettered FDA jurisdiction. As the President has stated many times, full FDA power over these deadly products is essential.

Mr. President, as Ranking Member of the Budget Committee I am also pleased that this bill is consistent with the President's budget proposal. Both approaches recognize that comprehensive tobacco legislation requires a strong investment in America's children. Our approach keeps children away from this addictive product, improves their health, provides adequate child care and gives them a learning environment that fosters health and knowledge and progress.

That is a real investment in our children, and that is the focus of the Healthy Kids Act.

Mr. President, I often hear that we in Congress cannot pass any legislation that the tobacco industry does not first agree to support. They speak as if Big Tobacco has some sort of veto right over legislation affecting their industry.

I must tell you. I fail to find in the Constitution of the United States—or in any of the Senate rules—any provision that gives them the right to veto legislation. The Congress not only has a right—but a duty—to rein in on an industry that has been out of control targeting our children for addiction and lying about the dangerous nature of their products.

Mr. President, there has also been a great deal of talk about providing special protection against liability to this industry. First of all, one must question why in the world this industry, which has engaged in more corporate misconduct than any other, deserves unprecedented special protection from civil liability.

Secondly, this industry continues to this day to hide from the public critical information about tobacco's effect on our health. Congress shouldn't even consider limited civil liability protections until we have full and absolute disclosure from the companies. It is time for them to stop hiding behind false claims of privilege and come clean with the American people.

Mr. President, this bill, the Healthy Kids Act, presents Congress with a historic opportunity. I welcome, very sincerely, my friends from the other side of the aisle to cosponsor this bill, to work with us, as I know that they want to, to question perhaps the methodology or process. But I hope that won't stand in the way. We both want to save children's lives. We want to invest in their future. It has to be a bipartisan goal. I expect that many of our friends on the Republican side will join us at some point.

Mr. President, as can be expected in any omnibus legislation, some Senators will disagree on specific provisions of the bill. In fact, I have some reservations about certain provisions of this act, such as the secondhand smoke restrictions, which I believe could be tougher. But I ask all of my colleagues to keep their eye on the big picture—reducing tobacco's seductive grip on our kids.

Their target—it is very clearly understood—is to get 3,000 kids a day to start smoking because they know once you start it is hell to try and stop. And we don't want to permit them to get a grip on our children, on their lives, on their health, or on their habits.

So, Mr. President, I hope that we will be working together in a bipartisan way. We will make this happen if we can possibly do so. And I invite all of our colleagues to join us.

I yield the floor.

Mr. BINGAMAN. Mr. President, it is with great pleasure that I rise today to join Senator CONRAD and my other colleagues in introducing the HEALTHY Kids Act. I want to commend Senator CONRAD, and his staff, for their excellent work in formulating this legislation. I firmly believe that this legislation represents the opportunity to prevent nicotine addiction in children and youth.

The Congress has the truly historic opportunity this year to enact comprehensive legislation that will reduce access to and consumption of tobacco by our youth. Over the past few months, I have been part of the task force that helped consider the numerous issues involved in developing a comprehensive approach to address the public health issues that surround youth and tobacco. The HEALTHY Kids Act gives us a blueprint for reducing the terrible destruction that tobacco products have caused.

The Senate has a compelling interest to address the various issues raised by the tobacco settlement. The Office on Smoking and Health at the Centers for Disease Control and Prevention has determined that cigarettes kill more Americans that AIDS, alcohol, car accidents, murders, suicides, drugs, and fires combined.

Additionally, As the smoke screen erected by the tobacco companies begins to clear through numerous court proceedings, we now know what we have suspected all along: The targeting of our children has been a well planned, well orchestrated, and well financed conspiracy by these companies.

We have all seen the statistics. The Institute of Medicine finds that despite the market decline in adult smoking and the social disapproval of smoking, an estimated 3,000 young people become regular smokers every day. In my home state of New Mexico, roughly 33% of our youth in grades 9 through 12, smoke. Indeed, Mr. President, nationally, the prevalence of smoking by youth, has remained basically unchanged since 1980. If current tobacco use patterns in this nation persist, five million children currently alive today will die prematurely from a smoking related disease.

It is worth noting that lung cancer remains the leading cause of cancer death in the United States. All cancers caused by cigarette smoking can be prevented. Instead, according to CDC and Robert Wood Johnson, 170,000 Americans will lose their lives to tobacco related cancer this year. Preventing and reducing cigarette smoking are key to reducing illness and death. We must act now.

There will be myriad reasons put forth as to why we cannot or should not enact this legislation. There will be some who will say that Congress should not act at all. We have the opportunity and the obligation to enact legislation that will address the public health problems caused by tobacco products. The HEALTHY Kids Act gives us the chance to begin reversing the damage that has been done. It provides the vehicle for leadership that will be necessary to save our children. I hope that we will move, and move quickly without any more excuses, to enact this legislation.

Mr. KERREY. Mr. President, I am proud today to join with several of my colleagues in support of S. 1638, ''The Healthy Kids Act'', the tobacco bill crafted by Senator CONRAD and the Democratic Tobacco Task Force.

As you have heard many of our colleagues say, 3000 kids start smoking every day. One third of those will prematurely die from a tobacco-related disease. In Nebraska alone, 38 out of 100 high school kids currently smoke cigarettes and over 35,000 kids currently under the age of 18 will die prematurely from tobacco-related diseases.

This is simply unacceptable. And the job has fallen upon Congress to do something about it. Last summer, my colleagues and I were faced with the daunting task of putting together comprehensive tobacco legislation. Led by my very dedicated colleague Senator CONRAD from North Dakota, the Democratic Tobacco Task Force worked hard for nearly eight months to draft a bill that put our children's health first. This is exactly what The HEALTHY Kids Act does.

This bill puts the law on the side of our kids. Sometimes we pass laws and are unsure of their impact. This time we can be certain: If we pass this law it will save children's lives. Period.

Experts say that the way to get kids to quit smoking is to raise prices on cigarettes. The HEALTHY Kids Act does this.

This bill is projected to collect $78 billion in total revenue over the next five years. Among other things, this money will help improve our children's

health care, child care, and education; fund important medical research; take care of the farmers that were left out of the settlement negotiations; and some money will even go towards reducing the deficit and saving social security—which could perhaps be the greatest gift we could ever think about giving our children.

Mr. President, I close by saying that I look forward to working with Mr. CONRAD and others on passing this important legislation that correctly puts our children first.

By Mr. COVERDELL:

S. 1639. A bill to amend the Emergency Planning and Community Right-To-Know Act of 1986 to cover Federal facilities; to the Committee on Environment and Public Works.

THE FEDERAL FACILITIES COMMUNITY RIGHT-TO-KNOW ACT OF 1998

Mr. COVERDELL. Mr. President, I rise today to introduce legislation—The Federal Facilities Community Right-To-Know Act of 1998—which provides that the federal government is held to the same reporting requirements under the Emergency Planning and Community Right-To-Know Act (EPCRA) of 1986 as private entities. In 1986, Congress directed the Environmental Protection Agency (EPA) to establish a national inventory to inform the public about chemicals used and released in their communities. Since enactment of the Emergency Planning and Community Right-To-Know Act, manufacturers have been required to keep extensive records on how they use and store hazardous chemicals and report releases of hundreds of hazardous chemicals annually. EPA compiles the reported information into the Toxic Release Inventory (TRI).

The Toxic Release Inventory is a publicly available data base containing specific chemical release and transfer information from manufacturing facilities throughout the United States. The TRI is intended to promote planning for chemical emergencies and to provide information to the public regarding the presence and release of toxic and hazardous chemicals in their communities.

In August 1993, President Clinton signed Executive Order 12856, which required Federal facilities to begin submitting TRI reports beginning in calendar year 1994 activities. I commend President Clinton for taking this action. However, this executive order does not have the force of law and could be changed by a future Administration. The National Governors Association's policy on federal facilities states that ''Congress should ensure that federal and state ''right to know'' requirements apply to federal facilities.'' My legislation simply amends the Emergency Planning and Community Right-To-Know Act to cover federal facilities. It is important for the Federal government to protect the environment and its citizens from hazardous substances. People living near federal facilities have the right to know what hazardous substances are being released into the environment by these facilities so they can better protect themselves and their children from these potential threats. It is my strong belief that federal facilities should be treated the same as private entities. My legislation attempts to moves us closer towards that goal.

By Mr. WELLSTONE (for himself and Mr. GRAMS):

S. 1640. A bill to designate the building of the United States Postal Service located at East Kellogg Boulevard in Saint Paul, Minnesota, as the ''Eugene J. McCarthy Post Office Building''; to the Committee on Governmental Affairs.

THE EUGENE J. MCCARTHY POST OFFICE BUILDING DESIGNATION ACT OF 1998

Mr. WELLSTONE. Mr. President, I rise today on behalf of myself and my colleague from Minnesota, Senator GRAMS, to introduce legislation which would designate the U.S. Post Office Building in downtown St. Paul, MN, as the ''Eugene J. McCarthy Post Office Building.'' In doing so, we join the entire Minnesota delegation in the U.S. House of Representatives in honoring a man who is of great importance to our state and our nation.

This building, which will bear the name of one of Minnesota's great statesmen, stands in Minnesota's capitol, a city represented by Senator McCarthy in the House and Senate for nearly a quarter of a century. When the 4th district, and later all of Minnesota, sent Senator McCarthy to Washington they sent a scholar as well as a legislator, and his service to our state and this nation has not been restricted to his tenure in Congress. He has touched lives as a teacher and author as well.

Mr. President, I am proud to know Eugene McCarthy and to follow in his footsteps as a Senator from Minnesota, as a progressive, and as a great believer in grassroots democracy. He is a person who not only articulated, but exercised, a politics of inclusion and who knows that a candidate's success is best built upon a foundation of individuals. While America has had many important leaders, very few have fought the battles Senator McCarthy has fought, very few have shown the commitment he has shown to effecting positive change for ordinary people, and very few can match his record as a man of peace.

Mr. President, it is an honor to extend my state's, and my country's, gratitude to Senator McCarthy with this designation.

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

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

S. 1640

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

SECTION 1. DESIGNATION.

(a) IN GENERAL.—The building of the United States Postal Service located at 180 East Kellogg Boulevard in Saint Paul, Minnesota, shall be known and designated as the ''Eugene J. McCarthy Post Office Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the ''Eugene J. McCarthy Post Office Building''.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 1641. A bill to direct the Secretary of the Interior to study alternatives for establishing a national historic trail to commemorate and interpret the history of women's rights in the United States; to the Committee on Energy and Natural Resources.

THE WOMEN'S RIGHTS NATIONAL HISTORIC TRAIL ACT

Mr. MOYNIHAN. Mr. President, 1848 was one of the busiest years of the 19th Century in Europe. Everywhere kings were abdicating, ministers fleeing, mobs roving. In London, Karl Marx and Frederich Engels composed a pamphlet entitled Manifesto of the Communist Party. Revolution was all the rage. But the real revolution was taking place in a small brick chapel in a village in upstate New York where people had begun to think of a revolution unlike anything known—equal rights for women.

The American movement for women's rights began in Waterloo, New York nearly 150 years ago when five women met at the home of Jane and Richard Hunt. There, Elizabeth Cady Stanton of Seneca Falls, Mary Ann McClintock of Waterloo, Marta Coffin Wright of nearby Auburn, Lucretia Coffin Mott of Philadelphia and Mrs. Hunt planned the first women's rights convention held at the Wesleyan Chapel in Seneca Falls. It was also there that they wrote the ''Declaration of Sentiments,'' a document which can certainly be regarded as the Magna Carta of the women's movement. Modeled on our Declaration of Independence, the ''Declaration of Sentiments'' proclaimed that:

> All men and women are created equal: That they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness.

This unprecedented declaration called for broad societal changes aimed at eliminating discriminatory restrictions on women in all their spheres of life. A woman's right to a higher education, the right to own property and the right to retain her own wages—all these and more were proclaimed in this landmark document endorsed at the Seneca Falls Convention on July 19 and 20, 1848.

Perhaps most importantly, the convention was the catalyst for the 19th Amendment. There, Elizabeth Cady

Stanton made what was at the time a most radical proposal. She called for extending the franchise to women.

Ameila Bloomer, publisher of Lily, the first prominent women's rights newsletter, eloquently defended Stanton's call and articulated the importance of the vote:

In this country there is one great tribunal by which all theories must be tried, all principles tested, all measures settled: and that tribunal is the ballot box. It is the medium through which public opinion finally makes itself heard. Deny to any class in the community the right to be heard at the ballot-box and that class sinks at once into a state of slavish dependence, of civil insignificance, which nothing can save from becoming subjugation, oppression and wrong.

It was fully 72 years before the Nation heeded their call for the vote for women.

It took but 10 months in 1980, however, to establish a Women's Rights Historic Park at Seneca Falls and Waterloo, commemorating this call. Then-Senator Javits and I proposed a bill that created an historic park within Seneca Falls to commemorate the early beginnings of the women's movement and to recognize the important role Seneca Falls has played in the movement. The park consists of five sites: the 1840's Greek Revival home of Elizabeth Cady Stanton, organizer and leader of the women's rights movement; the Wesleyan Chapel, where the First Women's Rights Convention was held; Declaration Park with a 100 foot waterwall engraved with the Declaration of Sentiments and the names of the signers of Declaration; and the M'Clintock house, home of MaryAnn and Thomas M'Clintock, where the Declaration was drafted.

On June 27 last, my friend and colleague, Senator D'AMATO and I introduced S. Con. Res. 35, a resolution that urges the United States Postal Service to issue a commemorative postage stamp to celebrate the 150th anniversary of the Women's Rights Convention. It is only fitting that a stamp be issued commemorating this historic anniversary and highlighting the importance of continuing this struggle for equal rights and opportunity for women in areas such as health care, education, employment, and pay equity.

Today Senator D'AMATO and I, in concert with Representative LOUISE M. SLAUGHTER of Rochester, introduce legislation which would direct the Secretary of the Interior to study the development of a Women's Rights Historic Trail stretching from Boston, Massachusetts to Buffalo, New York.

Mr. President, the contributions made by women in that region are many. This is hallowed ground that needs to be celebrated. It would include such sites as the Susan B. Anthony House and voting place in Rochester; the Women's Rights National Historical Park; the National Women's Hall of Fame and the Elizabeth Cady Stanton House in Seneca Falls; the Harriet Tubman House and memorial in Auburn; and the Eleanor Roosevelt home in Hyde Park.

The women of Seneca Falls challenged America to social revolution with a list of demands that touched upon every aspect of life. Testing different approaches, the early women's rights leaders came to view the ballot as the best way to challenge the system, but they did not limit their efforts to this one issue. Fifty years after the convention, women could claim property rights, employment and educational opportunities, divorce and child custody laws, and increased social freedoms. By the early 20th century, a coalition of suffragists, temperance groups, reform-minded politicians, and women's social welfare organizations mustered a successful push for the vote.

Today Congress honors Lucretia Mott and Elizabeth Cady Stanton, along with Susan B. Anthony, as revolutionary leaders of the women's movement by placing a statue of them in the Capitol Rotunda next to statues of other leaders in our Nation's history such as George Washington, Abraham Lincoln, and Martin Luther King, Jr.

An historic trail would be a living monument to women's history, bringing to life the numerous pioneers so often left out of our textbooks. In ''The Ladies of Seneca Falls: The Birth of the Women's Rights Movement'', Miriam Gurko writes:

Most histories contain, if anything, only the briefest allusion to the woman's rights movement in the nineteenth century—perhaps no more than a sentence to include it in the general upsurge of reform. Here and there the name of a woman's rights leader might be mentioned, generally that of Susan B. Anthony, sometimes Elizabeth Cady Stanton. The rest might never have existed so far as the general run of historical sources is concerned.

One of the most important social forces of our time is women's struggle to achieve equality, and, as such, it is incumbent upon us to pay tribute to its many heroes.

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. 1641

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 ''Women's Rights National Historic Trail Act of 1998''.

SEC. 2. STUDY OF ALTERNATIVES FOR NATIONAL HISTORIC TRAIL TO COMMEMORATE AND INTERPRET HISTORY OF WOMEN'S RIGHTS IN THE UNITED STATES.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Director of the National Park Service (referred to in this section as the ''Secretary''), shall conduct a study of alternatives for establishing a national historic trail commemorating and interpreting the history of women's rights in the United States.

(b) MATTERS TO BE CONSIDERED.—The study under subsection (a) shall include—

(1) consideration of the establishment of a new unit of the National Park System;

(2) consideration of the establishment of various appropriate designations for routes and sites relating to the history of women's rights in the United States, and alternative means to link those sites, including a corridor between Buffalo, New York, and Boston, Massachusetts;

(3) recommendations for cooperative arrangements with State and local governments, local historical organizations, and other entities; and

(4) cost estimates for the alternatives.

(c) STUDY PROCESS.—The Secretary shall—

(1) conduct the study with public involvement and in consultation with State and local officials, scholarly and other interested organizations, and individuals;

(2) complete the study as expeditiously as practicable after the date on which funds are made available for the study; and

(3) on completion of the study, submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the findings and recommendations of the study.

By Mr. GLENN (for himself, Mr. THOMPSON, Mr. LEVIN, Mr. LIEBERMAN, and Mr. AKAKA):

S. 1642. A bill to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public; to the Committee on Governmental Affairs.

THE FEDERAL FINANCIAL ASSISTANCE MANAGEMENT IMPROVEMENT ACT

Mr. GLENN. Mr. President, I rise today to introduce the Federal Financial Assistance Management Improvement Act of 1998—legislation designed to improve the efficiency and effectiveness of Federal financial assistance and grant-in-aid programs.

According to the Advisory Commission on Intergovernmental Relations, there are over 600 different Federal grant programs to state and local governments and other service providers. Not only is that a large number of programs in the aggregate, we also have an abundance of separate grant programs even in areas where only one general purpose is being served. For example, in the budget subfunction of social services alone, there are over 80 different Federal grant programs. In elementary and secondary education, there are a similar number of Federal programs.

Almost all of these different grant programs serve worthy goals and purposes. However, they inevitably carry with them separate redtape, regulations, and procedures that frustrate those at the state, local and nonprofit level who must coordinate the services and carry out the responsibilities in all these separate programs. Furthermore, in many of these grant programs, ''getting out the money'' is the primary emphasis. Administrative performance and efficiency are a secondary emphasis, or in some cases not emphasized at all, so we have little understanding at any level of government how well the

programs are actually working. Part of this problem stems from the fact that the money passes through 3 sometimes 4 different sets of hands before it reaches its intended beneficiaries. So it's hard to know where responsibility lies when it comes to making sure that the money is spent efficiently, properly and in a way to maximize the goals and objectives of the underlying program.

We've been working for several years in the Governmental Affairs Committee on ways to cut Federal redtape while improving performance. We tried to reduce Federal burdens with enactment of the Paperwork Reduction Act and Unfunded Mandates Reform Act, while strengthening the effectiveness of Federal programs with the Government Performance Results Act.

This bill builds on those initiatives. It requires that Federal agencies develop plans that, among other things: establish uniform applications for related grant programs; develop common rules for Federal requirements that cut across multiple grant programs; and, emphasize use of electronic reporting via the Internet. Agencies would have 18 months to develop their plans, with OMB overseeing their development. They would work closely with state and local governments and the nonprofit community in the setting of performance measures to achieve the bill's goals. The bill sunsets in 5 years following a review by the National Academy of Public Administration.

Americans want government services to work better. But they also want government to live within its means, to balance its books. In other words, they want more cost-effective government, and that's at all levels. I believe this bill helps lead us in that direction. I'm pleased that Chairman THOMPSON, along with Senators LEVIN, LIEBERMAN, and AKAKA, have joined me cosponsoring the bill and I look forward to considering it in the Governmental Affairs Committee.

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. 1642

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

SECTION 1. TITLE.

This Act may be cited as the ''Federal Financial Assistance Management Improvement Act of 1998''.

SEC. 2. FINDINGS.

Congress finds that—

(1) there are over 600 different Federal financial assistance programs to implement domestic policy;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some Federal administrative requirements may be duplicative, burdensome or conflicting, thus impeding cost-effective delivery of services at the local level;

(3) State, local, and tribal governments and private, nonprofit organizations are dealing with increasingly complex problems that require the delivery and coordination of many kinds of services; and

(4) streamlining and simplification of Federal financial assistance administrative procedures and reporting requirements will improve the delivery of services to the public.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) improve the effectiveness and performance of Federal financial assistance programs;

(2) simplify Federal financial assistance application and reporting requirements;

(3) improve the delivery of services to the public; and

(4) facilitate greater coordination among those responsible for delivering such services.

SEC. 4. DEFINITIONS.

In this Act:

(1) COMMON RULE.—The term ''common rule'' means a government-wide uniform rule for any generally applicable requirement established to achieve national policy objectives that applies to multiple Federal financial assistance programs across Federal agencies.

(2) DIRECTOR.—The term ''Director'' means the Director of the Office of Management and Budget.

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

(4) FEDERAL FINANCIAL ASSISTANCE PROGRAM.—The term ''Federal financial assistance program'' means a domestic assistance program (as defined under section 6101(4) of title 31, United States Code) under which financial assistance is available, directly or indirectly, to a State, local, or tribal government or a qualified organization to carry out activities consistent with national policy goals.

(5) LOCAL GOVERNMENT.—The term ''local government'' means—

(A) a political subdivision of a State that is a unit of general local government (as defined under section 6501(10) of title 31, United States Code);

(B) any combination of political subdivisions described in subparagraph (A); or

(C) a local educational agency as defined under section 14101(18) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(18)).

(6) QUALIFIED ORGANIZATION.—The term ''qualified organization'' means a private, nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986.

(7) STATE.—The term ''State'' means each of the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

(8) TRIBAL GOVERNMENT.—The term ''tribal government'' means the governing entity of an Indian tribe, as that term is defined in the Indian Self Determination and Education Assistance Act (25 U.S.C. 450b).

SEC. 5. DUTIES OF THE DIRECTOR.

(a) IN GENERAL.—The Director, in consultation with agency heads, shall direct, coordinate, and assist Federal agencies in establishing—

(1) a uniform application, or set of uniform applications, to be used by an applicant to apply for assistance from multiple Federal financial assistance programs that serve similar purposes and are administered by different Federal agencies;

(2) ways to streamline and simplify Federal financial assistance administrative procedures and reporting requirements for grantees;

(3) a uniform system wherein an applicant may apply for, manage, and report on the use of, funding from multiple Federal financial assistance programs across different Federal agencies;

(4) a process for applicants to electronically apply for, and report on the use of, funds from Federal financial assistance programs;

(5) use of common rules for multiple Federal financial assistance programs across different Federal agencies;

(6) improved interagency and intergovernmental coordination of information collection and sharing of data pertaining to Federal financial assistance programs, including the development of a release form to be used by grantees to facilitate the sharing of information across multiple Federal financial assistance programs;

(7) a process to strengthen the information resources management capacity of State, local, and tribal governments and qualified organizations pertaining to the administration of Federal financial assistance programs; and

(8) specific annual goals and objectives to further the purposes of this Act.

(b) ACTIONS CONSISTENT WITH STATUTORY REQUIREMENTS.—The actions taken by the Director under subsection (a) shall be consistent with statutory requirements relating to any applicable Federal financial assistance program.

(c) LEAD AGENCY AND WORKING GROUPS.—The Director may designate a lead agency to assist the Director in carrying out the responsibilities under this section. The Director may use interagency working groups to assist in carrying out such responsibilities.

(d) REVIEW OF PLANS AND REPORTS.—

(1) IN GENERAL.—The Director shall—

(A) review agency plans and reports developed under section 6 for adequacy;

(B) monitor the annual performance of each agency toward achieving the goals and objectives stated in the agency plan; and

(C) ensure that each agency plan does not diminish standards to measure performance and accountability of financial assistance programs.

(2) REPORT.—Not later than 3 years after the date of enactment of this Act, the Director shall report to Congress on implementation of this section. Such a report may be included as part of any of the general management reports required under law.

(e) EXEMPTIONS.—

(1) IN GENERAL.—The Director may exempt any Federal agency from the requirements of this Act if the Director determines that the agency does not have a significant number of Federal financial assistance programs.

(2) AGENCIES EXEMPTED.—Not later than November 1 of each fiscal year, the Director shall submit to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives—

(A) a list of each agency exempted under this subsection in the preceding fiscal year; and

(B) an explanation for each such exemption.

(f) GUIDANCE.—Not later than 120 days after the date of enactment of this Act, the Director shall issue guidance to Federal agencies on implementation of the requirements of this Act. Such guidance shall include a statement on the common rules that the Director intends to review and standardize under this Act.

SEC. 6. DUTIES OF FEDERAL AGENCIES.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, each Federal agency shall develop and implement a plan that—

(1) streamlines and simplifies the application, administrative, and reporting procedures for each financial assistance program administered by the agency;

(2) demonstrates active participation in the interagency process required the applicable provisions of section 5(a);

(3) demonstrates agency use, or plans for use, of the uniform application (or set of applications) and system developed under section 5(a) (1) and (3);

(4) designates a lead agency official for carrying out the responsibilities of the agency under this Act;

(5) allows applicants to electronically apply for, and report on the use of, funds from the Federal financial assistance program administered by the agency;

(6) strengthens the information resources management capacity of State, local and tribal governments and qualified organizations pertaining to the administration of the financial assistance program administered by the agency; and

(7) in cooperation with State, local, and tribal governments and qualified organizations, establishes specific annual goals and objectives to further the purposes of this Act and measure annual performance in achieving those goals and objectives.

(b) PLAN CONSISTENT WITH STATUTORY REQUIREMENTS.—Each plan developed and implemented under this section shall be consistent with statutory requirements relating to any applicable Federal financial assistance program.

(c) COMMENT AND CONSULTATION ON AGENCY PLANS.—

(1) COMMENT.—Each Federal agency shall publish the plan developed under subsection (a) in the Federal Register and shall receive public comment on the plan through the Federal Register and other means (including electronic means). To the maximum extent practicable, each Federal agency shall hold public hearings or related public forums on the plan.

(2) CONSULTATION.—The lead official designated under subsection (a)(4) shall consult regularly with representatives of State, local and tribal governments and qualified organizations during development of the plan. Consultation with representatives of State, local, and tribal governments shall be in accordance with section 204 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1534).

(d) SUBMISSION OF PLAN.—Each Federal agency shall submit the plan developed under subsection (a) to the Director and Congress and report annually thereafter on the implementation of the plan and performance of the agency in meeting the goals and objectives specified under subsection (a)(7). Such a report may be included as part of any of the general management reports required under law.

SEC. 7. EVALUATION.

(a) IN GENERAL.—The Director (or the lead agency designated under section 5(c)) shall contract with the National Academy of Public Administration to evaluate the effectiveness of this Act. Not later than 4 years after the date of enactment of this Act the evaluation shall be submitted to the lead agency, the Director, and Congress.

(b) CONTENTS.—The evaluation under subsection (a) shall—

(1) assess the effectiveness of this Act in meeting the purposes of this Act and make specific recommendations to further the implementation of this Act;

(2) evaluate actual performance of each agency in achieving the goals and objectives stated in agency plans; and

(3) assess the level of coordination and cooperation among the Director, Federal agencies, State, local, and tribal governments, and qualified organizations in implementing this Act.

SEC. 8. EFFECTIVE DATE AND SUNSET.

This Act shall take effect on the date of enactment of this Act and shall cease to be effective on and after 5 years after such date of enactment.

By Mr. KENNEDY (for himself, Mr. JEFFORDS, Mr. KERRY, and Mr. LEAHY):

S. 1643. A bill to amend title XVIII of the Social Security Act to delay for one year implementation of the per beneficiary limits under the interim payment system to home health agencies and to provide for a later base year for the purposes of calculating new payment rates under the system; to the Committee on Finance.

MEDICARE AND HOME HEALTH CARE LEGISLATION

Mr. KENNEDY. Mr. President, the home health benefit available under Medicare plays a significant role in allowing elderly beneficiaries to remain in their homes and in their community. Those who use the home health benefit are among the most vulnerable Medicare beneficiaries. More than 40 percent have incomes below $10,000. One in three live alone, and two-thirds are over age 75.

In recent years, the cost of the home health benefit has been one of the fastest growing parts of Medicare. While the vast majority of this growth is attributable to a legitimate increase in home health care as patients are moved out of the hospital more quickly, some portion is known to be due to fraud. As a result, Congress enacted provisions on this spending as a part of the Balanced Budget Act of 1997. Unfortunately, it now appears that some of the restrictions will operate in a way that penalizes providers unfairly and jeopardizes their ability to continue to offer these vital services for the elderly.

In order to address these issues, I am introducing legislation to delay the effective date of one provision, and to change the base year that will be used to calculate future home health payments. Congressman McGovern is introducing similar legislation in the House of Representatives.

The problem with the current law is especially serious in New England. Home health agencies throughout the region generally provide care for less cost than the national average. For example, the average Medicare payment per home health visit in Massachusetts in 1995 was 19 percent below the national average. These programs are effective. They provide high quality home health care and help people to remain in the community and out of hospitals and nursing homes. And they do so in a cost-efficient manner. Nevertheless, the Home & Health Care Association of Massachusetts estimates that the provisions of the Balanced Budget Act of 1997 could result in a loss of 1.5 million home health visits—a 20 percent reduction—this year. Under the Act, Massachusetts and other states that provide high quality care efficiently and at lower rates are at a disadvantage, whereas inefficient providers are permitted to lock in higher rates.

One of the most questionable effects of the Act requires home health agencies to comply with ''per beneficiary caps'' before the federal government tells them what the caps are. The bill I am introducing delays the effective date of the caps until October 1, 1998, to allow time for agencies to adjust to forthcoming, essential guidance from the Health Care Financing Administration.

In addition, this bill moves up the year—from 1994 to 1995—that will be used to calculate payments for 1998 and beyond. This change means that payments will more accurately reflect the type of home care that is currently delivered.

The problem facing home health patients and agencies is substantial. Congress should address this issue now, before home health agencies that provide needed services are unfairly forced out of business, and before senior citizens are forced to go without necessary care or leave their homes for more expensive hospital care or nursing home care. The provisions of the Balanced Budget Act should be modified to avoid these unfortunate and unnecessary problems.

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. 1643

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

SECTION 1. DELAY OF PER BENEFICIARY LIMITS UNDER INTERIM PAYMENT SYSTEM AND CHANGE OF BASE YEAR.

(a) DELAY IN PER BENEFICIARY LIMITS UNDER INTERIM PAYMENT SYSTEM.—

(1) IN GENERAL.—Section 1861(v)(1)(L) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)), as amended by section 4602 of the Balanced Budget Act of 1997, is amended in clauses (v) and (vi) by striking ''October 1, 1997,'' each place it appears and inserting ''October 1, 1998,''.

(2) CONFORMING AMENDMENTS.—Section 1861(v)(1)(L)(vii) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(vii)), as added by section 4602(c) of the Balanced Budget Act of 1997, is amended—

(A) by striking ''April 1, 1998,'' and inserting ''August 1, 1998,''; and

(B) by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''.

(b) CHANGE IN BASE YEAR.—Section 1861(v)(1)(L)(v)(I) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(v)(I)) is amended by striking ''ending during fiscal year 1994'' each place it appears and inserting ''ending during fiscal year 1995 or, at the election of the agency, calendar year 1995''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply as if included in the enactment of the Balanced Budget Act of 1997.

Mr. JEFFORDS. Mr. President, today, I am introducing legislation with my colleague Senator KENNEDY that will improve the implementation of the interim payment system to home health agencies established under the Balanced Budget Act of 1997. It is imperative that we protect access

to care for our most vulnerable populations—the elderly and the disabled. While I support the move to a prospective payment system for home care under the Balanced Budget Act, the payment system designed for the interim period is proving to be an intolerable burden for the home health agencies that serve Vermont's Medicare beneficiaries.

This bill would do two things to remove the current threat to quality home care. First, the bill delays the implementation of the interim payment system for one year. This will minimize its impact on agencies as a prospective payment system is put in place. Second, the base year for establishing per patient limits will shift from the current designation of fiscal year 1994, to either fiscal or calendar year 1995. Care rendered in 1995 is a better reflection of the current mix of patients—and it captures the deterrent effect of Operation Restore Trust on fraud and abuse in areas where cost was inflated.

My own State of Vermont is a good example of how the health care system can work to provide for high quality care for Medicare beneficiaries. Home health agencies are a critical link in the kind of health system that extends care over a continuum of options and settings. New technology and advances in medical practice permit hospitals to discharge patients earlier. They give persons suffering with acute or chronic illness the opportunity to receive care and live their lives in familiar surroundings. Time and time again, Vermont's home health agencies have proven their value by providing quality, cost-effective services to these patients. Yet time and again, federal policy seems to ensure that their good deeds should go punished.

Furthermore, Vermont home health agencies have been able to provide quality service while consistently maintaining the lowest per capital reimbursement rates for home care in the country. The average Medicare payment per patient in Vermont is approximately $3,000 per year, one third lower than the national average, and far less than in high costs states where payments rise as high as $7,900 per patient per year. Now, Vermont agencies face a interim payment system established under the Balanced Budget Act of 1997 that is based on historical cost. Instead of being rewarded for their good work, Vermont agencies will have a much lower per patient limit under Medicare than agencies in high cost areas. According to a January 7 article in the Wall Street Journal, Vermont's 13 agencies could lose over $2 million next year by continuing to do what they always have done—providing efficient and essential services.

Since the impact of the interim payment system became apparent, I have been in continuous contact with the Vermont Assembly of Home Health Agencies; the Vermont Agency of Human Services; and directors, trustees, employees, and patients of nearly every home health agency in the state. I firmly believe we must act to guard the health and welfare of a particularly vulnerable segment of the population. This legislation will help ensure that our home health care infrastructure is able to continue serving the patients that rely upon them.

By Mr. REED (for himself, Ms. COLLINS, Mr. KENNEDY, Mrs. MURRAY, Mr. DODD, Ms. MIKULSKI, Mr. CONRAD, Mr. AKAKA, Mr. LEVIN, Mr. KERRY, Mr. JOHNSON, Mr. TORRICELLI, Mr. KERREY, and Mr. HOLLINGS):

S. 1644. A bill to amend subpart 4 of part A of title IV of the Higher Education Act of 1965 regarding Grants to States for State Student Incentives; to the Committee on Labor and Human Resources.

THE LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP ACT

Mr. REED. Mr. President, I rise to introduce legislation with my Republican colleague on the Labor and Human Resources Committee, Senator SUSAN COLLINS, as well as Senators KENNEDY, MURRAY, DODD, MIKULSKI, CONRAD, LEVIN, AKAKA, KERRY, JOHNSON, TORRICELLI, KERREY, and HOLLINGS to reform and reauthorize an important student aid program, the State Student Incentive Grant program or SSIG.

Last fall, I was pleased to join forces with Senator COLLINS to lead the fight to restore funding for SSIG on an 84 to 4 vote.

This program provides funding on the basis of a dollar for dollar match to help states provide need-based financial aid in the form of grants and community service work study awards to 700,000 students nationwide, and 13,000 students from my home state of Rhode Island. Grants are targeted to the neediest undergraduate and graduate students.

As I noted last fall during the debate on the Labor, Health and Human Services, and Education Appropriations bill, many states would not have established or maintained their need-based financial aid programs without this important federal incentive. Moreover, students, searching for sources of need-based grants to make their higher education dreams a reality, have come to rely on SSIG.

Indeed, the importance of SSIG has increased over the years as skyrocketing college costs have eroded the purchasing power of the Pell Grant, and as the grant-loan imbalance widens. Twenty-three years ago, 80 percent of student aid came in the form of grants and 20 percent in the form of loans. Today the opposite is true, and students face significant debt upon graduation.

In addition, low-income students are still finding it particularly hard to afford higher education. Less than 50% of high school graduates with incomes under $22,000 go to college, while more than 80% of their higher income counterparts pursue education beyond high school.

To address these trends and ensure that needy students have alternatives to borrowing, SSIG must be strengthened during the upcoming reauthorization of the Higher Education Act. The legislation we introduce today, the Leveraging Educational Assistance Partnership (LEAP) Act, does this by reauthorizing and making significant reforms to the SSIG program.

The LEAP Act provides states greater incentives and flexibility to help needy students attend college. Our legislation creates a two-tier grant program. Any funds appropriated over a trigger level of funding—$35 million—would require an increased state match of two new dollars for every federal dollar. However, states would gain new flexibility to use these funds for activities such as increasing grant amounts or carrying out academic or merit scholarship programs, community service programs, early intervention, mentorship, and career education programs, secondary to postsecondary education transition programs, or scholarship programs for students wishing to enter the teaching profession.

These improvements restore the incentive nature of the program by attracting more state funds for student aid and providing greater flexibility for the use of these funds, while not disenfranchising states that can only match according to the current 1-to-1 requirement.

The LEAP Act is supported by students, educators, and student aid officials, including the National Association of State Student Grant and Aid Programs (NASSGAP), the National Association of Independent Colleges and Universities (NAICU), the American Council on Education (ACE), the American Association of State Colleges and Universities (AASCU), the United States Public Interest Research Group (USPIRG), the United States Student Association (USSA), and the National Association of Graduate-Professional Students.

Mr. President, I believe we should help all our citizens achieve the American Dream and ensure access to higher education, especially for hard working families whose wages have not kept up with inflation. I urge my colleagues to join us in this critical effort to strengthen federal-state student aid partnerships and our commitment to America's students.

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. 1644

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 ''Leveraging Educational Assistance Partnership Act''.

SEC. 2. LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 415A(b) of the Higher Education Act of 1965 (20 U.S.C. 1070c(b)) is amended—

(1) in paragraph (1), by striking ''1993'' and inserting ''1999'';

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

''(2) RESERVATION.—For any fiscal year for which the amount appropriated under paragraph (1) exceeds $35,000,000, the excess shall be available to carry out section 415E.''.

(b) SPECIAL LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.—Subpart 4 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070c et seq.) is amended—

(1) by redesignating section 415E as 415F; and

(2) by inserting after section 415D the following:

''SEC. 415E. SPECIAL LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.

''(a) IN GENERAL.—From amounts reserved under section 415A(b)(2) for each fiscal year, the Secretary shall—

''(1) make allotments among States in the same manner as the Secretary makes allotments among States under section 415B; and

''(2) award grants to States, from allotments under paragraph (1), to enable the States to pay the Federal share of the cost of the authorized activities described in subsection (c).

''(b) APPLICABILITY RULE.—Except as otherwise provided in this section, the provisions of this subpart which are not inconsistent with this section shall apply to the program authorized by this section.

''(c) AUTHORIZED ACTIVITIES.—Each State receiving a grant under this section may use the grant funds for—

''(1) increasing the dollar amount of grants awarded under section 415B to eligible students who demonstrate financial need;

''(2) carrying out transition programs from secondary school to postsecondary education for eligible students who demonstrate financial need;

''(3) carrying out community service programs for eligible students who demonstrate financial need;

''(4) creating a scholarship program for eligible students who demonstrate financial need and wish to enter teaching;

''(5) carrying out early intervention programs, mentoring programs, and career education programs for eligible students who demonstrate financial need; and

''(6) awarding merit or academic scholarships to eligible students who demonstrate financial need.

''(d) MAINTENANCE OF EFFORT REQUIREMENT.—Each State receiving a grant under this section for a fiscal year shall provide the Secretary an assurance that the aggregate amount expended per student or the aggregate expenditures by the State, from funds derived from non-Federal sources, for the authorized activities described in subsection (c) for the preceding fiscal year were not less than the amount expended per student or the aggregate expenditures by the State for the activities for the second preceding fiscal year. The Secretary may waive this subsection for good cause, as determined by the Secretary.

''(e) FEDERAL SHARE.—The Federal share of the cost of the authorized activities described in subsection (c) for any fiscal year shall be 33⅓ percent.''.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) PURPOSE.—Subsection (a) of section 415A of the Higher Education Act of 1965 (20 U.S.C. 1070c(a)) is amended to read as follows:

''(a) PURPOSE OF SUBPART.—It is the purpose of this subpart to make incentive grants available to States to assist States in—

''(1) providing grants to—

''(A) eligible students attending institutions of higher education or participating in programs of study abroad that are approved for credit by institutions of higher education at which such students are enrolled;

''(B) eligible students for campus-based community service work-study; and

''(2) carrying out the activities described in section 415F.''.

(2) ALLOTMENT.—Section 415B(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1070c–1(a)(1)) is amended by inserting ''and not reserved under section 415A(b)(2)'' after ''415A(b)(1)''.

Mr. KERREY. Mr. President, it is with great pleasure that I cosponsor this important piece of legislation to help the very neediest of individuals obtain a college degree.

One of the most important goals that we can accomplish as legislators is to ensure that every American who is willing to work hard can go to college and have a shot at the American Dream. Yet we know that the cost of a college education is rising rapidly, and that can be an inhibitor for potential students.

By reauthorizing and reforming State Student Incentive Grants, the LEAP Act ensures that this important program continues to assist those students who otherwise may not be able to pursue higher education. Together with Pell grants they make it possible for low-income students to reach their potential and in turn become productive contributors in our increasingly knowledge-based economy.

This legislation restores to the SSIG program its incentive nature by giving states a reason to increase their investment in it. Any funds appropriated over $35 million would require an increased state match of two new dollars for every federal dollar. In return greater flexibility will be provided for the use of these extra funds. They can be used to increase grant awards or for other worthy activities such as carrying out academic or merit scholarship programs or career education programs.

Nebraska has been supportive of the SSIG program and has shown that support in its willingness to overmatch the federal contribution. However, with the decrease in appropriations from $50 million for fiscal year 1997 to $25 million for fiscal year 1998, the state will be able to assist approximately 500 fewer students. Seventy-one percent of Nebraska students who received an SSIG had a family income of $20,000 or less.

By lending further support to the SSIG program we can ensure that these 500 students and thousands of students across the nation do not fall between the cracks.

Mr. President, I am cosponsoring this bill today because it represents a good bipartisan effort to increase educational opportunities for those in greatest need of financial assistance. I look forward to moving it through Congress.

By Mr. ABRAHAM (for himself, Mr. LOTT, Mr. DEWINE, Mr. INHOFE, Mr. NICKLES, Mr. COVERDELL, Mr. HELMS, Mr. COATS, Mr. SESSIONS, Mr. ENZI, Mr. CRAIG, Mr. KYL, Mr. HATCH, Mr. FAIRCLOTH, Mr. BROWNBACK, Mr. SANTORUM, Mr. MCCONNELL, Mr. HUTCHINSON, Mr. BOND, and Mr. GRASSLEY):

S. 1645. A bill to amend title 18, United States Code, to prohibit taking minors across State lines to avoid laws requiring the involvement of parents in abortion decisions; to the Committee on the Judiciary.

THE CHILD CUSTODY PROTECTION ACT OF 1998

Mr. ABRAHAM, Mr. President. I rise today to introduce legislation protecting the most important relationship of all: that of parents and their children. All of us know that the family is the fundamental, crucial and indispensable basis of our civilization. Without strong families our children will grow up without role models, without a sound knowledge of how they ought to behave and for what they ought to strive. As a consequence, the data shows quite clearly that children deprived of strong family lives are more likely to suffer from depression, substance abuse, crime, violence, poverty and even suicide.

Yet, when it comes to one of the most important decisions in life, Mr. President, children are being kept from the guidance of their parents. I am talking, of course, about the decision whether or not to have an abortion. The American people recognize how crucial it is for minor children to involve their parents in this life-changing decision. 74 percent of Americans in a 1996 Gallup poll favored requiring minors to get parental consent for an abortion. People quite reasonably believe that parents should be involved in deciding whether their daughter should undergo an abortion. As the Supreme Court noted in *H.L.* v. *Matheson,* ''the medical, emotional, and psychological consequences of an abortion are serious and can be lasting; this is particularly so when the patient is immature.''

Convinced of the soundness of this reasoning, at least 22 states have enacted laws requiring consent of or notification to at least one parent, or authorization by a judge, before a minor can obtain an abortion. Unfortunately, this wise policy is being undermined.

Thousands of children every year are taken across state lines by people other than their parents to secure secret abortions. As we speak, Mr. President, abortion providers are taking out large advertisements in the Yellow Pages in cities like Harrisburg and Scranton, Pennsylvania, trumpeting the fact that their clinics, across the Pennsylvania state line, do not require parental notification as Pennsylvania

does. In essence, these abortion providers are encouraging people to circumvent Pennsylvania's parental notification law by crossing the border into New Jersey, New York or Maryland for a secret abortion.

And thousands of times every year this suggestion is taken up by non-related adults who want to circumvent the law. One example of this conduct made headlines recently. The case involved an 18 year old Pennsylvania man who got his 12 year old neighbor pregnant. Pennsylvania law requires parental consent prior to an abortion on a minor. To circumvent this law, Rosa Hartford, mother of the 18 year old, secretly took the girl to an abortion clinic in New York, a state with no parental notification requirement. Her actions discovered, Mrs. Hartford, whose son pled guilty to two counts of statutory rape, was convicted of interfering with the custody of a child.

The Center for Reproductive Law and Policy (CLRP), a prominent proabortion legal defense organization, appealed Mrs. Hartford's conviction on the grounds that she merely ''assisted a woman to exercise her constitutional rights'' and as such was herself protected from prosecution by the Constitution.

Mr. President, this reasoning cannot stand. To say that, because the court in *Roe* v. *Wade* declared most abortions constitutionally protected during the first trimester, that therefore minors have an absolute right to abortion without so much as notifying their parents, and that third parties—whatever their motives—have the right to secretly transport them across state lines for a secret abortion, is to stand constitutional protections on their head. It is to strip children to the natural protection of their parents.

For the sake of our children and our families, this must stop. We must uphold the law and uphold the family tie. That is why I am introducing the Child Custody Protection Act. This legislation is simple and straightforward. It will make it a federal offense to transport a minor across state lines with intent to avoid the application of a state law requiring parental involvement in a minor's abortion, or judicial waiver of such a requirement.

Children must receive parental consent for even minor surgical procedures, Mr. President. The profound, lasting physical and psychological effects of abortion demand that we help states guarantee parental involvement in the abortion decision. That means, at a minimum, seeing to it that outside parties cannot circumvent state parental notification and consent laws with impunity.

America is in the midst of a profound debate over the nature and status of abortion. But, even as many of us disagree over a number of crucial issues, we all should be able to agree that duly enacted laws must be upheld. Those who would undermine these laws in the name of unfettered abortion on demand damage the rule of law by subverting legitimate statutes. They also undercut our Constitutional liberties by stretching them beyond all rational bounds and using them to sap parental rights and family ties.

We can no more afford to allow state laws to be flouted than we can afford to allow family ties to be further undermined. For the sake of our families and our rule of law, I urge my colleagues to defend both by supporting the Child Custody Protection Act.

Mr. DEWINE. Mr. President, today I rise as a cosponsor of the Child Custody Protection Act sponsored by my colleague, Senator SPENCER ABRAHAM, to whom I am grateful for introducing this important legislation. The purpose of this legislation is to make it a crime to transport a child across state lines if this circumvents state law requiring parental involvement or a judicial waiver for a minor to obtain an abortion.

In a well-publicized case in Pennsylvania, a 12-year-old girl became pregnant after a sexual relationship with an 18-year-old man. As parental consent is required under Pennsylvania law before a minor can receive an abortion, the man's mother took the pregnant girl to New York for an abortion, where there is no such parental involvement law. The baby was aborted. The girl's mother did not consent to her daughter having an abortion; in fact, she did not even know her daughter was pregnant. Unfortunately, parents and guardians have no clear recourse when another adult circumvents the law of the state where the parent and child live by transporting a child to another state.

Twenty-two states have laws that require either notification or consent of a parent before a minor child receives an abortion. Currently, in my State of Ohio, a parent or guardian must be notified before a child receives an abortion. However, the State Legislature has recently passed a law requiring both parental consent and a face-to-face meeting with the doctor performing the abortion at least twenty-four hours before the procedure. Clearly, the citizens of Ohio have a compelling interest in making sure that parents are involved in a minor's decision to have an abortion, and that women have a full opportunity to consider the medical implications of their decision to abort an unborn child.

The right of citizens to pass and enforce laws regarding the rights of parents is completely abrogated by the ability of strangers to surreptitiously transport children to another state to obtain a surgical or drug-induced abortion. By introducing this bill, we are sending a clear message that *Roe* v. *Wade* does not confer a ''right'' on strangers to take one's minor daughter across state lines to obtain an abortion when the involvement of a parent or a court is required. In *H.L.* v. *Matheson*, the Supreme Court correctly stated, ''the medical, emotional, and psychological consequences of an abortion are serious and can be lasting; this is particularly so when the patient is immature.''

In my view that strangers should be barred from circumventing the rights of parents to be involved in life and death decisions faced by their children. I believe the vast majority of Americans will never want to relegate the well-being of our children to a situation where life-altering decisions are made without the guidance and support of caring parents.

By Mr. LAUTENBERG (for himself, Mr. TORRICELLI, and Mr. BUMPERS):

S. 1646. A bill to repeal a provision of law preventing donation by the Secretary of the Navy of the two remaining *Iowa*-class battleships listed on the Naval Vessel Register and related requirements; to the Committee on Armed Services.

THE HISTORIC BATTLESHIP PRESERVATION ACT

Mr. LAUTENBERG. Mr. President, I rise to introduce legislation to repeal a 1996 law that requires the Navy to maintain two antiquated battleships in its reserves, even though they will never again see even one more day of battle. This provision requires the Navy to maintain two *Iowa*-class battleships as mobilization assets, even though the Navy will never again rely on them to protect American interests.

The *Iowa*-class battleships were commissioned during World War II. They were built at the request of President Franklin Roosevelt to be the American Navy's fastest battleship, and their 16-inch guns were designed to pummel our adversaries' shores. There is no doubt that these battleships are of significant historical importance to the American military heritage. They represent America's pride in its Navy. They symbolize our admiration for those who worked so hard to build and serve aboard our battleships.

In 1995, the Navy determined that all four of the World War II era *Iowa*-class battleships in its arsenal—the USS *Iowa*, USS *New Jersey*, USS *Missouri*, and USS *Wisconsin*—were no longer essential to our national defense. Subsequently, the Navy struck these four ships from the Naval Vessel Register. The laws governing the disposal of ships stricken from the Register allow the Navy to donate these ships to states, local communities, and nonprofits for display as memorials and museums. Thus, in 1995, the Navy was set to begin the process of donating all four ships.

But the Senate Armed Services Committee disagreed with the Navy's decision to release these ships, the Committee included a provision in the fiscal year 1996 Defense Authorization Act mandating that the Navy maintain at least two of the *Iowa*-class battleships on the Naval Vessel Register. The Navy subsequently chose the USS *New Jersey* and the USS *Wisconsin* to comply

with this provision. The bill I am introducing today would repeal this requirement, enabling the Navy to once again strike these ships from the Register and make them available for donation to interested communities.

Mr. President, I hope the members of this distinguished body will approve my proposal to repeal this law. It makes sense from a national defense perspective. Navy Secretary Dalton has said that the Navy has no plans to reactivate these ships. In a recent letter to the Appropriations Committee, he wrote, ''the Navy does not intend to return the ships to service. . .'' They will never again fire their 16-inch guns to support an amphibious landing or operation ashore. They will never again serve as a platform for surface fire-support. Instead, they will only continue to sit, mothballed at Naval ports, awaiting a call to duty that they will never hear.

This bill also makes sense from a fiscal perspective. According to Navy estimates, the cost of maintaining these ships is approximately $200,000 per ship per year. To date, the Navy has already spent close to $1 million to mothball ships that will never again be reactivated for purposes of national defense. I see no sense in the federal government's paying for the Navy to keep ships ready for a war in which it will never call them to serve. The American taxpayer deserves a better deal.

Although these ships have been deactivated for good, they can still continue to be of immense public benefit. On the eve of the twenty-first century, many of our nation's waterfront cities are struggling to resurrect their economies. The federal government spends millions each year on projects to help revitalize blighted waterfront communities. Since the laws governing the disposal of former Navy assets allow their donation, we are presented with a unique opportunity to contribute to the economic development of our cities—at no further cost to the federal government. Many of our communities want to compete to berth a ship on their shores, as a museum and memorial, to anchor a waterfront development project. But the 1996 law is depriving these communities of a chance to undergo major revitalization efforts.

The citizens of New Jersey recognized the economic development potential of these battleships many years ago. My constituents have been preparing for the return of the USS *New Jersey* as the only *Iowa*-class battleship which may be berthed as an educational museum and memorial in her namesake state. Tens of thousands of volunteers have devoted countless hours to this long-standing, state-wide project. The New Jersey legislature created the Battleship New Jersey Commission, which has undertaken an ambitious fundraising effort to obtain the USS *New Jersey*. To date, the Commission has secured approximately $3 million for this effort through sales of a ''Battleship New Jersey'' license plate, a state income tax check-off, and private donations. But New Jersey's efforts are hamstrung by the 1996 law requiring the Navy to maintain the Iowa-class battleships on the Naval Vessel Register.

Repealing this law will have a threefold public benefit. First and most obvious, we will no longer need to provide funding in our defense budget for ships that will never be reactivated. This alone warrants the support of my proposal. Second, we will contribute to the economic development of our cities at no further cost to the federal government. And third, we will enable generations of Americans to honor the history of our battleships by facilitating their display as memorials and museums.

Forcing the Navy to keep the *Iowa*-class battleships ready for war is the equivalent of forcing NASA to keep the *Apollo* rockets ready to blast off into space. As we all know, the *Apollo* project was undertaken to send Americans to the moon. Will we ever want to send an American to the moon again? Probably—but not in an *Apollo* rocket. Even though advances in technology have rendered the *Apollos* relics of the American determination to succeed, their preservation at locations throughout the country allows the public to admire and appreciate their legacy. And NASA doesn't have to keep paying for them.

Mr. President, I look forward to working with the members of the Armed Services Committee to pass this bill. It is good for the American taxpayers and our national defense, and I hope my colleagues will join me in this effort.

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

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

S. 1646

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 ''Historic Battleship Preservation Act''.

SEC. 2. REPEAL OF REQUIREMENT FOR CONTINUED LISTING OF TWO IOWA-CLASS BATTLESHIPS ON THE NAVAL VESSEL REGISTER.

Section 1011 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 421) is repealed.

Mr. TORRICELLI. Mr. President, I rise today with Senator LAUTENBERG in introducing legislation that will make the dream of bringing the battleship U.S.S. *New Jersey* home to New Jersey a reality. I want to thank Senator LAUTENBERG for his hard work and commitment to this issue, and look forward to working with him to ensure that this symbol of freedom returns to her namesake-state in the near future.

The U.S.S. *New Jersey* is one of the most notable battleships in the Navy's history. She has been protecting and defending democracy since World War II in almost every region of the world. Launched on December 7, 1942, one year after the infamous attack on Pearl Harbor, the ship proceeded to the Pacific where she was involved in many historic campaigns, including the battles for the Marshalls, Marianas, Philippines, Iwo Jimo and Okinawa. A particular highlight of the *New Jersey*'s career was service as flagship for Commander Third Fleet, Admiral ''Bull'' Halsey, during the Battle of Leyte Gulf in October 1944.

Once the Japanese surrendered in 1945, the New Jersey settled into a peacetime routine, and was decommissioned in 1948. The ship was recommissioned in 1950 for the Korean war, in 1968 for Vietnam, and again in 1982 when former President Reagan ordered the re-activation of all four *Iowa*-class battleships as part of a massive naval buildup. In February 1991, because of end to the Cold War, another victory which she helped to secure, the *New Jersey* was decommissioned for a final time and is now in Bremerton, Washington.

Following the removal of the U.S.S. *New Jersey* from the Naval Vessel Register, the New Jersey legislature created the Battleship New Jersey Commission, which applied for donation of the ship to the State of New Jersey. The Commission, and tens of thousands of volunteers, have undertaken a massive fundraising effort to pay for the costs of transporting the U.S.S. *New Jersey* home, and have already secured approximately $3 million for this effort. Together with the people of our state, the Commission has been actively preparing for the return of the U.S.S. *New Jersey* as the only *Iowa*-class battleship which may be berthed as an educational museum and memorial in her namesake state.

None of this hard work and sacrifice will make a difference though, without the repeal of Section 1011 of the fiscal year 1996 Defense Authorization Act, which requires the Navy to maintain at least two of the *Iowa*-class battleships that have been stricken from the Naval Vessel Register. This provision was included to ensure that the Navy would have the necessary firepower to support Marine Corps' amphibious assaults and operations ashore. In accordance with this requirement, the Navy is currently maintaining the U.S.S. *New Jersey* and the U.S.S. *Wisconsin* and neither ship is available for distribution to the states.

However, the Navy does not want nor do they need these ships. It is my understanding that the Navy can effectively support the Marines through the use of other platforms, and does not require the U.S.S. *New Jersey* for this important task. Secretary Dalton has said that the Navy has no plans to reactivate these proud ships, and is forced to spend $200,000 per ship, per year to mothball ships that will never again be reactivated for the purposes of national defense.

Senator LAUTENBERG and I have also sent letters to Secretary Dalton and

the Senate Armed Services Committee regarding this matter, but have decided that the most effective way to proceed is with a legislative remedy. Our bill would eliminate Section 1011, and remove one of the last obstacles preventing the U.S.S. *New Jersey* from making the long journey home to our state.

During *New Jersey's* final decommissioning ceremony, her last commanding officer, Captain Robert C. Peniston remarked, ''Rest well, yet sleep lightly; and hear the call if again sounded, to provide firepower for freedom.'' It is only just that the U.S.S. *New Jersey* rest well in the welcome waters off the coast of her namesake state, and enjoy the company of the people that she fought so hard to protect throughout her time in the active duty fleet.

America is profoundly thankful for the service of the U.S.S. *New Jersey* and the patriotism of the courageous men and women who served aboard her. For the reasons I stand today to recognize the Battleship New Jersey Commission, and the generations of Americans who went to war with the U.S.S. *New Jersey*. I am proud to offer this legislation with Senator LAUTENBERG.

By Mr. BAUCUS (for himself, Ms. SNOWE, Mr. LIEBERMAN, Mr. KEMPTHORNE, Mr. DASCHLE, Mr. DODD, Mr. DURBIN, Mr. LAUTENBERG, Ms. COLLINS, Mr. JOHNSON, and Mr. KENNEDY) (by request):

S. 1647. A bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965; to the Committee on Environment and Public Works.

THE ECONOMIC DEVELOPMENT PARTNERSHIP ACT OF 1998

Mr. BAUCUS. Mr. President, I rise today to introduce a bill to reauthorize programs within the Economic Development Administration. It is with great pleasure that I am joined by my colleagues, Senators SNOWE, LIEBERMAN, KEMPTHORNE, DASCHLE, DODD, DURBIN, LAUTENBERG, COLLINS, JOHNSON, and KENNEDY.

Mr. President, programs under the jurisdiction of the Economic Development Administration have not been reauthorized for almost two decades. Despite the uncertainty and instability this has created, EDA has become the cornerstone for efforts to strengthen and diversify the economies of our nation's communities.

Since its inception in 1965, the EDA has established an impressive track record of helping communities help themselves. These ''bootstrap'' efforts have allowed communities to meet economic challenges in a variety of ways—making public works improvements to attract new businesses and providing technical assistance and planning grants that allow a community to plan for their future for example.

In my home state of Montana, EDA has been a powerful force in responding to the changing economic conditions in communities that have relied on one industry—only to see that industry shut down and move away. EDA's planning and public works assistance has allowed these communities to attract new companies, retain companies already in place and diversify their economies.

EDA has also been instrumental in responding to and assisting areas affected by natural disasters. In Florida and Louisiana, EDA was there to help businesses affected by the devastation of Hurricane Andrew. And EDA is still working with those areas of the Midwest devastated by the disastrous floods of 1993 and those areas recently impacted by floods in the Pacific Northwest.

The programs within the EDA have become even more critical to Congress' efforts to alleviate and address job losses due to the closure and realignment of military bases around the country.

The EDA's programs are effective tools that are used on the local level—working hand-in-hand with local governments and businesses to develop future economic investment strategies. By acting as a catalyst, economic development funds are used to attract significant private contributions and support.

Despite efforts to dismantle the EDA, the agency has matured in its approach to local economic development efforts. But the lack of authorization has not allowed Congress to make necessary changes to the statute and mission of the EDA. As with any program, there are some areas that are working well and other areas that need to be refined. The lack of authorization has left some aspects of EDA's programs outdated or unnecessary. That is why I am introducing this bill today—a bill to streamline and advance EDA's successful programs.

Mr. President, our country is faced with many challenges. Many of our communities are in economic transition and need to strengthen the diversity of their economies. We need to reauthorize EDA. It is high time we recognize the important role that EDA plays in the future of this country.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the CONGRESSIONAL RECORD, along with a brief section-by-section.

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

S. 1647

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

SECTION 1. SHORT TITLE; EFFECTIVE DATE.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Development Partnership Act of 1998''.

(b) EFFECTIVE DATE.—Except as otherwise expressly provided, the provisions of this Act and the amendments made by this Act shall take effect as determined by the Secretary of Commerce (hereinafter referred to as the Secretary), but not later than three months after the date of the enactment of this Act.

SEC. 2. REAUTHORIZATION OF PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965.

The Public Works and Economic Development Act of 1965 (42 U.S.C. 3131 *et seq.*) is amended by striking all after the first section and inserting the following:

''SEC. 2. FINDINGS AND DECLARATION.

''(a) FINDINGS.—Congress finds that—

''(1) the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our regions, counties, and communities are suffering substantial and persistent unemployment and underemployment that cause hardship to many individuals and their families, and waste invaluable human resources;

''(2) to overcome this problem the Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development;

''(3) Federal financial assistance, including grants for public works and development facilities to communities, industries, enterprises, and individuals in areas needing development should enable such areas to help themselves achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies, sustainable development, and improved local conditions, if such assistance is preceded by and consistent with sound, long-range economic planning; and

''(4) under the provisions of this Act, new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another, and by supporting firms and industries which add to the growth of the nation's economy through improved technology, increased exports, and the supply of goods and services to satisfy unmet demand.

''(b) DECLARATION.—Congress declares that, in furtherance of maintaining the national economy at a high level—

''(1) the assistance authorized by this Act should be made available to both rural and urban areas;

''(2) such assistance should be made available for planning for economic development prior to the actual occurrences of economic distress in order to avoid such condition; and

''(3) Such assistance should be used for long-term economic rehabilitation in areas where long-term economic deterioration has occurred or is taking place.

''TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION AND COORDINATION

''SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT PARTNERSHIPS.

''(a) IN GENERAL.—In providing assistance under this Act, the Secretary shall cooperate with States and other entities to assure that, consistent with national objectives, Federal programs are compatible with and further the objectives of State, regional and local economic development plans and comprehensive economic development strategies.

''(b) TECHNICAL ASSISTANCE.—The Secretary shall provide such technical assistance to States, local governmental subdivisions of States, sub-State regional organizations (including organizations which cross State boundaries, and multi-State regional organizations as the Secretary determines may be necessary or desirable to alleviate economic distress, encourage and support public-private partnerships for the formation and improvement of economic development strategies which promote the growth of the national economy, stimulate modernization

and technological advances in the generation and commercialization of goods and services, and enhance the effectiveness of American firms in the global economy.

''(c) INTERGOVERNMENTAL REVIEW.—The Secretary shall prescribe regulations which will assure that appropriate State and local governmental authorities have been given a reasonable opportunity to review and comment upon proposed projects which the Secretary determines may have a significant direct impact on the economy of the area.

''(d) COOPERATIVE AGREEMENTS.—The Secretary may enter into a cooperative agreement with any two or more adjoining States, or an organization thereof, in support of effective economic development. Each such agreement shall provide for suitable participation by other governmental and nongovernmental parties representative of significant interests in and perspectives on economic development in the area.

''SEC. 102. COOPERATION OF FEDERAL AGENCIES.

''Each Federal department and agency, in accordance with applicable laws and within the limits of available funds, shall exercise its powers, duties and functions, and shall cooperate with the Secretary in such manner as will assist the Secretary in carrying out the objectives of this Act.

''SEC. 103. COORDINATION.

''The Secretary shall actively coordinate with other Federal programs, States, economic development districts, and other appropriate planning and development organizations the activities relating to the requirements for comprehensive economic development strategies and making grants under this Act.

''SEC. 104. NATIONAL ADVISORY COMMITTEE.

''The Secretary may appoint a National Public Advisory Committee on Regional Economic Development which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, State and local governments, Federal agencies, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of the Secretary's duties under this Act, including the coordination of activities as provided in section 103. Such Committee shall hold not less than two meetings during each calendar year, and shall be governed by the provisions of the Federal Advisory Committee Act.

''TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

''SEC. 201. PUBLIC WORKS GRANTS.

''(a) Upon the application of any eligible recipient the Secretary may make direct grants for acquisition or development of land improvements for public works, public service, or development facility usage, and the acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment.

''(b) The Secretary may provide assistance under this section only if the Secretary finds that—

''(1) the project for which financial assistance is sought will directly or indirectly—

''(A) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities;

''(B) otherwise assist in the creation of additional long-term employment opportunities of such area;

''(C) primarily benefit the long-term unemployed and members of low-income families; or

''(D) in the case of projects within areas described in section 302(a)(8), the project will enhance the economic growth potential of the area or result in additional long-term employment opportunities commensurate with the amount of Federal financial assistance requested;

''(2) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located; and

''(3) the area for which a project is to be undertaken has a satisfactory comprehensive economic development strategy as provided by section 303 and such project is consistent with such strategy.

''(c) In the case of an area described in section 302(a)(4), the Secretary may provide assistance only if the Secretary finds that the project to be undertaken will provide immediate useful work to unemployed and underemployed persons in that area.

''(d) Not more than 15 per centum of the appropriations made pursuant to this section may be expended in any one State.

''SEC. 202. CONSTRUCTION COST INCREASES.

''In any case where a grant (including a supplemental grant) has been made by the Secretary under this title or made, before the effective date of the Economic Development Partnership Act of 1998, under title I of this act, as in effect before such effective date, for a construction project and after such grant has been made but before completion of the project, the cost of such project based upon the designs and specifications which were the basis of the grant has been increased because of increases in costs, the amount of such grant may be increased by an amount equal to the percentage increase, as determined by the Secretary, in such costs, but in no event shall the percentage of the Federal share of such project exceed that originally provided for in such grant.

''SEC. 203. PLANNING AND ADMINISTRATIVE EXPENSES.

''(a) Upon the application of any eligible recipient the Secretary may make direct grants for economic development planning and the administrative expenses of organizations undertaking such planning.

''(b) The planning for cities, other political subdivisions, Indian tribes, and sub-State planning and development organizations (including areas described in section 302(a) and economic development districts) assisted under this title shall include systematic efforts to reduce unemployment and increase incomes.

''(c) The planning shall be a continuous process involving public officials and private citizens in analyzing local economies, defining development goals, determining project opportunities and formulating and implementing a development program.

''(d) The planning assistance authorized under this title shall be used in conjunction with any other available Federal planning assistance to assure adequate and effective planning and economical use of funds.

''(e) Any State plan prepared with assistance under this section shall be prepared cooperatively by the State, its political subdivisions, and the economic development districts located in whole or in part within such State, as a comprehensive economic development strategy. Upon completion of any such plan, the State shall (1) certify to the Secretary that in the preparation of the State plan, the local and economic development district plans were considered and, to the fullest extent possible, the State plan is consistent with the local and economic development district plans, and (2) identify any inconsistencies between the State plan and the local and economic development district plans, with the justification for each inconsistency. Any overall State economic development planning shall be a part of a comprehensive planning process that shall consider the provisions of public works to stimulate and channel development, economic opportunities and choices for individuals, to support sound land use, to foster effective transportation access, to promote sustainable development, to enhance and protect the environment including the conservation and preservation of open spaces and environmental quality, to provide public services, and to balance physical and human resources through the management and control of physical development. Each State receiving assistance for the preparation of a plan according to the provisions of this subsection shall submit to the Secretary an annual report on the planning process assisted under this subsection.

''SEC. 204. COST SHARING.

''Subject to section 205, the amount of any direct grant under this title for any project shall not exceed 50 percent of the cost of such project. In determining the amount of the non-Federal share of costs or expenses, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including contributions of space, equipment, and services.

''SEC. 205. SUPPLEMENTARY GRANTS.

''(a) IN GENERAL.—Upon the application of any eligible recipient, the Secretary may make a supplementary grant for a project for which the applicant is eligible but, because of its economic situation, for which it cannot supply the required matching share. Included therein may be supplementary grants made to enable the States and other entities within areas described in section 302(a) to take maximum advantage of designated Federal grant-in-aid programs (as defined in subsection (b)(4) of this section), direct grants-in-aid authorized under this title, and Federal grant-in-aid programs authorized by the Watershed Protection and Flood Prevention Act (68 Stat. 666), and the 11 watersheds authorized by the Flood Control Act of December 22, 1944 (58 Stat. 887).

''(b) REQUIREMENTS APPLICABLE TO SUPPLEMENTARY GRANTS.—

''(1) AMOUNT OF SUPPLEMENTARY GRANTS.—The amount of any supplementary grant under this title for any project shall not exceed the applicable percentage established by regulations promulgated by the Secretary, but in no event shall the non-Federal share of the aggregate cost of any such project (including assumptions of debt) be less than 20 percent of such cost, except as provided in subsection (b)(6).

''(2) FORM OF SUPPLEMENTARY GRANTS.—Supplementary grants shall be made by the Secretary, in accordance with such regulations as the Secretary may prescribe, by increasing the amounts of direct grants authorized under this title or by the payment of funds appropriated under this act to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of the applicable Federal programs.

''(3) FEDERAL SHARE LIMITATIONS SPECIFIED IN OTHER LAWS.—Notwithstanding any requirement as to the amount or sources of non-Federal funds that may otherwise be applicable to the Federal program involved, funds provided under this subsection may be used for the purpose of increasing the Federal contribution to specific projects in areas described in section 302(a) under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law.

''(4) DESIGNATED FEDERAL GRANT-IN-AID PROGRAMS DEFINED.—In this section, the term 'designated Federal grant-in-aid programs' means such existing or future Federal grant-in-aid programs assisting in the construction or equipping of facilities as the Secretary may, in furtherance of the purposes of this Act, designate as eligible for allocation of funds under this section.

''(5) CONSIDERATION OF RELATIVE NEED IN DETERMINING AMOUNT.—In determining the amount of any supplementary grant available to any project under this title, the Secretary shall take into consideration the relative needs of the area and the nature of the project to be assisted.

''(6) EXCEPTIONS.—In the case of a grant to an Indian tribe, the Secretary may reduce the non-Federal share below the percentage specified in subsection (b)(1) or may waive the non-Federal share. In the case of a grant to a State or a political subdivision of a State which the Secretary determines has exhausted its effective taxing and borrowing capacity, or of a grant to a nonprofit organization which the Secretary determines has exhausted its effective borrowing capacity, the Secretary may reduce the non-Federal share below the percentage specified in subsection (b)(1) or may waive the non-Federal share for (i) a project in an area described in section 302(a)(4), or (ii) a project the nature of which the Secretary determines warrants the reduction or waiver of the non-Federal share.

''SEC. 206. REGULATIONS TO ASSURE RELATIVE NEEDS ARE MET.

''The Secretary shall prescribe rules, regulations, and procedures to carry out this title which will assure that adequate consideration is given to the relative needs of eligible areas. In prescribing such rules, regulations, and procedures for assistance under section 201 the Secretary shall consider among other relevant factors—

''(1) the severity of the rates of unemployment in the eligible areas and the duration of such unemployment;

''(2) the income levels of families and the extent of underemployment in eligible areas; and

''(3) the out-migration of population for eligible areas.

''SEC. 207. TRAINING, RESEARCH, & TECHNICAL ASSISTANCE.

''(a) Upon the application of any eligible recipient the Secretary may make direct grants for training, research, and technical assistance, including grants for program evaluation and economic impact analyses, which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment. Such assistance may include project planning and feasibility studies, demonstrations of innovative activities or strategic economic development investments, management and operational assistance, establishment of university centers, establishment of business outreach centers, and studies evaluating the needs of, and development potentialities for, economic growth of areas which the Secretary finds have substantial need for such assistance. The Secretary may waive the non-Federal share in the case of a project under this section, without regard to the provisions of section 204 or 205.

''(b) In carrying out the Secretary's duties under this Act, the Secretary may provide research and technical assistance through members of the Secretary's staff; the payment of funds authorized for this section to departments or agencies of the Federal Government; the employment of private individuals, partnerships, firms, corporations, or suitable institutions under contracts entered into for such purposes; or the award of grants under this title.

''SEC. 208. RELOCATION OF INDIVIDUALS AND BUSINESSES.

''Grants to eligible recipients shall include such amounts as may be required to provide relocation assistance to affected persons, as required by the Uniform Relocation Assistance and Real Property Acquisition Act 1970, as amended.

''SEC. 209. ECONOMIC ADJUSTMENT.

''(a) Upon the application of any eligible recipient the Secretary may make direct grants for public facilities, public services, business development (including a revolving loan fund), planning, technical assistance, training, and other assistance which demonstrably furthers the economic adjustment objectives of this Act, including activities to alleviate long-term economic deterioration, and sudden and severe economic dislocations.

''(b) The Secretary may provide assistance under this section only if the Secretary finds that—

''(1) the project will help the area meet a special need arising from—

''(A) actual or threatened severe unemployment arising from economic dislocation, including unemployment arising from actions of the Federal Government or from compliance with environmental requirements which remove economic activities from a locality; or

''(B) economic adjustment problems resulting from severe changes in economic conditions (including long-term economic deterioration); and

''(2) the area for which a project is to be undertaken has a satisfactory comprehensive economic development strategy as provided by section 303 and such project is consistent with such strategy. This subsection (b)(2) shall not apply to planning projects.

''(c) Assistance under this section shall extend to activities identified by communities impacted by military base closures, defense contractor cutbacks, and Department of Energy reductions, to help the communities diversify their economies. Nothing in this section is intended to replace the efforts of the economic adjustment program of the Department of Defense.

''(d) Assistance under this section shall extend to post-disaster activities in areas affected by natural and other disasters.

''SEC. 210. DIRECT EXPENDITURE OR REDISTRIBUTION BY RECIPIENT.

''Amounts from grants under section 209 of this title may be used in direct expenditures by the eligible recipient or through redistribution by the eligible recipient to public and private entities in grants, loans, loan guarantees, payments to reduce interest on loan guarantees, or other appropriate assistance, but no grant shall be made by an eligible recipient to a private profit-making entity.

''SEC. 211. CHANGED PROJECT CIRCUMSTANCES.

''In any case where a grant (including a supplemental grant) has been made by the Secretary under this title (or made under this Act, as in effect on the day before the effective date of the Economic Development Partnership Act of 1998) for a project, and after such grant has been made but before completion of the project, the purpose or scope of such project which were the basis of the grant has changed, the Secretary may approve the use of grant funds on such changed project if the Secretary determines that such changed project meets the requirements of this title and that such changes are necessary to enhance economic development in the area.

''SEC. 212. USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECTED COST.

''In any case where a grant (including a supplemental grant) has been made by the Secretary under this title (or made under this Act, as in effect on the day before the effective date of the Economic Development Partnership Act of 1998) for a construction project, and after such grant has been made but before completion of the project, the cost of such project based upon the designs and specifications which was the basis of the grant has decreased because of decreases in costs, such underrun funds may be used to improve the project either directly or indirectly as determined by the Secretary.

''SEC. 213. BASE CLOSINGS AND REALIGNMENTS.

''(a) LOCATION OF PROJECTS.—In any case in which the Secretary determines a need for assistance under this title due to the closure or realignment of a military or Department of Energy installation, the Secretary may make such assistance available for projects to be carried out on the installation and for projects to be carried out in communities adversely affected by the closure or realignment.

''(b) INTEREST IN PROPERTY.—Notwithstanding any other provision of law, the Secretary may provide to an eligible recipient any assistance available under this Act for a project to be carried out on a military or Department of Energy installation that is closed or scheduled for closure or realignment without requiring that the eligible recipient have title to the property or a leasehold interest in the property for any specified term.

''SEC. 214. PREVENTION OF UNFAIR COMPETITION.

''No financial assistance under this Act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises.

''SEC. 215. REPORTS BY RECIPIENT.

''Reports to the Secretary shall be required of recipients of assistance under this Act. Such reports shall be at such intervals and in such manner as the Secretary shall prescribe by regulation, not to exceed ten years from the time of closeout of the assistance award, and shall contain an evaluation of the effectiveness of the economic assistance provided under this Act in meeting the need it was designed to alleviate and the purposes of this Act.

''TITLE III—DEFINITIONS, ELIGIBILITY AND COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

''SEC. 301. DEFINITIONS.

''In this Act, unless the context otherwise requires, the following definitions apply:

''(a) ECONOMIC DEVELOPMENT DISTRICT.—The term 'economic development district' refers to any area within the United States composed of cooperating areas described in section 302(a) and, where appropriate, designated economic development centers and neighboring counties or communities, which has been designated by the Secretary as an economic development district. Such term includes any economic development district designated by the Secretary under section 403 of this Act, as in effect on the day before the effective date of the Economic Development Partnership Act of 1998.

''(b) ECONOMIC DEVELOPMENT CENTER.—The term 'economic development center' refers to any area within the United States which has been identified as an economic development center in an approved comprehensive economic development strategy and which has been designated by the Secretary as eligible for financial assistance under this Act

in accordance with the provisions of this section.

''(c) ELIGIBLE RECIPIENT.—The term 'eligible recipient' means an area described in section 302(a), an economic development district designated under section 401, an Indian tribe, a State, a city or other political subdivision of a State or a consortium of such political subdivisions, an institution of higher education or a consortium of such institutions, or a public or private nonprofit organization or association acting in cooperation with officials of such political subdivisions. For grants made under section 207, 'eligible recipient' also includes private individuals and for-profit organizations.

''(d) GRANT.—The term 'grant' includes cooperative agreement, as that term is used in the Federal Grant and Cooperative Agreement Act of 1977.

''(e) INDIAN TRIBE.—The term 'Indian tribe' means an Indian or Alaska Native tribe, band, nation, pueblo, village, or community that the Secretary of the Interior acknowledges to exist as an Indian tribe pursuant to 25 U.S.C. section 479a–1.

''(f) STATE.—The terms 'State', 'States', and 'United States' include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and the Commonwealth of the Northern Mariana Islands.

"SEC. 302. AREA ELIGIBILITY.

''(a) CERTIFICATION.—In order to be eligible for assistance for activities described under section 201 or 209, an applicant shall certify, as part of an application for such assistance, that the project is located in an area which on the date of submission of such application meets one or more of the following criteria:

''(1) The area has a per capita income of 80 percent or less of the national average.

''(2) The area has an unemployment rate one percent above the national average percentage for the most recent 24-month period for which statistics are available.

''(3) The area has experienced or is about to experience a sudden economic dislocation resulting in job loss that is significant both in terms of the number of jobs eliminated and the effect upon the employment rate of the area.

''(4) The area is one in which the Secretary determines that any activities authorized to be undertaken under section 201 or 209 will provide immediate useful work to unemployed and underemployed persons in that area, and the area is a community or neighborhood (defined without regard to political or other subdivisions or boundaries) which the Secretary determines has one or more of the following conditions:

''(A) A large concentration of low-income persons;

''(B) Areas having substantial out-migration; or

''(C) Substantial unemployment.

''(5) The area has demonstrated long-term economic deterioration.

''(6) The area has an unemployment rate, for the most recent 12 month period for which statistics are available, above a rate established by regulation as an indicator of substantial unemployment during conditions of significantly high national unemployment.

''(7) The area is one which the Secretary has determined has experienced, or may reasonably be foreseen to be about to experience, a special need to meet an expected rise in unemployment, or other economic adjustment problems (including those caused by any action or decision of the Federal Government).

''(8) The area contains a population of 250,000 or less and is identified in a comprehensive economic development strategy as having growth potential and the ability to alleviate distress within an economic development district.

''(9) The area is experiencing severe outmigration.

''(b) DOCUMENTATION.—A certification made under subsection (a) shall be supported by Federal data, when available or, in the absence of recent Federal data, by data available through the State government. Such documentation shall be accepted by the Secretary unless the Secretary determines the documentation to be inaccurate. The most recent statistics available shall be used.

''(c) SPECIAL RULE.—An area which the Secretary determines is eligible for assistance because it meets 1 or more of the criteria of subsection (a)(4)—

''(1) shall not be subject to the requirements of sections 201(b) or 303; and

''(2) shall not be eligible to meet the requirement of section 401(a)(1)(B).

''(d) PRIOR DESIGNATIONS.—Any designation of a redevelopment area made before the effective date of the Economic Development Partnership Act of 1998 shall not be effective after such effective date.

"SEC. 303. COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.

''(a) IN GENERAL.—The Secretary may provide assistance under section 201 or 209 (except for section 209 planning) to an applicant for a project only if the applicant submits to the Secretary, as part of an application for such assistance, evidence satisfactory to the Secretary of a comprehensive economic development strategy which—

''(1) identifies the economic development problems to be addressed using such assistance;

''(2) identifies past, present, and projected future economic development investments in the area receiving such assistance and public and private participants and sources of funding for such investments; and

''(3) sets forth a strategy for addressing the economic problems identified pursuant to paragraph (a) and describes how the strategy will solve such problems.

''(b) OTHER PLAN.—The Secretary may accept as a comprehensive economic development strategy a satisfactory plan prepared under another Federally supported program.

"TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

"SEC. 401. DESIGNATION OF ECONOMIC DEVELOPMENT DISTRICTS AND ECONOMIC DEVELOPMENT CENTERS.

''(a) IN GENERAL.—In order that economic development projects of broader geographic significance may be planned and carried out, the Secretary may—

''(1) designate appropriate 'economic development districts' within the United States with the concurrence of the States in which such districts will be wholly or partially located, if—

''(A) the proposed district is of sufficient size or population, and contains sufficient resources, to foster economic development on a scale involving more than a single area described in section 302(a);

''(B) the proposed district contains at least 1 area described in section 302(a);

''(C) the proposed district contains 1 or more areas described in section 302(a) or economic development centers identified in an approved district comprehensive economic development strategy as having sufficient size and potential to foster the economic growth activities necessary to alleviate the distress of the areas described in section 302(a) within the district; and

''(D) the proposed district has a district comprehensive economic development strategy which includes sustainable development, adequate land use and transportation planning and contains a specific program for district cooperation, self-help, and public investment and is approved by the State or States affected and by the Secretary;

''(2) designate as 'economic development centers', in accordance with such regulations as the Secretary shall prescribe, such areas as the Secretary may deem appropriate, if—

''(A) the proposed center has been identified and included in an approved district comprehensive economic development strategy and recommended by the State or States affected for such special designation;

''(B) the proposed center is geographically and economically so related to the district that its economic growth may reasonably be expected to contribute significantly to the alleviation of distress in the areas described in section 302(a) of the district; and

''(C) the proposed center does not have a population in excess of 250,000 according to the most recent Federal census; and

''(3) provide financial assistance in accordance with the criteria of this Act, except as may be herein otherwise provided, for projects in economic development centers designated under subsection (a)(2), if—

''(A) the project will further the objectives of the comprehensive economic development strategy of the district in which it is to be located;

''(B) the project will enhance the economic growth potential of the district or result in additional long-term employment opportunities commensurate with the amount of Federal financial assistance requested; and

''(C) the amount of Federal financial assistance requested is reasonably related to the size, population, and economic needs of the district.

''(b) AUTHORITIES.—The Secretary may, under regulations prescribed by the Secretary—

''(1) invite the several States to draw up proposed economic development district boundaries and to identify potential economic development centers;

''(2) cooperate with the several States—

''(A) in sponsoring and assisting district economic planning and development groups; and

''(B) in assisting such district groups to formulate district comprehensive economic development strategies; and

''(3) encourage participation by appropriate local governmental authorities in such economic development districts.

"SEC. 402. TERMINATION OR MODIFICATION.

''The Secretary shall by regulation prescribe standards for the termination or modification of economic development districts and economic development centers designated under the authority of section 401.

"SEC. 403. BONUS.

''Subject to the 20 per centum non-Federal share required for any project by subsection 205(b)(1) of this Act, the Secretary is authorized to increase the amount of grant assistance authorized by sections 204 and 205 for projects within designated economic development districts by an amount not to exceed 10 per centum of the aggregate cost of such project, in accordance with such regulations as the Secretary shall prescribe if—

(1) the project applicant is actively participating in the economic development activities of the district; and

(2) the project is consistent with an approved district comprehensive economic development strategy.

''SEC 404. STRATEGY PROVIDED TO APPALACHIAN REGIONAL COMMISSION.

''Each economic development district designated by the Secretary under this title shall provide that a copy of the district comprehensive economic development strategy be furnished to the Appalachian Regional Commission established under the Appalachian Regional Development Act of 1965, if any part of such district is within the Appalachian region.

''SEC. 405. PARTS NOT WITHIN AREAS DESCRIBED IN SECTION 302(a).

''The Secretary is authorized to provide the financial assistance which is available to an area described in section 302(a) under this Act to those parts of an economic development district which are not within an area described in section 302(a), when such assistance will be of a substantial direct benefit to an area described in section 302(a) within such district. Such financial assistance shall be provided in the same manner and to the same extent as is provided in this Act for an area described in section 302(a).

''TITLE V—ADMINISTRATION

''SEC. 501. ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT.

''The Secretary will administer this Act with the assistance of an Assistant Secretary of Commerce for Economic Development to be appointed by the President by and with the advice and consent of the Senate. The Assistant Secretary of Commerce for Economic Development will perform such functions as the Secretary may prescribe and will serve as the administrator of the Economic Development Administration within the Department of Commerce.

''SEC. 502. ECONOMIC DEVELOPMENT INFORMATION CLEARINGHOUSE.

''It shall be a duty of the Secretary in administering this Act—

''(a) to serve as a central information clearinghouse on matters relating to economic development, economic, adjustment, disaster recovery, and defense conversion programs and activities of the Federal and State governments, including political subdivisions of the States;

''(b) to help potential and actual applicants for economic development, economic adjustment, disaster recovery, and defense conversion assistance under Federal, State, and local laws in locating and applying for such assistance, including financial and technical assistance; and

''(c) to aid areas described in section 302(a) and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any technical information, market research, or other forms of assistance, information, or advice which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas.

''SEC. 503. CONSULTATION WITH OTHER PERSONS AND AGENCIES.

''(a) CONSULTATION ON PROBLEMS RELATING TO EMPLOYMENT.—The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of area and regional unemployment or underemployment.

''(b) CONSULTATION ON ADMINISTRATION OF ACT.—The Secretary may make provisions for such consultation with interested departments and agencies as the Secretary may deem appropriate in the performance of the functions vested in the Secretary by this Act.

''SEC. 504. ADMINISTRATION, OPERATION, AND MAINTENANCE.

''No Federal assistance shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

''SEC. 505. FIRMS DESIRING FEDERAL CONTRACTS.

''The Secretary may furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in areas of high economic distress and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

''SEC. 506. AMENDMENT TO TITLE 5, U.S.C.

''Section 5316 of title 5, United States Code, is amended by striking 'Administrator for Economic Development.'

''TITLE VI—MISCELLANEOUS

''SEC. 601. POWERS OF SECRETARY.

''(a) IN GENERAL.—In performing the Secretary's duties under this Act, the Secretary is authorized to—

''(1) adopt, alter, and use a seal, which shall be judicially noticed;

''(2) subject to the civil-service and classification laws, select, employ, appoint, and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act;

''(3) hold such hearings, sit and act at such times and places, and take such testimony, as the Secretary may deem advisable;

''(4) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

''(5) consistent with the Debt Collection Improvement Act of 1996, under regulations prescribed by the Secretary, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in the Secretary's discretion and upon such terms and conditions and for such consideration as the Secretary determines to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by the Secretary in connection with assistance extended under the Act, and collect or compromise all obligations assigned to or held by the Secretary in connection with such assistance until such time as such obligations may be referred to the Attorney General for suit or collection;

''(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as the Secretary determines to be reasonable, any real or personal property conveyed to or otherwise acquired by the Secretary in connection with assistance extended under this Act;

''(7) consistent with the Debt Collection Improvement Act of 1996, pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to the Secretary in connection with assistance extended under this Act;

''(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever necessary or appropriate in connection with assistance extended under this Act;

''(9) in addition to any powers, functions, privileges, and immunities otherwise vested in the Secretary, take any action, including the procurement of the services of attorneys by contract, determined by the Secretary to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with assets held in connection with financial assistance extended under this Act;

''(10) employ experts and consultants or organizations as authorized by section 3109 of title 5, United States Code, compensate individuals so employed, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed, except that contracts for such employment may be renewed annually;

''(11) establish performance measures for grants and other assistance provided under this Act, and use such performance measures to evaluate the economic impact of economic development assistance programs; the establishment and use of such performance measures to be provided by the Secretary through members of his staff, through the employment of appropriate parties under contracts entered into for such purposes, or through grants to such parties for such purposes, using any funds made available by appropriations to carry out this Act;

''(12) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or the Secretary's property; and

''(13) establish such rules, regulations, and procedures as the Secretary considers appropriate in carrying out the provisions of this Act.

''(b) DEFICIENCY JUDGMENTS.—The authority under subsection (a)(7) to pursue claims shall include the authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary.

''(c) INAPPLICABILITY OF CERTAIN OTHER REQUIREMENTS.—Section 3709 of the Revised Statutes of the United States shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of assistance extended under this Act if the premium for the insurance or the amount of the insurance does not exceed $1,000.

''(d) PROPERTY INTERESTS.—The powers of the Secretary, pursuant to this section, in relation to property acquired by the Secretary in connection with assistance extended under this Act, shall extend to property interests of the Secretary in relation to projects approved under the Public Works and Economic Development Act of 1965, title I of the Public Works Employment Act of 1976, title II of the Trade Act of 1974, and the Community Emergency Drought Relief Act of 1977. Property interests in connection with grants may be released, in whole or in part, in the Secretary's discretion, after 20 years from the date of grant disbursement.

''(e) POWERS OF CONVEYANCE AND EXECUTION.—The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary, or by any officer or agent appointed by the Secretary for such purpose,

without the execution of any express delegation of power or power of attorney.

"SEC. 602. MAINTENANCE OF STANDARDS.

"The Secretary shall continue to implement and enforce the provisions of section 712 of this Act, as in effect on the day before the effective date of the Economic Development Partnership Act of 1998.

"SEC. 603. ANNUAL REPORT TO CONGRESS.

"The Secretary shall transmit a comprehensive and detailed annual report to Congress of the Secretary's activities under this Act for each fiscal year beginning with the fiscal year ending September 30, 1999. Such report shall be printed and shall be transmitted to Congress not later than July 1 of the year following the fiscal year with respect to which such report is made.

"SEC. 604. USE OF OTHER FACILITIES.

"(a) DELEGATION OF FUNCTIONS TO OTHER FEDERAL DEPARTMENTS AND AGENCIES.—The Secretary may delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as the Secretary may deem appropriate, and authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

"(b) TRANSFER BETWEEN DEPARTMENTS.—Funds authorized to be appropriated under this Act may be transferred between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

"(c) FUNDS TRANSFERRED FROM OTHER DEPARTMENTS AND AGENCIES.—In order to carry out the objectives of this Act, the Secretary may accept transfers of funds from other departments and agencies of the Federal Government if the funds are used for the purposes for which (and in accordance with the terms under which) the funds are specifically authorized and appropriated. Such transferred funds shall remain available until expended, and may be transferred to and merged with the appropriations under the heading 'salaries and expenses' by the Secretary to the extent necessary to administer the program.

"SEC. 605. PENALTIES.

"(a) FALSE STATEMENTS; SECURITY OVERVALUATION.—Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for such person or for any applicant any financial assistance under this Act or any extension of such assistance by renewal, deferment or action, or otherwise, or the acceptance, release, or substitution of security for such assistance, or for the purpose of influencing in any way the action of the Secretary or for the purpose of obtaining money, property, or anything of value, under this Act, shall be fined under title 18, United States Code, imprisoned for not more than 5 years, or both.

"(b) EMBEZZLEMENT AND FRAUD-RELATED CRIMES.—Whoever, being connected in any capacity with the Secretary in the administration of this Act—

"(1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to such person or pledged or otherwise entrusted to such person;

"(2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner, makes any false entry in any book, report, or statement of or to the Secretary or without being duly authorized draws any orders or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof;

"(3) with intent to defraud, participates or shares in or receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, grant, commission, contract, or any other act of the Secretary; or

"(4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans, grants, or other assistance from the Secretary, shall be fined under title 18, United States Code, imprisoned for not more than 5 years, or both.

"SEC. 606. EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES.

"No financial assistance shall be extended by the Secretary under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise—

"(1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and

"(2) execute an agreement binding such business enterprise, for a period of 2 years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within the 1-year period ending on such date, shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary determines involves discretion with respect to the granting of assistance under this Act.

"SEC. 607. MAINTENANCE OF RECORDS OF APPROVED APPLICATIONS FOR FINANCIAL ASSISTANCE; PUBLIC INSPECTION.

"(a) MAINTENANCE OF RECORD REQUIRED.—The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for financial assistance under this Act, which shall be kept available for public inspection during the regular business hours of the Department of Commerce.

"(b) POSTING TO LIST.—The following information shall be posted in such list as soon as each application is approved:

"(1) The name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof.

"(2) The amount and duration of the financial assistance for which application is made.

"(3) The purposes for which the proceeds of the financial assistance are to be used.

"SEC. 608. RECORDS AND AUDIT.

"(a) RECORDKEEPING AND DISCLOSURE REQUIREMENTS.—Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) ACCESS TO BOOKS FOR EXAMINATION AND AUDIT.—The Secretary, the Inspector General of the Department of Commerce, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this Act.

"SEC. 609. PROHIBITION AGAINST A STATUTORY CONSTRUCTION WHICH MIGHT CAUSE DIMINUTION IN OTHER FEDERAL ASSISTANCE.

"All financial and technical assistance authorized under this Act shall be in addition to any Federal assistance previously authorized, and no provision of this Act shall be construed as authorizing or permitting any reduction or diminution in the proportional amount of Federal assistance which any State or other entity eligible under this Act would otherwise be entitled to receive under the provisions of any other Act.

"SEC. 610. ACCEPTANCE OF APPLICANTS' CERTIFICATIONS.

"The Secretary may accept, when deemed appropriate, the applicants' certifications to meet the requirements of this Act.

"TITLE VII—FUNDING

"SEC. 701. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this Act $397,969,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000 through 2002, such sums to remain available until expended.

"SEC. 702. DEFENSE CONVERSION ACTIVITIES.

"In addition to the appropriations authorized by section 701, there are authorized to be appropriated to carry out this Act such sums as may be necessary to provide assistance for defense conversion activities. Such funding may include pilot projects for privatization and economic development activities for closed or realigned military or Department of Energy installations. Such sums shall remain available until expended.

"SEC. 703. DISASTER ECONOMIC RECOVERY ACTIVITIES.

In addition to the appropriations authorized by section 701, there are authorized to be appropriated to carry out this Act such sums as may be necessary to provide assistance for disaster economic recovery activities. Such sums shall remain available until expended."

SEC. 3. SAVINGS PROVISIONS.

(a) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—This Act shall not be construed as affecting the validity of any right, duty, or obligation of the United States or any other person arising under or pursuant to any contract, loan, or other instrument or agreement which was in effect on the day before the effective date of this Act.

(b) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against any officer or employee of the Economic Development Administration shall abate by reason of the enactment of this Act.

(c) LIQUIDATING ACCOUNT.—The Economic Development Revolving Fund hitherto established under section 203 of the Public Works and Economic Development Act of 1965 shall continue to be available to the Secretary as a liquidating account as defined under section 502 of the Federal Credit Reform Act of 1990 for payment of obligations and expenses in connection with financial assistance extended under this Act, said Act of 1965, the Area Redevelopment Act, and the Trade Act of 1974.

(d) ADMINISTRATION.—The Secretary shall take such actions as authorized before the effective date of this Act as necessary or appropriate to administer and liquidate existing grants, contracts, agreements, loans, obligations, debentures, or guarantees heretofore made by the Secretary or the Secretary's delegatee pursuant to provisions in effect immediately prior to the effective date of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title; effective date

Act may be cited as the ''Economic Development Partnership Act of 1997'', with an effective date not later than three months after enactment.

Section 2. Reauthorization of Public Works and Economic Development Act of 1965

Reenacts the Public Works and Economic Development Act of 1965 (PWEDA), replacing everything after section 1 of that act with Findings and the following seven titles:

Sec. 2. Findings and declaration

Includes Congressional findings and declaration of the need for Federal assistance to distressed areas, as in PWEDA.

TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION AND COORDINATION

Sec. 101. Establishment of economic development partnerships

Directs cooperation with States and other entities, including cooperative agreements with adjoining states; technical assistance as appropriate; and intergovernmental review of project proposals.

Sec. 102. Cooperation of Federal agencies

Directs other Federal department and agency to cooperate with the Secretary in carrying out the objectives of this Act, as in PWEDA.

Sec. 103. Coordination

Directs the Secretary to coordinate the activities under this Act with other Federal programs, States, economic development districts, and others, as in PWEDA.

Sec. 104. National Advisory Committee

The Secretary may appoint a broad-based 25–member National Public Advisory Committee on Regional Economic Development to make recommendations to the Secretary relative to carrying out the Secretary's duties under this Act, as in PWEDA.

TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

Sec. 201. Public works grants

Provides authority to make grants for regular infrastructure projects similar to those under PWEDA, and adds authority to make grants for design and engineering projects.

Sec. 202. Construction cost increases

Provides for increases in grant funding due to construction cost increases, using essentially the same language as in Title I of PWEDA.

Sec. 203. Planning and administrative expenses

Provides for grant assistance to political entities and planning organizations using essentially the same language as in Title III of PWEDA.

Sec. 204. Cost sharing

Establishes a 50 percent direct grant rate for projects under this title and requirements for the non-Federal share, as in PWEDA.

Sec. 205. Supplementary grants

Provides authority to supplement grants from designated Federal grant-in-aid programs as well as authority to supplement the 50 percent direct grant rate for eligible projects under this Act of 1997. Similarly to PWEDA, grant rate may be increased to 80 percent according to distress criteria, and 100 percent in extraordinary situations.

Sec. 206. Regulations to assure relative needs are met

Directs the Secretary to prescribe rules, regulations, and procedures to carry out this title which will assure that for assistance under section 201 adequate consideration is given to the relative needs of eligible areas, as in PWEDA. Relevant factors are to include severity of unemployment and underemployment, income levels, and outmigration of population.

Sec. 207. Training, research and technical assistance

Provides authority to make direct grants for training, research and technical assistance, including program evaluation and economic impact analyses, as well as authority to conduct research and technical assistance through staff, through other Federal departments or agencies, or through contracts or grants. Authority is similar to PWEDA's.

Sec. 208. Relocation of individuals and businesses

States that grants to eligible recipients must include relocation assistance to affected persons, as required by the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended.

Sec. 209. Economic adjustment

Provides authority, as in PWEDA, to make direct grants for public facilities, public services, business development (including a revolving loan fund), planning, technical assistance, and training, including activities to alleviate long-term economic deterioration, and sudden and severe economic dislocations.

Sec. 210. Direct expenditure or redistribution by recipient

Provides, as in PWEDA, that amounts from grants under section 209 of this title may be used in direct expenditures or through redistribution to public and private entities in grants, loans, loan guarantees, to reduce loan guarantee interest, or other appropriate assistance, but no grant shall be made by a recipient to a private profit-making entity.

Sec. 211. Changed project circumstances

Provides authority to approve changes in project scope.

Sec. 212. Use of funds in projects constructed under projected cost

Provides that funds available because of construction projects completed under cost may be used to further improve the project, as determined by the Secretary.

Sec. 213. Base closings and realignments

Provides authority for assistance under this title due to the closure or realignment of a military or Department of Energy installation for projects to be carried out on such installation or in communities adversely affected by the closure or realignment.

Sec. 214. Prevention of unfair competition

Prohibits use of funds under this Act for any project resulting in excess capacity using the same language in section 702 of PWEDA.

Sec. 215. Reports by recipient

Requires reports from recipients of assistance containing an evaluation of the effectiveness of the economic assistance provided under this Act.

TITLE III—DEFINITIONS, ELIGIBILITY AND COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

Sec. 301. Definitions

Defines eligible recipient as an area described in Section 302(a), an economic development district designated under section 401, an Indian tribe, a State, a city or other political subdivision (subdivision) of a State or a consortium of such subdivisions, an institution of higher education or a consortium of such institutions, or a public or private nonprofit organization or association acting in cooperation with officials of such subdivisions, and includes private individuals and for-profit organizations for grants under section 207. The terms economic development district, economic development center, grant, Indian tribe, Secretary and State are also defined.

Sec. 302. Area eligibility

Allows for self-certification by applicants seeking assistance under section 201 or 209, that they meet one or more of the nine distress criteria established; such certification to be supported by Federal data, when available or, in the absence of recent Federal data, by data available through the State government. Such documentation shall be accepted by the Secretary unless the Secretary determines the documentation to be inaccurate. The most recent statistics available shall be used. Area eligibility is similar to that in PWEDA (however, determined at time of application, rather than ''grandfathered''), but provides consistency across programs, and simplifies process of determining eligibility.

Sec. 303. Comprehensive economic development strategy

Requires applicants for assistance under section 201 or 209 (except for planning) to prepare a comprehensive economic development strategy, acceptable to the Secretary, identifying problems to be addressed and the strategy for addressing them. This is similar to overall economic development program required for PWEDA public works grants, or adjustment strategies required for PWEDA economic adjustment grants. Provides that plan prepared under another Federally supported program may be acceptable.

TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

Sec. 401. Designation of economic development districts and economic development centers

Establishes criteria for the designation of economic development districts and economic development centers, with essentially the same language as in PWEDA.

Sec. 402. Termination or modification

Authorizes the Secretary to issue regulations describing standards for terminating or modifying designated economic development districts and economic development centers, as in PWEDA.

Sec. 403. Bonus

Provides authority to increase the amount of grant assistance authorized by sections 204 and 205 for projects within designated economic development districts by an amount not to exceed 10 per centum of the aggregate cost of any such project, subject to minimum non-Federal share, if certain requirements are met, as in PWEDA.

Sec. 404. Strategy provided to Appalachian Regional Commission

As in PWEDA, requires that each economic development district provide a copy of its comprehensive economic development strategy to the Appalachian Regional Commission, if any part of such proposed district is within the Appalachian region.

Sec. 405. Parts not within areas described in section 302(a)

Establishes the authority to provide the financial assistance to those parts of an economic development district which are not within an area described in section 302(a), when such assistance will be of a substantial direct benefit to an area described in section 302(a) within such district, as in PWEDA.

TITLE V—ADMINISTRATION

Sec. 501. Assistant Secretary for Economic Development

Provides that the Secretary will administer the Act with the assistance of an Assistant Secretary of Commerce for Economic Development to be appointed by the President by and with the advice and consent of

the Senate; such Assistant Secretary of Commerce for Economic Development will serve as the administrator of the Economic Development Administration.

Sec. 502. Economic development information clearinghouse

Establishes a central information clearinghouse on matters relating to economic development, economic adjustment, disaster recovery, and defense conversion programs and activities of the Federal and State governments, including political subdivisions of the States.

Sec. 503. Consultation with other persons and agencies

Authorizes the Secretary to confer with any persons, including representatives of labor, management, agriculture, and government, who can assist with the problems of area and regional unemployment and underemployment, and to consult with interested departments and agencies as deemed appropriate in the performance of the functions vested in the Secretary by this Act, as in PWEDA.

Sec. 504. Administration, operation, and maintenance

Requires finding that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained, using the same language as in section 604 of PWEDA.

Sec. 505. Firms desiring Federal contracts

Provides, as in PWEDA, that the Secretary may furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in areas of high economic distress and which are desirous of obtaining Government contracts for the furnishing of supplies or services.

Sec. 506. Amendment to title 5, U.S.C.

Amends Section 5316 of title 5, United States Code, by striking ''Administrator for Economic Development''.

TITLE VI—MISCELLANEOUS

Sec. 601. Powers of Secretary

Provides numerous powers to the Secretary, substantially similar to the authority under PWEDA, to carry out the Secretary's duties under this Act, including but not limited to those involving a seal, personnel, hearings, the taking of appropriate actions concerning personal property, real property, or evidence thereof, third party claims, the establishment of performance measures for grants and other assistance provided under this Act, and the establishment of such rules, regulations, and procedures as the Secretary considers appropriate in carrying out the provisions of this Act. It includes authority for the Secretary to protect Governmental interest in grant property and to release that interest 20 years after disbursement.

Sec. 602. Maintenance of standards

Directs the Secretary to continue to implement and enforce the provisions of section 712 of PWEDA.

Sec. 603. Annual report to Congress

Provides for one annual consolidated report to Congress on the Secretary's activities under this Act, as required under PWEDA.

Sec. 604. Use of other facilities

Substantially as in PWEDA, provides authority for the Secretary to: delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as deemed appropriate and to authorize redelegation by such heads; transfer funds between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated; accept transfers of funds from other departments and agencies of the Federal Government if the funds are used for the purposes for which such funds are specifically authorized and appropriated.

Sec. 605. Penalties

Provides legal penalties using essentially the same language as in section 710 of PWEDA.

Sec. 606. Employment of expediters and administrative employees

Provides requirements concerning the employment of expediters and administrative employees, as in section 711 of PWEDA.

Sec. 607. Maintenance of records of approved applications for financial assistance; public inspection

Directs the Secretary, as in PWEDA, to maintain as a permanent part of the records of the Department of Commerce a list of applications approved for financial assistance under this Act and to make such records available for public inspection during the regular business hours of the Department of Commerce.

Sec. 608. Records and audit

Requires that recipients keep records and provide access for audits using language similar to that in section 714 of PWEDA.

Sec. 609. Prohibition against a statutory construction which might cause diminution in other Federal assistance

As in PWEDA, provides that financial and technical assistance authorized under this Act be in addition to any Federal assistance previously authorized, and no provision of this Act be construed as authorizing or permitting any reduction or diminution in the proportional amount of Federal assistance which an entity would otherwise receive.

Sec. 610. Acceptance of applicants' certifications

Provides authority for the Secretary to accept, when deemed appropriate, the applicants' certifications to meet the requirements of this Act.

TITLE VII—FUNDING

Sec. 701. Authorization of appropriations

Authorizes $343,028,000 for fiscal year 1998 and such sums as may be necessary for each of fiscal years 1999 through 2002, such sums to remain available until expended.

Sec. 702. Defense conversion activities

In addition to the appropriations authorized by section 701, authorizes to be appropriated to carry out this Act such sums as may be necessary to provide assistance for defense conversion activities.

Sec. 703. Disaster economic recovery activities

In addition to the appropriations authorized by section 701, authorizes to be appropriated to carry out this Act such sums as may be necessary to provide assistance for disaster economic recovery activities.

Section 3. Savings provisions

Provides that existing rights, duties and obligations, and pending suits, are not to be affected by this Act, and that revolving fund established under section 203 of PWEDA is to continue to be available as a liquidating account.

Ms. SNOWE. Mr. President, I rise today with my distinguished colleague from Montana, Senator MAX BAUCUS, to introduce the ''Economic Development Partnership Act of 1998''—a bill to reauthorize the Economic Development Administration in the Department of Commerce. I would first like to thank the ranking member of the Senate Committee on Environment and Public Works, Senator BAUCUS, for his ongoing commitment to this vital agency, and would also like to thank the bipartisan group of Senators who have joined us in sponsoring this legislation.

Mr. President, I have long been a supporter of the EDA because—although it is a small agency—its programs contribute significantly to economic growth and job expansion. With only a modest annual appropriation and a national staff of 258 dedicated public servants, the EDA successfully assists communities across the nation who have experienced economic distress. Economic distress that is not only generated by economic downturns, but also by natural disasters—such as storms and earthquakes—and un-natural disasters, such as military base closings.

I am also pleased that, at a time when Congress is exercising much needed fiscal discipline and performance-based budgeting is being demanded from all agencies, the EDA has maintained its commitment to providing a good return on the public dollar. Specifically, recent studies of EDA's programs were performed by a consortia of organizations including Rutgers University, the New Jersey Institute of Technology, Columbia University, Princeton University, the National Association of Regional Councils, and the University of Cincinnati. The results of these studies were impressive, and clearly showed the value and results of EDA investments in public works and defense conversion activities. Specifically, for every every $1 million that EDA invests in public works projects, 327 jobs are created or retained at a cost of $3,058 per job; 15 construction jobs are created; $10 million in private sector dollars are leveraged; and $10.13 million is added to the local tax base. Based on these statistics, I believe it's safe to say that EDA delivers a substantial ''bang for the buck''!

Even as these statistics speak to the value of EDA programs nationally, I am pleased that the people of Maine don't need to hear what is happening in other states to be convinced of the value of EDA—they already know what this agency has meant to their towns and communities. Over the past 32 years, the EDA has invested more than $198 million in 606 projects across the state. Through public works, technical assistance, planning, community investments, and revolving loan fund programs, the EDA has established local partnerships in Maine that have provided critical infrastructure development and other economic incentives that have stimulated local growth, created jobs, and generated revenue.

Not only has the EDA invested in many economic development projects in Maine, but I can also personally attest to the value and importance of

these projects because I have seen the results that they deliver. For example, as a result of EDA assistance in 1996, dormitories at the Maine School of Science and Mathematics—a magnet school built at former Loring Air Force Base—were built to house the school's students. And in 1995, EDA assistance in Freeport, Maine prevented a major health maintenance organization from relocating to another state. That project alone not only saved 99 jobs, but also created an additional 127 in the community.

Mr. President, I cite these success stories not only to credit the agency for a job well done in my state, but to demonstrate to my colleagues the types of assistance that have likely been provided to their states as well. If my colleagues would review the cases of economic distress that have occurred in their own states, I believe they will find their own success stories that speak to the value of EDA to their constituents.

Therefore, I would urge that my colleagues support the bill that Senator BAUCUS and I are introducing today because it would reauthorize the beneficial and critically-needed programs that have led to these success stories for an additional five years. Perhaps most importantly, it will keep the agency's successful programs intact, while incorporating ideas and concepts for improvement that have received increased attention and support in the Congress. For instance, many of my colleagues would agree that to be truly successful, government programs should proceed in partnership with local governments—and this legislation will do just that by preserving the integrity of the agency's traditional programs, while expanding and modifying them to encompass the partnership concept.

The bill also contains new language that reflects some of the activities that the agency has become more involved in over the past few years, such as defense conversion and disaster assistance. From Maine's perspective, these programs could not be buttressed soon enough following the closing of Loring Air Force base in 1994, and the ice storms that ravaged the state just weeks ago.

In addition, there are other provisions in this legislation that will bring meaningful, positive changes to EDA's programs by increasing program flexibility and heightening accountability. Ultimately, it is these types of changes that will not only update an Act that has been in need of reauthorization, but will also prepare this agency for the economic needs and demands of our nation as we approach a new century.

Mr. President, the Economic Development Administration is a key federal agency that promotes economic growth and development, and the legislation we are offering today will ensure that these improved programs will be available for the next five years. I urge my colleagues to support this critically needed legislation.

Mr. KENNEDY. Mr. President, it is an honor to join as a sponsor of the Economic Development Partnership Act of 1998, which will reauthorize and extend the important work of the Economic Development Administration in the Department of Commerce.

The Economic Development Administration was established in 1965 to provide grants to help hard-pressed communities in all parts of the country to deal more effectively with conditions of persistent unemployment in economically distressed areas.

Over the past thirty years, EDA has helped generate new jobs, retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas across the country. By making assistance available to areas suffering high unemployment, low-income levels, or sudden and severe economic emergencies, EDA provides local governments with the resources to revitalize their communities, create jobs, and plan for long-term growth.

In fulfilling its mission, EDA is guided by the basic principle that distressed communities must be encouraged to plan and implement their own economic development and revitalization strategies.

I commend Senator BAUCUS and the Clinton Administration for their leadership on this important legislation, and I look forward to its enactment.

By Mr. JEFFORDS (for himself, Ms. COLLINS, and Mr. ENZI):

S. 1648. A bill to amend the Public Health Service Act and the Food, Drug and Cosmetic Act to provide for reductions in youth smoking, for advancements in tobacco-related research, and the development of safer tobacco products, and for other purposes; to the Committee on Labor and Human Resources.

PREVENTING ADDICTION OF SMOKING TEENS ACT

Mr. JEFFORDS. Mr. President, I rise today to introduce legislation with one principal aim: to put an end to teenage smoking. I am honored to be joined by two other distinguished members of the Committee on Labor and Human Resources, Senator COLLINS, and Senator ENZI.

By now, we are all familiar with the grim statistics that tell the story of youth smoking in our country—the thousands of children that experiment with tobacco, the thousands that become addicted, and the thousands who will die prematurely as a result.

For too long, the federal government has been of little assistance in combating the number one preventable disease in this country. Apart from the efforts of Surgeons General from Luther Terry to C. Everett Koop, and sporadic efforts by Congress, the federal government has barely acknowledged there's a problem.

The states, especially my home state of Vermont, have been leaders in the effort to end teenage smoking. And last summer, the proposed settlement by the Attorneys General ignited a whole new debate on this issue by providing us with a template for action.

Eight months later, it is easy for us to minimize that accomplishment, but by any fair appraisal the settlement was a tremendously important step.

When the tobacco settlement was announced, some people thought it might be only a few months before it would be ratified by Congress. Today, people wonder whether it can be revived by Congress.

I am confident that we can and will reach agreement on a national tobacco policy. But I am just as certain that we'll never do so if we pursue a partisan approach.

Since the settlement, the Committee on Labor and Human Resources has held four hearings on this subject, and across Capitol Hill dozens of hearings have been held by other committees of jurisdiction.

Today we take the next important step in this process, by introducing legislation that I hope will serve as the basis for a broad, bipartisan approach to the three basic public health issues of a national tobacco policy: prevention, safer products, and cessation.

If we can achieve a national tobacco policy, it could be the biggest public health breakthrough ever achieved outside a lab.

The settlement has been criticized as being too weak by some, too ambitious by others. I agree the settlement has flaws.

But I think we must never lose sight of the ultimate goal—what is the best public health approach that we can enact to reduce teen smoking?

I am less concerned about exacting the last measure of revenge for the past actions of the tobacco companies than I am about ensuring the future of the children who become addicted every day. We need to keep our priorities straight.

It will take a broad, bipartisan consensus to pass tobacco legislation. Right now, that consensus seems entirely absent and is in danger of slipping into partisan grand standing over who loves kids and hates tobacco.

That consensus can only come through compromise. There will be many opportunities to derail legislation of this magnitude if it is only supported by a slim majority. If we expect enactment, we must forge broad agreement in the Congress.

The legislation we introduce today, called the Preventing Addiction to Smoking Among Teens, or PAST Act, will enact and improve upon the public health provisions of the tobacco settlement. It is not designed to solve every question before us, rather, it addresses the public health issues that are before the Labor Committee.

It is no longer feasible for tobacco to escape the same type of regulation we require for foods and medicines. Our bill will give the Food and Drug Administration every bit of authority it needs to regulate tobacco products and their components. The tobacco industry will have to turn over all of its

health documents to the FDA. FDA will be able to reduce or eliminate harmful ingredients or require safer technological improvements through informal rulemaking to achieve overall public health benefits.

Of course, we will not achieve the public health benefits we seek from mandating safer products if the resulting products are unacceptable to consumers who can't quit smoking. Part of the process for setting these standards will be consideration of just this question.

We encourage the development of safer products subject to the same type of scientific review for other FDA regulated products. And FDA can propose, after ten years, the outright prohibition of cigarettes or smokeless tobacco products.

But our bill will not permit FDA to ban cigarettes or smokeless tobacco for adult usage on its own. That decision, in my opinion, is one that should be made by Congress, not a single government agency.

Our bill adopts a comprehensive approach to preventing teens from smoking, and helping people to quit who are already hooked. And finally, our bill will provide for a coordinated regime to research the many unanswered questions about tobacco, its effects on us, and how to mitigate those effects.

I ask unanimous consent that a summary of our bill be included at the end of my remarks.

Next week, Senator GREGG and I will hold a hearing in New Hampshire to listen to state and local concerns on tobacco issues within the jurisdiction of the Senate Committee on Labor and Human Resources. And in a month, I hope to have found bipartisan support for my bill and to have moved it through the committee.

Finally, I want to note that many of my colleagues are also working on legislation to help move the discussion forward, and there are many good ideas that deserve consideration. In particular, I look forward to working with Senator ENZI on his proposal to establish a fund supported by tobacco industry resources. This fund would be a sustainable way to provide compensation for treating tobacco-related diseases, and could also be used to pay for some of the prevention proposals I have outlined in my bill

Even though we have much work to do before we decide the overall architecture of tobacco policy, it is not at all too soon to begin pouring the foundation. As in New England, we have a short building season. If we are to clear the committees, combine our approaches, clear the floor and conference, we must act now. I urge my colleagues to give me their support, and greatly appreciate those who have already done so.

We need to make teen smoking a thing of the past.

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

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

THE PREVENTING ADDICTION TO SMOKING AMONG TEENS (PAST) ACT—OVERVIEW

PROBLEM

Smoking is the single most preventable cause of death in the United States.

Smoking-related diseases kill 400,000 Americans each year.

82% of adult smokers began smoking when they were teenager—people generally do not *start* smoking past the teen years, making it *imperative* to prevent smoking among teens.

But the trend is going in the wrong direction: more kids are smoking; 6,000 kids a day try a cigarette, and 3,000 of those will become addicted; every day, 1,000 kids who start smoking will eventually die prematurely due to smoking.

THE PAST ACT

Across the board, the provisions of the PAST Act are tougher than those approved by the Attorneys General and plaintiffs' attorneys in the June 20, 1997 proposed tobacco settlement. The PAST Act:

Is a comprehensive public health approach to reduce youth smoking, help people who want to quit, bring safer products to the market, and provide for the research we need to improve our understanding of addiction and how to prevent it.

Requires that tobacco settlement funds be used for tobacco-related initiatives.

Provides for: Straightforward and effective authority for FDA to regulate tobacco products; tough and enforceable restrictions on youth access to tobacco products; evidence-based prevention and cessation programs; research that will help us understand why certain people become addicted to tobacco products and provide science-based methods to prevent addiction.

SUMMARY OF THE ACT

1. Regulation of Tobacco Products and Tobacco Product Development

Purpose: To provide strong and effective Food and Drug Administration (FDA) regulatory authority over cigarettes, smokeless tobacco products, and safer tobacco products.

Summary: No longer will the tobacco companies be exempt from the type of regulation which ensures that our foods and medicines are safe and properly labeled.

The PAST Act gives FDA regulatory authority to:

Oversee the manufacturing processes of tobacco products;

require elimination of tobacco product additives and reductions in nicotine;

quickly and easily promulgate performance standards to ensure that new and safer technology reaches consumers with truthful information on health issues related to products;

regulate the content of product labels and advertising;

require tobacco companies to divulge all health-related research on tobacco products and ingredients;

set national rules for product regulation while preserving important state and local authorities to require tougher requirements for youth access rules and point-of-sale advertising;

periodically assess and improve the effectiveness of tobacco product warning labels.

The PAST Act bans billboard advertising of tobacco products, cartoon figure and human figures (like Joe Camel and the Marlboro Man) and restricts in-store marketing.

The PAST Act does not preempt the ability of state or localities to pass stricter laws on sale to minors or point-of-sale advertising.

1. FDA Authority to Approve Reduced Risk Tobacco Products and Require Reductions in Nicotine and Elimination of Tobacco Product Hazards.

50 million Americans smoke. For those who can't quit as soon as they'd like, we must both provide them with less harmful alternatives to today's tobacco products and take steps immediately to reduce the danger in existing tobacco products. The PAST Act establishes science and public health-based decision making at FDA to achieve these goals.

The PAST Act includes a program designed to encourage tobacco companies to develop and market reduced risk tobacco products. FDA authority over reduced risk tobacco products requires that FDA approve specific ''reduced risk'' claims manufacturers make. In addition, manufacturers must notify FDA of any reduced risk technology they develop or acquire.

FDA is to require tobacco companies to conduct the same type of high quality scientific studies expected of drug and device companies to demonstrate that a new tobacco product carries a ''reduced risk.'' FDA will take into account the effect of the product on overall public health concerns including whether fewer people will quit smoking as a result of its availability. FDA will require both short-term and long-term studies to ensure that the products have a positive public health effect. FDA can revoke the approval to market the product if the studies do not support the health claims or if the studies are not completed in a timely manner.

In addition, if FDA determines that a particular reduced risk technology is less hazardous it may: require disclosure of the safer technology; prohibit the use of technology that is superseded by the new technology, or; require that manufacturers stop selling tobacco products that do not incorporate such technology.

In addition to reviewing reduced risk products, FDA has authority to mandate the elimination of hazardous components of tobacco products and reduce nicotine levels to achieve overall public health benefits. Before requiring changes to tobacco products, FDA will employ a notice and comment rulemaking proces—the same as that used for drugs and devices. FDA is not! required to prove that a black market will not result.

2. FDA Authority to Regulate Product Labels, Warnings, Advertising, and Marketing.

The PAST Act will enact: new warning labels, and the flexibility for the Secretary to change the labels; restrictions on labeling and advertising of tobacco products; restrictions on advertising in non-adult media and glamorization of tobacco; bans on non-tobacco items and event sponsorship.

The PAST Act does not prevent states and localities from enacting tougher laws on youth access and point-of-sale cigarette advertising and marketing.

II. National Efforts to Reduce Youth Smoking

Purpose: To provide all the essential ingredients for comprehensive and effective programs to reduce youth smoking.

Summary: The PAST Act sets high but achievable goals to reduce youth smoking. To ensure that the tobacco manufacturers partner with communities to achieve these goals, the PAST Act exacts tough penalties on the industry if goals are not met. Further, unlike the June 20 proposed tobacco settlement, and some other bills that have been introduced, the PAST Act does not permit the penalties to be capped, and it ensures that the penalties are calculated accurately.

The PAST Act entrusts the states with the necessary resources from the Tobacco Settlement Trust Fund for local anti-tobacco

programs that will effectively: restrict the sale of tobacco products to minors; prevent youth smoking; assure that people who want to quit smoking can get proven cessation treatment.

The PAST Act gives the Office on Smoking and Health of Centers for Disease Control the resources to provide oversight and technical help to state and local authorities, thus guaranteeing that the latest and most effective strategies to prevent and stop smoking can be employed.

The PAST Act provides funds for research to help us understand addiction to tobacco products, and to ensure that the results of this research are swiftly incorporated into community-based programs.

The PAST Act establishes an innovative and far-reaching national public health promotion and health education campaign on the dangers of smoking.

1. Required Reduction in Underage Use of Tobacco Products.

Purpose: To promote an immediate reduction in the number of underage consumers of tobacco products by imposing financial surcharges dramatically stiffer than the June 20 proposed tobacco settlement on participating manufacturers if underage tobacco-use reduction targets are not met.

If the targets are not met, surcharges will be imposed on manufacturers, and for each 5 percentage points short of the target, the surcharge on manufacturers increases substantially.

Cigarettes: for the first 5 percentage points for which the rate of youth smoking falls short of the target: the product of $80,000,000 and the number of applicable percentage points; for 6 to 10 percentage points short of the goal: the product of $400,000,000 and the number of applicable percentage points; for 11 or more percentage points short of the goal: the product of $500,000,000 and the number of applicable percentage points.

Smokeless Tobacco Products: for the first 5 percentage points for which the rate of youth smokeless tobacco use falls short of the target: the product of $15,000,000 and the number of applicable percentage points; for 6 to 10 percentage points short of the goal: the product of $30,000,000 and the number of applicable percentage points; for 11 or more percentage points short of the goal: the product of $45,000,000 and the number of applicable percentage points.

Targets for reduction of tobacco product use in individuals under 18:

Cigarettes: 30 percent in the fifth and sixth years; 50 percent in the seventh, eighth and ninth years; 60 percent in the tenth and subsequent years.

Smokeless tobacco: 25 percent in the fifth and sixth years; 35 percent in the seventh, eighth and ninth years; 45 percent in the tenth and subsequent years.

2. Restrictions on Access to Tobacco Products.

Purpose: To ensure that strict state laws are passed and enforced that will prohibit the sale and distribution of tobacco products to minors, and to provide civil penalties to minors who purchase or smoke tobacco products.

State laws must include the following provisions, and may include stricter provisions:

At least 90% of minors attempts to purchase must be unsuccessful; requirement of a state or local license to sell tobacco products; a prohibition on sale of cigarettes and smokeless tobacco to individuals under 18 years of age; the following requirements for distribution:

The licensee must verify age through a government issued photo identification; no verification is required for any individual who is at least 27 years of age; no direct access to tobacco products; face-to-face exchange for purchase; no out-of-package sale of tobacco products; no special marketing rules for adult only stores; minors may not purchase or consume tobacco products. States may enforce this provision through civil penalties, including a written warning, a possible fine of up to $150 for repeated offenses, or other civil penalties determined appropriate by the state.

3. State and Community Action Programs.

Purpose: To promote the development of state and community action programs designed to educate the public on addiction and the hazards of tobacco use, and to promote prevention and cessation of the use of tobacco products.

Funds will be available to each state from the Tobacco Settlement Trust Fund after approval of a state plan. Funding increases from $145,000,000 for each of the fiscal years 1999 and 2000 to $440,000,000 for fiscal year 2008.

State and local initiatives may include: evidence-based programs to prevent tobacco use and promote cessation; health education and promotion efforts relating to tobacco use; public policy initiatives to prevent tobacco use and promote cessation; evidence-based programs in schools to prevent and reduce tobacco use and addiction.

4. Tobacco Use Cessation Programs.

Purpose: to help addicted individuals who want to quit.

Funding allocated to the states from the Tobacco Settlement Trust Fund: $1,000,000,000 for each of the fiscal years 1999 through 2002; $1,500,000,000 for each of the fiscal years 2003 through 2008.

Programs to be funded may include: evidence-based programs designed to assist individuals to stop their use of tobacco products; training for health care providers in cessation intervention methods; efforts to encourage health plans and insurers to provide coverage for evidence-based tobacco use cessation treatment.

5. Research Initiatives to Prevent Tobacco Addiction.

Purpose: To promote tobacco-related research strategies.

The Institute of Medicine will perform an independent study to provide recommendations for tobacco-related research. Tobacco-related research at CDC, NIH, and AHCPR will include investigation of: surveillance and epidemiology of tobacco use; prevention of tobacco use; the science of addiction; cessation strategies.

An interagency council will ensure that: the research strategy is implemented, and that it is modified to take into account new findings; new developments are disseminated to states and communities.

6. National Public Health Education Campaign.

Purpose: To provide for a national public health promotion and health education campaign designed to reduce the use of tobacco products.

III. Standards to Reduce Involuntary Exposure to Tobacco Smoke

The PAST Act will require OSHA to promulgate within 12 months a final rule relating to indoor air quality in industrial and nonindustrial indoor and enclosed work environments.

Ms. COLLINS. Mr. President, I am pleased to join with my colleagues, Senators JEFFORDS and ENZI in introducing the Preventing Addiction to Smoking Among Teens Act.

Tobacco is the No. 1 preventable cause of death in the United States, accounting for more than 400,000 deaths a year and more than $50 billion in health care costs. Clearly the single most effective thing we can do to improve our Nation's health and control health care costs is to stop smoking.

While recent headlines detailing the settlement of multimillion dollar lawsuits against the tobacco industry might delude us into thinking that we are winning the war against tobacco, the facts tell a far different story. Despite extensive public health campaigns linking smoking to heart disease and cancer, smoking rates are actually going up, particularly among our young people. Tragically, addiction is increasingly a ''teen-onset'' disease: in fact, Mr. President, 90 percent of all smokers began smoking before age 21,

What is particularly alarming is that children, especially girls, are smoking at younger and younger ages. Smoking is at a 19-year high among high school seniors and has increased over 35 percent among eighth graders and 43 percent among tenth graders over the last 7 years.

Moreover, of the 3,000 teens who enter the ranks of ''regular smokers'' every day, one-third will die tobacco-related deaths. Mr. President, I am very proud of many of the accomplishments and achievements of my great State of Maine, but there is one area where we do need to do much, much better. The sad fact is that my State of Maine has the dubious distinction of having the highest smoking rate among people age 18 to 34 in the entire United States. In Maine, almost 40 percent of high school students smoke. They purchase 1.4 million packs of cigarettes illegally each year. If this trend continues, more than 31,000 young people in Maine currently under the age of 18 will die prematurely from tobacco-related diseases. If we are to put an end to this tragic yet preventable epidemic, we must accelerate our efforts not only to help more smokers to quit, but also to discourage young people from ever lighting up in the first place.

The Preventing Addiction to Smoking Among Teens Act, which we are introducing today, adopts a comprehensive approach to prevent teens from smoking and builds upon and improves the public health components of the tobacco settlement announced last summer. It is not designed to deal with every question and every issue raised by the settlement. Rather, it focuses on what I believe should be the prime goal of any tobacco settlement, and that is to reduce teen smoking.

Among its provisions, this legislation gives clear and comprehensive authority to the FDA to regulate tobacco products and their components. The tobacco industry will have to turn over all—all—of its documents to the FDA related to cigarette research and health, and the FDA will be able to require the companies to reduce or to eliminate harmful ingredients or to require safer technological improvements through informal rulemaking. Moreover, after 10 years, the FDA could can propose an outright ban on

cigarettes or smokeless tobacco products. However, should such a prohibition be required or undertaken, it would require congressional approval. I think that is appropriate. I think that a decision of that magnitude should come back to Congress.

In my judgment, these provisions represent a marked improvement over last summer's proposed tobacco settlement. The settlement has been criticized for requiring the Food and Drug Administration to go through an arduous formal rulemaking process. Moreoever, unlike the tobacco settlement, our bill does not require the FDA to prove the absence of a black market—which critics have rightly pointed out would be impossible—in order to regulate a product. Finally, to provide the resources necessary for their expanded regulatory powers, the bill requires the FDA to assess a ''user fee'' of $100 million annually on all manufacturers selling FDA-regulated tobacco products in the United States.

The bill also incorporates very important recommendations on combating teenage smoking. It calls for strong warning labels. It calls for a ban on vending machine sales that make tobacco products so available to teenagers, it would ban outdoor advertising and the brand-name sponsorship of sporting events, and it would prohibit the use of images like Joe Camel and the Marlboro Man.

It also, Mr. President, holds the tobacco companies accountable by imposing stiff financial penalties if the smoking rate among children does not decline by 30 percent in 5 years, 50 percent in 7 years, and 60 percent in 10 years. Moreover, under our bill, there is no cap on penalties, and the price goes up the more the companies miss the targets. These are very important, tough new improvements over the proposed settlement.

Our bill incorporates strong measures to ensure that restrictions on youth access to tobacco products are tough and enforceable. It promotes the development of State and community action programs designed to educate the public on addiction and the hazards of tobacco use and to promote the prevention and the cessation of cigarette smoking.

It calls for a national public education campaign to deglamorize the use of tobacco products and to discourage young kids from smoking. And finally, it calls for a comprehensive tobacco related research program to study the nature of addiction, the effects of nicotine on the body, and how to change behavior, particularly that of children and teens.

Mr. President, I believe that the legislation we are introducing today can serve as a basis for broad, bipartisan support to deal with the public health issues that should serve as the foundation for any national health policy in this area.

I look forward to working with Chairman JEFFORDS, Senator ENZI, and my other colleagues on the Labor Committee as Congress deals with this important issue.

Mr. ENZI. Mr. President, I rise today as an original cosponsor of legislation offered by my esteemed colleague from Vermont, Senator JEFFORDS. I appreciate his steady commitment to improving our nation's public health—especially as it relates to the pending global tobacco settlement. I, too, believe that we have an opportunity to dramatically affect the number of current and future smokers through education, research and regulation of tobacco products. It is my belief that the Prevention Addiction to Smoking Among Teens, or PAST Act, is a significant component that accomplishes just that.

The PAST Act is the first piece of legislation fashioned after the global tobacco settlement—reflecting the resolution's public health aspects. I commend the Senator and his staff for working with me on remedying a number of outstanding issues in this bill. I look forward to working closely with my colleague on tightening this legislation as it works its way through the mix.

I do wish to share my thoughts on a number of issues in the global settlement that must not be overlooked. In addition, I would point out that a handful of these issues relating to public health are already addressed in the PAST Act. First, I believe the settlement fails to complement FDA's regulatory role by tapping the expertise of other federal agencies with relative jurisdiction. Second, the look-back provisions prescribed by the global settlement are only geared toward our nation's youth and don't apply to smokers above the age of 18. Third, the settlement focuses largely on reimbursing Medicaid expenditures and ignores enormous Medicare expenditures for smoking related illnesses. Finally, the settlement's overall compensation mechanism fails to address long-term smoking attributed illnesses. In light of these and other inherent difficulties, I am reluctant to embrace the entire global settlement with open arms. We are accepting revenues for past problems and insuring the future without compensation.

Let me first share my concerns regarding the FDA's role. The global settlement would delegate all regulatory authority of tobacco products to the Food and Drug Administration (FDA), including advertising and education. Although I favor FDA being the key regulatory agency of tobacco products, I do not believe the agency needs an annual allocation of $300 million to carry out its obligations—that's nearly 10 times what the FDA requested to enforce its original tobacco rule and one-third the agency's total annual budget. Such funding for one agency could not only foster regulatory abuses, but also stretch FDA's internal resources while simultaneously compounding Congress' oversight responsibilities. Such an approach is nothing more than a blueprint for yet another big government bureaucracy incapable of meeting its alleged purpose. I believe Senator JEFFORDS has acknowledged this predicament in the PAST Act. Rather than allotting $300 million each year for the FDA, the agency would receive $100 million, while other federal agencies with jurisdiction would receive $135 million, with the remaining $65 million going to the states for enforcement. This is a very fairminded approach and we largely avoid an unfunded federal mandate.

Second, the look-back provisions included in the global settlement were written to be applicable to our nation's youth—ages 18 and under. As a result, Senator JEFFORDS' bill only addresses the admirable objective of reducing underage smoking. While I have no problem with setting strict goals for reducing underage tobacco use, I firmly believe that the global settlement and any subsequent legislation should not overlook the need to reduce the overall impact of smoking related illnesses. We must be careful not to lend pride of being an adult to smoking. I appreciate Senator JEFFORDS' commitment to strengthening this section of the PAST Act.

Third, the global settlement fails to address Medicare smoking-attributable expenditures by focusing all of its attention on reimbursing states for Medicaid expenditures. This is a substantial financial oversight in my opinion. In 1995, the Health Care Financing Administration spent $176.9 billion in Medicare payments. Medicare outlays for fiscal 1996 are estimated to be $193.9 billion. Conservatively assuming that only 5 percent of those expenditures were smoking related, the average Medicare expenditures attributable to smoking during 1995–1996 would still amount to $9.3 billion per year, thereby bringing the twenty-five year total to $192.3 billion. This is an astronomical sum that deserves consideration.

Finally, the global settlement's reimbursement structure is dubious at best. It is my belief that Senator JEFFORDS' legislation must receive a sound, long-term financial commitment from the tobacco industry. Under the current settlement, tobacco companies would pay an initial $10 billion, and make annual payments starting at $8.5 billion in the first year and increases to $15 billion in the fifth year of the settlement. While the total estimated payments over 25 years would be $368.5 billion, there is no guarantee under the settlement's structure that the total amount would be collected. Economic conditions could change or tobacco companies could be driven out of business leaving the federal government holding an enormous tab for a very expensive regulatory scheme. Moreover, a large portion of the global settlement total may not even go to reimburse government for the costs of cigarette smoking. The money is designed to fund everything from underage smoking cessation campaigns to

potentially large civil damage awards. The scope of expenditures under the global settlement is too broad and the reimbursement mechanism is too incomplete to warrant Congressional approval.

In the coming weeks, I will continue to advocate an alternative reimbursement mechanism that not only caters to the PAST Act, but compensates for smoking attributed illnesses under the Medicare program as well. Two principles lie at the heart of this alternative approach. First, nonsmoking taxpayers should not be expected to continue footing the bill for what are largely self-induced illnesses. Second, Congress must ensure that the actual compensation fund is solvent for years to come. To these ends, I believe we should give serious thought to a new industry-based approach in which the government determines the costs caused by the manufacturer's product, and then requires the manufacturer and smoker to pay for these costs. Such a program would entirely eliminate smoking-attributed reimbursements from Medicaid and Medicare.

A ''Smoker's Compensation Fund'' of this type could be modeled on the Worker's Compensation Funds already in existence in the states. The proceeds for this fund would come from the tobacco industry, and ultimately from smokers themselves in the form of higher cigarette prices. The tobacco industry's annual contributions to the fund could be tied to the number of occurrences of smoking illnesses—the greater the occurrences, the larger the contribution. Using Worker's Compensation as a model, a rolling multiyear average could form the basis of annual premiums to individuals suffering from smoking-attributed illnesses. This would create an economic incentive for the tobacco companies to take actions to reduce tobacco-related illnesses, thereby driving down the number of smokers over the long-term—a true look-back policy.

Moreover, an industry-based approach would not allow tobacco companies to walk away from long-term smoking attributed illnesses through a total $368.5 billion payment over a 25 year period. Instead, it would administratively make the tobacco companies and the smokers themselves responsible for paying for the medical care of individuals with smoking-related illnesses indefinitely. I believe that the Smoker's Compensation Fund concept would be the best vehicle to provide long-term financial coverage not only for the Medicaid and Medicare programs and smokers of all ages, but for the public health provisions outlined in Senator JEFFORDS' bill being introduced today.

Thank you, Mr. President.

By Mr. FORD:

S. 1649. A bill to exempt disabled individuals from being required to enroll with a managed care entity under the medicaid program; to the Committee on Finance.

MEDICAID MANAGED CARE EXEMPTION FOR DISABLED INDIVIDUALS

Mr. FORD. Mr. President, today I am introducing legislation to exempt certain disabled individuals from mandated managed care coverage under Medicaid. During consideration of last year's budget legislation, this issue arose but was not addressed in a satisfactory manner. That legislation provided a broad grant of authority to states to require individuals eligible for Medicaid to enroll in managed care plans. Prior to this change, states were required to obtain waivers from the federal government in order to initiate such cost savings measures which would shift large portions of their Medicaid populations into managed care.

However, states have generally not been interested in shifting certain categories of individuals into managed care, such as individuals in nursing homes or special needs children. In fact, last year's legislation specifically exempted certain categories of special needs children under age nineteen.

Mr. President, I believe for certain categories of individuals it does not make sense to limit this exemption to individuals under age nineteen. For example, mentally retarded individuals receiving Medicaid benefits do not enter into a new health care category once they reach their nineteenth birthday. I believe limiting the exemption for such individuals is arbitrary and unwise policy. My legislation would simply remove the age limitation for severely disabled individuals.

I want to express my thanks to the Voice of the Retarded for their leadership on this issue and their willingness to bring it to my attention. I ask unanimous consent that a letter in support of this legislation from that organization be inserted into the RECORD. I also want to thank Louise Underwood, a constituent of mine who has been a tireless advocate over the years for the rights of mentally retarded and other disabled individuals. It is my hope that this straightforward correction to last year's legislation will be viewed as noncontroversial, and can be enacted into law in the months ahead.

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

VOICE OF THE RETARDED,
February 3, 1998.

Hon. WENDELL H. FORD,
Senate Russell Office Building,
Washington, DC.

DEAR SENATOR FORD: On behalf of all members of Voice of the Retarded (VOR) nationwide, I wish to thank you for your long-standing attention to the many intense needs of society's most-impaired people. More than any other public figure, you have consistently championed the causes of those who cannot speak for themselves. We, their family members and only spokespersons, are eternally grateful to you.

We come once again to seek your assistance in correcting what seems to have been an unintentional oversight in the language of the Balanced Budget Act of 1997.

As you know, the ability of traditional managed care models to meet the unique health care requirements of people with disabilities is uncertain. Congress recognized this when it exempted SSI-eligible special needs children from mandatory managed care provisions of the Balanced Budget Act of 1997. This exemption reconciled the states' interest in maintaining cost control and flexibility in program management with the disability community's concern that managed care would negatively impact access to appropriate specialized health care.

It is our belief that age is an arbitrary, artificial barrier to the provision of health care services. Mental retardation is a lifelong impairment that does not disappear at age 19. We, therefore, respectfully request that you support corrective legislation to ensure that adults with mental retardation can receive the specialized health care that they need throughout their lives unimpaired by managed care.

Thank you for your consideration.

Sincerely,

POLLY SPARE,
President.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1662. A bill to authorize the Navajo Indian irrigation project to use power allocated to it from the Colorado River storage project for on-farm uses; to the Committee on Indian Affairs.

NAVAJO INDIAN IRRIGATION PROJECT LEGISLATION

Mr. BINGAMAN. Mr. President, I rise today to introduce legislation that will mean a great deal to the future economic development of the Navajo Nation and to the people in the Four Corners Region of New Mexico, Arizona, Utah, and Colorado.

Mr. President, we are truly fortunate today to have one of the lowest national unemployment rates in recent memory. Unfortunately, the administration's economic juggernaut has not been felt everywhere. While national unemployment rates are below five percent, in my state of New Mexico, unemployment remains stuck at 8%. According to the Bureau of Labor Statistics, New Mexico has the second highest unemployment rate in the country, right behind the District of Columbia.

Regrettably, one of the nation's highest unemployment rates is on the Navajo Indian Reservation, where unemployment is a staggering 50%. The unemployment rate in neighboring San Juan County is 12%, which is more than twice the national average. These statistics should be deeply troubling to all senators. Clearly, there is no region in this country in greater need of targeted economic development. Creating jobs is precisely the purpose of the legislation I am introducing today.

In a nutshell, this bill allows the Navajo Nation's Indian Irrigation Project to use a portion of its existing allocation of federal electric power to help spur economic development and to create good jobs in the region.

Mr. President, in 1962 Congress authorized the construction and operation of the Navajo Indian Irrigation Project. The project has blossomed into a 60,000 acre agricultural enterprise growing potatoes, beans, alfalfa,

wheat, corn and livestock with annual revenues of $36 million. Today, the ''Navajo Pride'' brand name is a hallmark of agricultural quality nationwide. The Tribe's own Navajo Agricultural Products Industry (NAPI) operates this successful all-Indian project. NAPI has a full-time staff of 300. The workforce swells to 1,200 during the summer growing season.

In the 1962 legislation, Congress authorized the Bureau of Reclamation to reserve eighty-seven megawatts of electric power for use by the project. It is clear from the original authorization that the primary purpose of the project was to deliver water for the development of farming and allied industries. The reserved electric power is currently used to pump water to the project and to provide the water pressure needed for irrigation. The original plans called for the use of gravity-fed irrigation; however, the irrigation method was later changed to a more efficient electric-powered center-pivot system. Unfortunately, Congress had not foreseen these improvements and did not specifically authorize the use of federal power to run irrigation sprinklers. In a letter to me dated November 5, 1997, Commissioner Martinez of the Bureau of Reclamation stated that Congress had not provided the bureau with sufficient authority to allow NAPI to use its existing allocation of electric power for anything other than water pumping. Congress simply failed to authorize the use of federal power to run the sprinklers or for processing of the products grown there.

The legislation I am introducing would allow NAPI to use its existing power allocation to run the project's irrigation sprinklers or factories on the reservation that process the agricultural products. This legislation does not increase the amount of power allocated to NAPI—nobody's allocation of electric power is reduced or affected in any way. Moreover, the change would have no cost or other impact on taxpayers.

This legislation is a simple technical change. It clarifies existing congressional language. Moreover, because this is an all-Indian project established by Congress to benefit the Navajo Nation, this legislation does not create a precedent that would apply to any other irrigation project.

This bill has the support of the Bureau of Reclamation. In addition, the Republican Governor of the state of New Mexico and the nearby cities, counties, and electric utility companies support this change because they recognize the economic benefits for the entire Four Corners Region. I would particularly like to acknowledge the City of Farmington and Republican Mayor Thomas C. Taylor for support of the project as reflected in a Memorandum of Understanding between the City and NAPI. In addition, the State of New Mexico has supported this effort with a grant to study water issues and by permitting the Navajo Nation to use state bonding capacity.

Mr. President, Congress must not delay action to help reduce the unacceptable unemployment rates on the Navajo Reservation. This bill is an important step toward creating hundreds of year-round jobs and spurring economic development in San Juan County and the rest of the Four Corners Region. I urge the Chairman of the Energy and Natural Resources Committee to schedule a hearing on this worthy legislation at the earliest possible date.

I ask unanimous consent to have a copy of the bill included in the RECORD along with a copy of the Memorandum of Understanding between the City of Farmington and the Navajo Agricultural Products Industry. I also ask unanimous consent to include in the RECORD letters supporting this legislation from the Bureau of Reclamation; Governor Johnson, the Cities of Farmington and Bloomfield, New Mexico; San Juan County, New Mexico; and the Navajo Tribal Utility Authority.

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

S. 1662

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

SECTION 1. FINDINGS.

Congress finds that—

(1) the Navajo Indian irrigation project (in this section referred to as the ''irrigation project'') was authorized for construction and operation as a participating project of the Colorado River storage project by the Act of June 13, 1962, Public Law 87–483, pursuant to plans approved by the Secretary of the Interior on October 16, 1957;

(2) the irrigation project is an all-Indian irrigation project authorized for the primary purpose of delivering water to develop farming and allied industries that benefit the Navajo Nation;

(3) the Bureau of Reclamation has reserved 87 megawatts of power and associated energy from the Colorado River storage project for current and future use on the irrigation project, but currently not more than 25 megawatts of power is being used because the project is only partially completed; while the initial and subsequent plans and authorizing legislation for the irrigation project allow power to be used to deliver water to the irrigation project by canals and to lift water to heights sufficient to pressurize the sprinkler delivery system, clarification is necessary to approve the use of power for on-farm uses such as for powering center-pivot irrigation systems or for related agricultural industry purposes; and

(4) the irrigation project is of vital economic importance to the Navajo Nation, and substantial economic development for the Four Corners Region and the Navajo Nation could be realized if a portion of the 87 megawatt power allocation were made available by the Bureau of Reclamation for powering center-pivot irrigation systems and for related agricultural industry purposes.

SEC. 2. USE OF POWER.

The first section of the Act of June 13, 1962 (Public Law 87–483; 76 Stat. 96) is amended by adding at the end the following: ''The Navajo Indian irrigation project may use its allocation of 87 megawatts of power from the Colorado River storage project for water delivery, on-farm production, and related agricultural industry purposes.''.

NAVAJO AGRICULTURAL PRODUCTS INDUSTRY AND CITY OF FARMINGTON—MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (Agreement), between the Navajo Agricultural Products Industry (NAPI) and the City of Farmington (City), New Mexico, sometimes referred to as the Parties, sets forth the terms and conditions to clarify conflicting interests in delivery of electrical service to the Navajo Agricultural Products Industry.

Whereas, NAPI seeks the support of the City for the use of Other Priority Use Power for the development of the proposed french fry factory which will require a legislated Change in Purpose; and

Whereas, the City of Farmington recognizes and agrees with NAPI that the development of the french fry factory will have positive economic impact for the Navajo Nation, the City and San Juan County; that the french fry factory will create over 600 jobs; and, that it will require the development of three additional agricultural blocks which will have an important and positive long range influence on the economic development of the region; and

Whereas, NAPI's General Manager Lorenzo Bates and the City's Mayor Thomas C. Taylor met on November 21, 1997, to resolve outstanding issues which have arisen regarding NAPI's legislative request for a Change in Purpose of NAPI's Colorado River Storage Project (CRSP) Project Use Power allocation.

Therefore, as a result of the meeting the Parties agree as follows:

1. NAPI agrees to continue to utilize electric power provided by the City for its center pivots located in the City's service area;

2. The use and amount of such service to the center pivots shall remain similar to the amount used by NAPI at the signing of this Agreement and shall continue until the City implements customer choice in its service area;

3. This Agreement will be applicable and bind any person, corporation, or entity which may purchase or acquire through any means the Farmington Electric Utility System (FEUS).

In consideration of NAPI's promises and covenants, the City agrees as follows:

1. To support NAPI's request for a legislative Change in Purpose of a remaining portion of their eighty-seven megawatts (87 mW) of CRSP allocation of federal power to be used to supply electricity to the proposed french fry plant;

2. To provide additional support through letters, communications and action which will facilitate the development of the french fry factory and is not contradictory to policy decisions the City has made; and

3. To review the FEUS rates for electric service within the next two years and make an effort to offer competitive rates for center pivot operations.

By this acknowledgment, the Parties agree to abide by the terms of this Agreement.

NAVAJO AGRICULTURAL PRODUCTS INDUSTRY.
CITY OF FARMINGTON.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, DC, November 5, 1997.

Hon. JEFF BINGAMAN,
U.S. Senate, Washington, DC.

DEAR SENATOR BINGAMAN: Thank you for your May 8, 1997, letter co-signed by the New Mexico and Arizona Congressional delegation, regarding the use of Federal power for the Navajo Agricultural Products Industry's (NAPI) center pivot irrigation system and industrial uses. The Bureau of Reclamation (Reclamation) has no express authority to

allow the use of project power for these proposed on-farm uses. Although Reclamation might have implicit authority which would allow for the use of project power in the manner requested, such an interpretation would not be consistent with the past instances of Reclamation practice. While we will continue to review the matter, given the lack of express authority, legislation to resolve the matter conclusively and expeditiously may be appropriate.

The sale of Federal power from a Reclamation project is governed by general Federal Reclamation law and authorizing acts for specific projects. Reclamation may provide power only for the uses authorized by Congress. Power is sold either as project power at the project,[1] or for other uses, on or off the project (non-project power). The Navajo Indian Irrigation Project (NIIP) was authorized for construction and operation as a participating project of CRSP by Public Law 87–483 passed on June 13, 1962, pursuant to plans approved by the Secretary of the Interior on October 16, 1957. Although NIIP is an Indian irrigation project, it is subject to Federal Reclamation law as provided by Section 4 of the Colorado River Storage Project Act of April 11, 1956. The planning and authorization documents, along with subsequent planning reports, indicate that project power was intended to accommodate delivery of water to the farm by canals and by lifting water to heights sufficient to pressurize the sprinkler irrigation delivery system. No specific indication is made that project power would be available to run center pivot irrigation systems or for on-farm municipal and industrial uses, however, it is clear that the primary purpose of the project is to deliver water for the development of farming and allied industries.

Reclamation has reserved 87 Megawatts (MW) of project power from the CRSP for current and future use on the NIIP for authorized purposes. Although as you point out in your May 8, 1997, letter, the terms of the 1990 interagency agreement and revisions agreed to by the Western Area Power Administration, Reclamation, and NAPI provide that NAPI can use other Priority Use Power for sprinkler irrigation and industrial uses, specific Congressional authority for such uses does not exist and therefore legislation making such authority clear would be appropriate. As development of NIIP continues, there are increasing opportunities for application of various conservation measures with attendant energy saving. With specific Congressional authorization, we believe that overall power usage, including the proposed on-farm uses can be accommodated within the present 87 MW allocation.

If you desire to discuss these matters further, please contact Arlo Allen at (801) 524–3612.

Sincerely,

ELUID L. MARTINEZ,
Commissioner.

OFFICE OF THE GOVERNOR,
STATE CAPITOL,
Santa Fe, NM, February 11, 1998.

Hon. JEFF BINGAMAN,
U.S. Senate, Hart Senate Office Bldg., Washington, DC.

Hon. PETE V DOMENICI,
U.S. Senate, Hart Senate Office Bldg., Washington, DC.

DEAR SENATOR BINGAMAN AND SENATOR DOMENICI: It is with pleasure that I give my support to the Navajo Agricultural Products Industry French Fry Plant. This project offers great opportunities for self-sufficiency and economic development for the Navajo Nation, City of Farmington, San Juan County and the State of New Mexico, as well as the Navajo Agricultural Product Industry. The creation of up to 500 plant jobs and another 100 farming jobs will benefit the community and the state. We commend everyone involved for the collaboration between state, federal, local and tribal agencies to make the french fry project a reality.

The Department of Economic Development has been heavily involved in this project for several years and spearheaded the effort to pass a new law to allow Nations, Tribes and Pueblos access to the New Mexico Finance Authority bonding capacity. I supported and signed into law this piece of legislation. The New Mexico Department of Environment also gave a grant to the Navajo Nation of $200,000 to study water issues for the french fry factory. The funding for the study came through the State Legislature with my full support In 1997, the New Mexico Legislature and my administration worked to pass legislation to further assist the Navajo Nation recruit the french fry factory to NAPI.

Sincerely,

GARY E. JOHNSON,
Governor.

CITY OF FARMINGTON,
OFFICE OF THE MAYOR,
Farmington, NM, February 10, 1998.

Mr. LORENZO BATES,
General Manager, Navajo Agricultural Products Industry, Farmington, NM.

DEAR MR. BATES: Based upon information received from the Navajo Agricultural Products Industry (NAPI), the Navajo Tribal Utility Authority (NTUA) and Senator Bingaman's office, the City of Farmington (City) understands that the location of the proposed french fry plant will straddle the area served by NTUA and the City of Farmington's electric utility. Furthermore, our understanding is that the electricity required for the french fry plant will be provided from resources available to NAPI under the Interagency Agreement among NAPI and the US Department of Interior—Bureau of Indian Affairs and the US Department of Interior—Bureau of Reclamation and the US Department of Energy—Western Area Power Administration, Colorado River Storage Project and that NTUA proposes to build the transmission/distribution system necessary to deliver such resources to NAPI.

In order for NAPI to have access to the resources under the Agreement referred to above, it is necessary to have legislation introduced which will provide for a change in purpose for the use of the project power. Senator Bingaman's office is intending to introduce that legislation in the Senate during the latter part of February, 1998. The City of Farmington, in accordance with the Memorandum of Understanding between NAPI and the City dated December 10, 1997, supports NAPI's request for a legislative Change in Purpose of a remaining portion of the eighty-seven megawatts (87mW) of CRSP allocation of federal power to be used to supply electricity to the proposed french fry plant.

Sincerely,

THOMAS C. TAYLOR,
Mayor.

CITY OF FARMINGTON,
OFFICE OF THE MAYOR,
Farmington, NM, January 8, 1998.

LORENZO BATES,
General Manager, NAPI, Farmington, NM.

DEAR LORENZO: The City of Farmington supports and encourages the development of the potato processing facility at NAPI. This project has the potential of creating numerous job opportunities for a large, unemployed segment of the population. In the City's application to the Empowerment Zone/Enterprise Community program we attempted to focus on job creation in areas south of our city where residents live far below the poverty standards. This project is the best opportunity for Navajo employment in that area.

Sincerely,

THOMAS C. TAYLOR,
Mayor.

CITY OF BLOOMFIELD,
Bloomfield, NM, February 6, 1998.

Senator JEFF BINGAMAN,
Hart Office Building, Washington, DC.

RE: Navajo Agricultural Products Industry (NAPI)—Potato Processing Plant

DEAR SENATOR BINGAMAN: The City of Bloomfield has been supportive of NAPI since its inception and in particularly supportive of its efforts to develop a ''potato processing plant''. We understand that Legislation is being prepared to allow NAPI to utilize WAPA Power for the plant and other purposes. We therefore, request your support of this Legislation.

As you are well aware, the Navajo Nation has a 49% unemployment rate on the reservation, therefore we feel that the development of the potato processing plant is of utmost importance to the Navajo Nation, San Juan County and the City of Bloomfield.

On behalf of myself and the City Council I would like to reaffirm the City's support for what can only be an economic benefit to all the citizens in Northwest New Mexico.

Sincerely,

SAM MOHLER,
Mayor.

SAN JUAN COUNTY,
Aztec, NM, February 6, 1998.

Hon. JEFF BINGAMAN,
Hart Senate Office Building, Washington, DC.

Re: Navajo Agriculture Products Industry (NAPI)—Potato Processing Plant

DEAR SENATOR BINGAMAN: San Juan County has been supportive of the NAPI's ''Potato Processing Plant'' since its inception. On numerous occasions we have met with Mr. Lorenzo Bates of NAPI and our legislative delegation to attempt to bring this project to fruition.

The Navajo Nation has a 49% unemployment rate on the Reservation and because of this, we feel that the Potato Processing Plant is of upmost importance to the County.

On behalf of myself and the San Juan County Commission, I would like to reaffirm the County's support for what I feel will be an economic benefit to all the citizens in San Juan County.

Please let us know if we can be of further assistance.

Sincerely,

TONY ATKINSON,
County Manager.

NAVAJO TRIBAL UTILITY AUTHORITY,
Fort Defiance, AZ, February 10, 1998.

Hon. JEFF BINGAMAN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

Re: Navajo Indian Irrigation Project On Farm Use of Colorado River Storage Project Power

DEAR SENATOR BINGAMAN: The Navajo Tribal Utility Authority, the public agency and enterprise of the Navajo Nation which provides power and energy to consumers within the Navajo Indian Reservation, has been advised of the possibility of legislation which would authorize the use of an existing allocation of 87 megawatts of Colorado River Storage Project Power for certain on farm uses, including center pivot sprinkler irrigation and for processing agricultural products for consumer use.

[1] There are two types of project power, ''project use power'' and ''priority use power.''

The Utility Authority supports the proposed legislation which clarifies the availability of this power for on farm uses. The Navajo Indian Irrigation Project has for many years been delayed in its completion and the allocation of power, originally made on the basis of a flood irrigation arrangement, may not be totally used for many, many years.

Since the promised benefits for agreement to share water shortages have not materialized as expected, it seems appropriate to suggest that, in some small measure, passage of this legislation would attempt to address the many delays which have consistently plagued the Navajo Indian Irrigation Project.

The Authority recognizes that the initial allocations of ''project use'' power to the Irrigation Project did not specifically mention sprinkler irrigation by center pivot methods nor the development of municipal or industrial uses on the farm. However, these activities must have been contemplated within the plan for the development of a 110,000 acre irrigation farm for the Navajo Nation.

As the current serving utility for a substantial portion of the Irrigation Project, the Authority supports enactment of the legislation by the Congress.

Very truly yours,

MALCOLM P. DALTON,
General Manager.

ADDITIONAL COSPONSORS

S. 153

At the request of Mr. MOYNIHAN, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 153, a bill to amend the Age Discrimination in Employment Act of 1967 to allow institutions of higher education to offer faculty members who are serving under an arrangement providing for unlimited tenure, benefits on voluntary retirement that are reduced or eliminated on the basis of age, and for other purposes.

S. 263

At the request of Mr. MCCONNELL, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 263, a bill to prohibit the import, export, sale, purchase, possession, transportation, acquisition, and receipt of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 361

At the request of Mr. JEFFORDS, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 361, a bill to amend the Endangered Species Act of 1973 to prohibit the sale, import, and export of products labeled as containing endangered species, and for other purposes.

S. 389

At the request of Mr. ABRAHAM, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 389, a bill to improve congressional deliberation on proposed Federal private sector mandates, and for other purposes.

S. 412

At the request of Mr. LAUTENBERG, the name of the Senator from Oregon [Mr. SMITH] was added as a cosponsor of S. 412, a bill to provide for a national standard to prohibit the operation of motor vehicles by intoxicated individuals.

S. 850

At the request of Mr. AKAKA, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 850, a bill to amend the Packers and Stockyards Act, 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory livestock, and for other purposes.

S. 887

At the request of Ms. MOSELEY-BRAUN, the names of the Senator from California [Mrs. BOXER] and the Senator from New Jersey [Mr. TORRICELLI] were added as cosponsors of S. 887, a bill to establish in the National Service the National Underground Railroad Network to Freedom program, and for other purposes.

S. 1096

At the request of Mr. KERREY, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 1096, a bill to restructure the Internal Revenue Service, and for other purposes.

S. 1147

At the request of Mr. WELLSTONE, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1147, a bill to amend the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.

S. 1180

At the request of Mr. KEMPTHORNE, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1180, a bill to reauthorize the Endangered Species Act.

S. 1252

At the request of Mr. REED, his name was added as a cosponsor of S. 1252, a bill to amend the Internal Revenue Code of 1986 to increase the amount of low-income housing credits which may be allocated in each State, and to index such amount for inflation.

S. 1260

At the request of Mr. GRAMM, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1260, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes.

S. 1286

At the request of Mr. JEFFORDS, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Maine [Ms. SNOWE], the Senator from Maine [Ms. COLLINS], and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 1286, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain amounts received as scholarships by an individual under the National Health Corps Scholarship Program.

S. 1287

At the request of Mr. JEFFORDS, the name of the Senator from Maine [Ms. COLLINS] was withdrawn as a cosponsor of S. 1287, a bill to assist in the conservation of Asian elephants by supporting and providing financial resources for the conservation programs of nations within the range of Asian elephants and projects of persons with demonstrated expertise in the conservation of Asian elephants.

S. 1311

At the request of Mr. LOTT, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1311, a bill to impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles.

S. 1365

At the request of Mr. SARBANES, his name was added as a cosponsor of S. 1365, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 1461

At the request of Mr. LAUTENBERG, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1461, a bill to establish a youth mentoring program.

S. 1504

At the request of Mr. GRAHAM, the name of the Senator from Illinois [Mr. DURBIN] was added as a cosponsor of S. 1504, a bill to adjust the immigration status of certain Haitian nationals who were provided refuge in the United States.

S. 1578

At the request of Mr. MCCAIN, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1578, a bill to make available on the Internet, for purposes of access and retrieval by the public, certain information available through the Congressional Research Service web site.

S. 1605

At the request of Mr. LEAHY, the name of the Senator from Illinois [Mr. DURBIN] was added as a cosponsor of S. 1605, a bill to establish a matching grant program to help States, units of local government, and Indian tribes to purchase armor vests for use by law enforcement officers.

S. 1618

At the request of Mr. MCCAIN, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 1618, a bill to amend the Communications Act of 1934 to improve