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Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, and Lord of our lives, we come into Your presence and fall on the knees of our hearts with praise and adoration. It is with awe and wonder that we behold Your signature in the natural world and the sheer majesty of Your creation of human life. You have given us minds to think Your thoughts, emotions to express Your love, wills to discern and do Your will, and bodies intricately made to reflect Your glory. We thank You for all our faculties, but especially for the gift of hearing. Help us never to take for granted the amazing process by which sounds are registered on our eardrums, and carried through the audio nerve to our cerebral cortex to be translated into thoughts of recognition, comprehension, and response. Through the wondrous gift we can hear the song of a lark, majestic music of a sonata, loved one's words of love and hope, and Your own Word in the Scriptures as they are read or proclaimed from across the reaches of time.

We ask You to give us a hearing heart like Solomon prayed for so fervently. May we spend quality time with You so that You may speak to the ears of our minds and hearts. We want to make no decision until we have asked for and received Your guidance. Speak Lord, Your servants are listening. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Good morning Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, the Senate this morning will immediately resume consideration of the Agriculture appropriations bill. Under the provisions of the agreement reached last night, any votes ordered on the pending amendments to that bill will occur at 11 a.m. this morning. I understand there will be some votes at 11 o'clock. There are a limited number of amendments in order to the Agriculture appropriations bill.

I encourage Members who still intend to offer those amendments to be prepared to do so as early as possible today to enable the Senate to complete action on this bill this afternoon. The managers of the bill are here. Senator COCHRAN from Mississippi, of course, and Senator BUMPERS of Arkansas are ready to go to work.

It is my intention to begin consideration of the foreign operations appropriations bill today as soon as the Agriculture appropriations bill has been completed. All Senators should expect votes throughout the day and evening as we continue to try to make progress on the appropriations bills.

I also want to serve notice that it is my intention in the next day, either today or tomorrow, to move to go to conference on the health insurance reform package and on the small business tax relief package which is coupled with the minimum wage bill. In order to get those two bills into and out of conference before we leave next weekend for the August recess, we are going to have to get them into the conference. So we are really down to the point where we have to take action to move these two bills to conference, and I will be making an attempt to do that within the next 2 days.

I yield the floor.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The PRESIDENT pro tempore. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bryan amendment No. 4977, to establish funding limitations for the market access program.

Kerrey amendment No. 4978, to increase funding for the Grain Inspection, Packers and Stockyards Administration and the Food Safety and Inspection Service.

Leahy amendment No. 4987, to implement the recommendations of the Northern Forest Lands Council.

Santorum amendment No. 4995, to prohibit the use of funds to provide a total amount of nonrecourse loans to producers for peanuts in excess of $125,000.

Santorum amendment No. 4967, to prohibit the use of funds to carry out a peanut program that is operated by a marketing association if the Secretary of Agriculture determines that a member of the board of directors of the association has a conflict of interest with respect to the program.

Mr. COCHRAN addressed the Chair.

The PRESIDENT pro tempore. The able Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, we made good progress yesterday afternoon and last evening in the debate of several amendments. We resolved some of the issues that were presented to us in the form of amendments. We have votes ordered on amendments which will begin at 11 a.m. We have pending other amendments that have been debated on which the yeas and nays have not been ordered but which may require rollcall votes.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

There are also some on the list of amendments that are in order that are yet to be offered. We hope that Senators who are planning to offer those amendments will please come to the floor as soon as possible so we can begin consideration of those amendments.

Let me say this in addition to comments that have already been made about one pending amendment. I think the first amendment that was offered that has not been resolved and on which the yeas and nays have not yet been ordered is an amendment offered by the Senator from Nevada, [Mr. BRYAN], to limit the funds available to the Department for the Market Access Program in the next fiscal year to $70 million. I think that is what the amendment seeks to do. I feel constrained to point out that since this bill was considered by the Senate last year, in last year's appropriations bill for the Department of Agriculture, we enacted a farm bill which has been signed by the President which is now the law. The 1996 farm bill reduced the authorized mandatory funding level from $110 million to $90 million annually. It also prohibits funding for non-U.S. for-profit corporations, and for foreign-produced products. Funding for the Market Access Program is limited to small businesses, nonprofit trade associations, and cooperatives. I was not excited about the reduction in the authorization level that was made by the legislative committee. But, nonetheless, it is a fact.

The way the law is written now, there will be spent—there ''shall'' be spent—the sum of $90 million annually on market access promotion. So that leaves the Senate with a new set of facts.

The argument has been made that we cut funding in the previous years, and the Senate did approve reductions in funding. But the Senate also was a party to the writing of that farm bill. There were amendments offered on the subject of the funding level. The conference report contained the funding level of $90 million, and that was signed by the President. That ought to be considered and understood by the Senate before we vote on the amendment proposed by the Senator from Nevada.

I am not suggesting that it is inappropriate for him to offer that amendment. I am just pointing out that the Senate has already decided that issue. They decided the issue when the farm bill was written and that provision was included in the farm bill.

I put in the RECORD a copy of a letter that was written to me as chairman of the subcommittee by a coalition of groups and associations who are interested in export promotion and who know how important funds of this kind are to our efforts to deal with unfair trade practices and efforts by foreign competitors to keep us out of markets, to deny us market share.

It is a tough competitive environment out there. The global economy has been made more competitive because of the General Agreement on Tariffs and Trade and the Uruguay Round Agreement that has broken down barriers to trade and prohibited a number of trading practices that in the past had made it impossible for us to compete in some markets. But now that the playing field has been made more level and access has been made more available, we are seeing other countries increase the amount of funding and activity in this kind of effort to enlarge market share and to create market access for their agriculture commodities and foodstuff.

Some countries spend as much on promoting just one kind of foodstuff as we have to appropriate and make available for the Foreign Agriculture Service to go around to all commodities and foodstuffs that are exported by the United States. But in spite of that, we are doing well. We are increasing our dollar volume of export sales. This year it is estimated that we will sell 60 billion dollars worth of U.S. agriculture commodities and foodstuffs in the international marketplace. That is a tremendous amount of volume. It means jobs here in America. It means better pay. It means a healthier economy for the United States. This is the only program of its type that makes funds available to promote specific commodities or brand-name items in the international market.

I have talked in our Embassies in other countries to those who have had experience with the use of these funds in special situations, and they tell me that it is very effective and without this program we would end up losing out to other competitors from other countries that are competing in those markets.

So it seems to me, Mr. President, we ought not limit the funding for this program with the adoption of the Bryan amendment. I hope that the additional information that I have been able to give the Senate on that subject is helpful. Senators have voted on this issue time and time again in various forms.

My good friend from Arkansas is one of the most eloquent and persuasive Senators who take the other side of the issue, and so it is with some trepidation and the knowledge that I am going to have a rebuttal here on my hands that I rose this morning to give that additional information. But it is important for the Senate to understand the difference between the state of the funding question and the issue this year as compared to last year when we voted on a number of different amendments designed to change this program and reform it. It has been reformed. It has been changed. There are limitations now on the eligibility for funds from the Foreign Agriculture Service for these purposes.

Associations are still eligible for these funds. Small businesses can get funds to promote their products in overseas trade. But a major complaint and the thing that made this program controversial has been reformed by law with the enactment of the farm bill earlier this year.

I am hopeful that we will not keep beating on this program and slandering it and causing Senators to have to vote to cut the program. It is mandated by law that it will be funded at $90 million a year, and the changes have been made that reform the program and take care of some of the complaints that had been levied against it in the past.

At some point I will move to table that amendment and ask for the yeas and nays, but I do not want to do that and cut off the right of any other Senator to speak on the issue, particularly the Senator from Nevada [Mr. BRYAN], who is the author of the amendment. He did not know I was going to say these things this morning. I did not know that I was going to say them either, but it occurred to me that this has not been the subject of any discussion except the few minutes of debate we had when he first proposed the amendment. And it was the first amendment, one of the first amendments proposed to the bill, and it seems like that has been a long time ago. I think it was a long time ago. We need to wrap this bill up. We are going to start voting at 11, and I am not sure how many votes we are going to have. We have, I know, two peanut amendments that Senator SANTORUM offered last night. The yeas and nays have been ordered on those. Senator KERREY has an amendment on which the yeas and nays have been ordered. We approved two of his amendments. Maybe he will withdraw this one. Two-thirds—that is pretty good—of what he wanted he has gotten.

So I hope Senators will come to the floor. I see the Senator from Colorado here, and I am prepared to yield the floor, Mr. President.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I do not want to shock my colleague too much, but I am not going to offer a rebuttal to the arguments he just made on the Market Promotion Program. I think I first offered an amendment to strike those funds 5 years ago, and the Senate has heard that debate many, many times and so I will not belabor it again. But I did want to point out to my colleagues that there was a very interesting op-ed piece in the Post this morning by Daniel Greenberg who is editor and publisher of Science & Government Report, a Washington newsletter.

Yesterday, in the Chamber, I pointed out that last year is the first year in modern history that yields per acre on a same-crop basis did not increase. Every year in the lifetime of every single person in the Senate soybean yields have gone up, wheat yields have gone up, cotton yields have gone up, and

particularly food yields have gone up to feed an ever-expanding population in the world. As you know, one of the reasons corn and wheat are as high as they are right now is because there was a genuine concern that we were going to run out of wheat and corn in this country.

I will not bore the Senate by reading it to them, but there are a couple of paragraphs I think ought to be emphasized.

Pre-harvest stocks of grain—

That means the carryover; preharvest stocks are what we have on hand when we start harvesting the next crop.

Pre-harvest stocks of grain have declined for the third straight year and now are at the lowest levels on record, according to Worldwatch Institute. To satisfy its growing appetite for meat, China has shifted from a net exporter to a net importer of grain, even as urban growth takes over farmlands.

Another big problem, Mr. President.

In the United States and elsewhere, increases in per-acre yields have leveled off from the fabulous gains from the past three decades. Throughout the world, food prices have risen substantially as supply fails to keep pace with population growth and upscale tastes.

Worrisome? Yes. But history records the capacity of science to mock Malthusian gloom with miracles of productivity. Surely it will deliver a late-century encore for the Green Revolution and other science-based breakthroughs in agriculture.

It can, but don't count on it.

He goes on to point out—we had an amendment offered here which may be withdrawn or voted on a voice vote to cut research money in this bill, agricultural research. And here is what he says. These are statistics that maybe Senator COCHRAN and I are not as familiar with as we should have been.

At about $1.2 billion this year, the research budget of the United States Department of Agriculture accounts for a mere 2 percent of all Federal research and is lower in purchasing power than it was 5 years ago. In Washington politics, agricultural research is barely noticed among such giants of Federal research as defense ($35 billion),—

That is pure research in defense.

Space ($14 billion) and health ($12 billion).

That is a combined total of $61 billion in those areas compared to $1.2 billion for agriculture research, and the population of the world is now calculated to be 5½ billion people and growing at 100 million per year.

The fishermen all around the world, particularly in littoral nations that depend almost exclusively on the oceans, are draining the oceans. When I was a child, I can remember one of my elementary school teachers saying: Do not worry about it. The oceans will always supply enough food to feed the world. No matter how many droughts we have, no matter how many other devastating things happen to our crops—hail, flood, whatever—the oceans will feed us.

Right here at our back door, the New England fisheries have had to virtually shut down in order to give the fisheries there a chance to replenish themselves, which they have not yet done. Yesterday morning the front page of the Metro section of the Washington Post pointed out that the crab supply in the Chesapeake Bay is down dramatically, 500 people out of work, and a few crab-picking operations working 3 days a week.

Mr. President, I always have a tendency to get a little too dramatic about these things, but you cannot overdramatize a problem like this. My complaint, in the 22 years I have been in the Senate, is that we have a serious misplacement of priorities. We deal with the politics of issues instead of what the real issue is.

Senator COCHRAN and I were talking early yesterday afternoon. He told me he had been reading ''The Adams Family,'' the chronicle of the John Adams and John Quincy Adams family, all of whom were brilliant. They believed, about public service, it was a place to do good, just like the ministry. In the old days, people went into public service, politics, because it was a place where they could serve their fellow man. They did not worry about the politics of the issues they debated. I said on welfare, it is a tragedy it has to be passed in such a highly volatile, political climate.

But my father, as I have said many times, was probably the last man who ever lived who encouraged his sons to go into politics. He did not encourage my sister, because in those days it was unthinkable for a woman to go into politics. But he urged my brothers and me to go into politics because he considered politics a noble calling. He considered it a noble calling because he studied Edmund Burke, he studied John Adams, he had studied all the Founding Fathers who went to Philadelphia and crafted a Constitution to give this country guidance for 200-plus years and who were not worrying about somebody accosting them on the street when they got home about some uncrossed t or undotted i.

So we have come a very long way in politics in this country. While most of it has been good, an awful lot of it has not been. We have put our priorities on things that have been politically popular. Nobody wants to curb the $35 billion expenditure on defense because nobody wants to see a 30-second attack ad when they run again that they are soft on defense. Nobody wants to vote against welfare reform because welfare is very unpopular. If you ask the ordinary man on the street—80 percent of them say they hate welfare. Yes, it ought to be reformed; yes, it ought to be changed. So it is not easy for me to be one of 24 Senators who voted no yesterday. I am not saying I am all right. I am saying the bill could have been an awful lot better.

One of the things that disturbed me was the total lack of compassion during the entire debate. People love to go to church on Sunday morning and read the Sermon on the Mount on ''blessed are the poor,'' but when it comes to worrying about children and people who are kicked off welfare, we could not seem to be punitive enough around here. So I still believe those old Methodist Sunday school stories I learned as a child. I also did not like the formula which I thought discriminated against my State tragically—tragically.

Back to the point I was going to make a moment ago on misplaced priorities. Science can only do so much—and it can do a lot more. But we are not going to solve the world's food problem, which is developing right as I speak, by putting $1.2 billion in agriculture research and $35 billion into making something explode and $14 billion on sending a space station up which has absolutely no merit whatever.

Mr. President, I ask unanimous consent to have the Daniel S. Greenberg article, to which I referred, printed in the RECORD, and I yield the floor.

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

A DROUGHT WE CAN'T AFFORD

(By Daniel S. Greenberg)

Science will provide. That's the confident assurance of the optimists in response to worrisome indications that demand is en route to outpacing food production.

Pre-harvest stocks of grain have declined for the third straight year and now are at the lowest level on record, according to Worldwatch Institute. To satisfy its growing appetite for meat, China has shifted from a net exporter to a net importer of grain, even as urban growth takes over farmlands. In the United States and elsewhere, increases in per-acre yield have leveled off from the fabulous gains of the past three decades. Throughout the world, food prices have risen substantially as supply fails to keep pace with population growth and upscale tastes.

Worrisome? Yes. But history records the capacity of science to mock Malthusian gloom with miracles of productivity. Surely it will deliver a late-century encore for the Green Revolution and other science-based breakthroughs in agriculture.

It can, but don't count on it.

The scientific enterprise that revolutionized American agriculture is decaying from political and fiscal neglect, though alarms have been sounding all across the political spectrum and in independent think tanks for at least a decade. Nonetheless, agricultural science consistently ranks near the bottom in government research priorities, and that's what hurts, since Washington provides the bankroll for the fundamental science that ignites agricultural revolutions.

At about $1.2 billion this year, the research budget of the U.S. Department of Agriculture accounts for a mere 2 percent of all federal research spending and is lower in purchasing power than it was five years ago. In Washington politics, agricultural research is barely noticed among such giants of federal research as defense ($35 billion), space ($14 billion) and health ($12 billion).

One reason for the absence of broad interest is that the economics of agriculture research is dominated by entrenched insiders. The system for distributing research money to universities is largely preordained by ancient formulas that guarantee shares for each of 76 land-grant colleges and universities, regardless of the scientific quality or relevance of their research.

Decades of efforts to enliven agricultural research with the competitive requirements built into medical research have produced grudgingly small funds from Congress. Whereas university scientists must scramble to get research money from the National Institutes of Health, the bulk of agriculture's academic research money simply comes in the mail for just being there. Agricultural research was years behind in joining the biotechnology revolution.

Continuing a White House tradition, the Clinton administration has devoted little attention to agricultural research. The top research post in the Department of Agriculture has been filled on an acting basis by one or another temporary appointee throughout most of the Clinton administration. The only full-fledged occupant left recently after less than a year on the job. Given the logjam of nominees on Capitol Hill, the post is not likely to be filled before Election Day.

What's striking about the many recent studies of agricultural research is their unanimity of dismay about the inadequacy of government support. A review of agricultural research published late last year by the conservative American Enterprise Institute concludes that a ''significant increase in federal funding, or federal government action to stimulate increased funding by state government or industry, seems to be warranted.'' The study also sounded the customary reformist call for more competition for research funds.

Similar recommendations are contained in a report soon to be published by the nonpartisan, scholarly National Academy of Sciences.

No one disagrees with these findings—except the dug-in beneficiaries of our antiquated system of agricultural research.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, what is the current business before the Senate?

The PRESIDING OFFICER. The current business of the Senate is the Santorum amendment No. 4967.

Mr. BROWN. Mr. President, I rise to offer an amendment. I ask unanimous consent to set aside the pending amendment so I may proceed with an amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 5002

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 5002.

Mr. BROWN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

''SEC. . INTERIM MORATORIUM ON BYPASS FLOWS.

''(a) MORATORIUM.—Section 389(a) of Public Law 104–127 is amended by striking ''an 18-month'' after the word ''be'' and inserting ''a 20-month''.

''(b) REPORT.—Section 389(d)(4) of Public Law 104–127 is amended by striking ''1 year'' after the word ''than'' and inserting ''14 months''.

''(c) EXTENSION FOR DELAY.—Section 389 of Public Law 104–127 is amended by adding at the end the following new subsection—

''(e) EXTENSION FOR DELAY.—There shall be a day-for-day extension to the 20-month moratorium required by subsection (a) and a day-for-day extension to the report required by subsection (d)(4)—

(1) for every day of delay in implementing or establishing the Water Rights Task Force caused by a failure to nominate Task Force members by the Administration or by the Congress; or

(2) for every day of delay caused by a failure by the Secretary of Agriculture to identify adequate resources to carry out this section.'''

Mr. BROWN. Mr. President, the Senate has been most indulgent with a problem that is extremely serious to Colorado and, I believe, to many other States. On the Agriculture appropriations bill last year, the ranking member and the chairman of the subcommittee were kind enough to help us with an amendment that was urgently needed. It related to a policy that the Agriculture Department calls ''bypass flows.'' What that has meant is Colorado has asked for a renewal of easements which cross Federal grounds. The Forest Service has informed the State, ''You will have to forfeit a third of your water in order to achieve a renewal of an easement.''

The concept of someone being landlocked is recognized in most State laws and those State laws provide a way out of that. Whereas, if someone absolutely needs a way out across that ground, there are provisions under State law where fair compensation can be paid and they achieve that easement. What we are dealing with here is cities that have their reservoirs in the mountains surrounded by Federal ground and have no choice but to cross Federal ground to get that drinking water to those citizens. Colorado is a very dry State. Without reservoirs and without that water supply, literally, people do not have water to drink. It is not just a question of water to maintain the beautiful environments of the homes and lawns and parks. It is literally drinking water we are talking about.

What the Forest Service has said is we will not renew your permit to cross Federal ground in order to deliver the drinking water to your homes unless you agree to forfeit a third of your drinking water. As I think every Senator can imagine, this is devastating. It is devastating to the environment of the State. It is devastating to the people and to the cities. It has already cost our cities some millions of dollars in attorney's fees to litigate this. And the Forest Service continues on with this practice.

When we drew this problem to the attention of Secretary Madigan, Secretary Madigan acted immediately. He put forth a directive and a policy that this would no longer be the policy of the Department of Agriculture. It is clearly not authorized by law. If it were litigated to the Supreme Court, I think it would be one of those things that would be found to be out of compliance with the authorization of the Forest Service itself. But the problem of appealing this to the Supreme Court is not just the tens of millions of dollars in attorney's fees it would take. The problem is the cutoff of water in the meantime if the permits are not renewed. It is an absolutely devastating problem. This Chamber was kind enough to help us out last year with a moratorium.

That policy of Secretary Madigan, though, would have solved the problem. He set forth, in a letter on October 6, 1992, a clear policy that this was not to be the course of the Forest Service. It was not to be followed and they were not to condition the renewal of permits on the forfeiture of waters.

No one complains about paying rent. But let me point out, these are not necessarily new easements. Many of these easements in Colorado predate the very existence of the Forest Service. These are easements that have been in use for over 100 years, in some cases. They are talking about cutting off a pipeline that has been in existence longer than the very Forest Service has been in existence.

That policy, the Madigan policy, remained the law of the land, at least in terms of the policy of the Forest Service. On February 15, 1995, almost 3 years later, Under Secretary Jim Lyons testified before the House Agriculture Committee and was asked if the Madigan policy was still in effect. Under Secretary Lyons was the one who had the responsibility for that area. He indicated flatly that that policy still was in effect.

Shortly thereafter, in March 1995, Secretary Glickman also testified that the Madigan policy was still in effect. What is unusual about that is that the Madigan policy was not in effect.

In August 1994, they had revoked it, and yet the leaders of the Agriculture Department had testified publicly to Congress that it was still in effect.

Mr. President, I want to make it very clear that Secretary Glickman is an honorable person. I know him well. I respect him a great deal. And I am convinced that he merely repeated what his staff had advised him when he checked with them on the question.

We have already dealt extensively with Under Secretary Lyons and some of the concerns this Chamber has had about him. I don't think that bears reopening. The point is, we ought to be setting out trying to solve this problem.

That resulted, though, in an action last year on this very bill where we enacted a 1-year moratorium. That measure passed in October of last year, a moratorium on the activity of requiring people to forfeit their water in order to renew an easement or permit for an easement.

In the meantime, we tried to enact permanent legislation, and did enact compromise legislation, on the farm bill. That farm bill compromise was not what I wanted, because what I

wanted was a flat prohibition in law against extorting water from people as payment for renewing their easements.

What we did get, though, at the request of the Secretary, is a compromise, and that compromise allows for the appointment of a seven-member water rights task force to study the problem and report back. That report will be a year following the date of the enactment of the act, and the moratorium will run out in 18 months.

The danger with agreeing to that on my part is that if they simply stalled on appointing the task force, the moratorium would run out and the Forest Service would then be in the position of cutting off people's water, and they would have no further protection. But I believed in the good faith of the parties involved, and we went ahead with that compromise.

Now what has happened is the administration has failed to appoint their member to the task force. Moreover, in violation of the law, they have failed to allocate resources to the task force to do their job. Certainly, some modest travel fees are important and other fees are vital to have that task force act. In other words, what is happening, even though the act was passed on April 4 and all the task force members were supposed to be appointed by June 4, the administration has not acted to even appoint the members of their task force, nor have they acted to allocate funds for the task force.

Obviously, this is of enormous concern. Going on the background of the Under Secretary misleading Congress in testimony about the problem, it is even of greater concern. The concern is flatly that instead of dealing with this problem and developing a compromise, they will simply stonewall it, allow the moratorium to run out and wreak havoc upon people's drinking water.

Let me be clear about this. The primary people impacted by this action are not private developers, they are not agriculture, because they have a separate provision of law that flatly prohibits this kind of activity in agriculture that was instituted years ago. Those impacted by this are the cities and the towns and the taxpayers of the State, and, I might say, Mr. President, in cities and States across the Nation as well. The precedent this establishes is devastating.

Let me say that the forfeiture required is a forfeiture of a third of your water—at least that is what they have asked for in some cases—a third of your water just for the temporary renewal of the permit. This is not a permanent easement. This is simply for its temporary renewal. Presumably when it comes up in 5 years or 20 years, they can again ask for additional water.

This is a problem that is not going to go away and cannot be ignored by either Democrats or Republicans in the State of Colorado or other States where the impact is felt.

As Members may recall, the senior Senator from Nebraska and I had worked hard to find a compromise on this. His first inclination was not to support this measure. I had drafted and intended to offer this morning an extension of that moratorium for 5 years. A 5-year extension of the moratorium would give us plenty of time to work on it and plenty of time for Congress to act on it.

The senior Senator from Nebraska has indicated to me that he felt very strongly that 5 years was inappropriate. I must say, I think what is appropriate is for the task force to settle down and find an answer. I believe personally there is an answer. We ought to do more to encourage and support minimum stream flow in our streams and rivers.

I have been a strong advocate of minimum stream flow all of my political life. I was a prime sponsor of Colorado's minimum stream flow bill that addresses this problem specifically. I believe there are a number of things the task force can recommend for Congress that will help.

One of the things is to buy water rights and to use the water rights that are owned for that purpose when dry seasons come along. It is worth exploring. It is worth developing. It does have a positive impact.

But one of the ironies of all of this is that the forfeiture of water rights that the Forest Service has called for in this case would destroy minimum stream flow, not help it. Our stream flow comes in the spring when there are floods. The function of the reservoirs and storage projects is to save that spring flood flow so it is usable year round. Increasing the flood flow will not only cause damage to property, but the Forest Service policy will mean there is less water in the river to mitigate the dry periods in the year.

Mr. President, in the interest of saving the Senate time and of reaching a fair compromise on this, I have tried to work with the Senators from Nebraska. The amendment that is before the Senate this morning is one that is a compromise. Instead of the 5 years I had asked for, it is only an extension of 2 months. So we have gone from 5 years to 2 months in the way of an extension. But there is an added provision.

That added provision addresses additional delays. If there are any delays beyond the time set forth in the original bill, that is 2 months to appoint people and the time required to submit the report, there will be a day-for-day extension of the 20-month moratorium that is in the legislation.

So while this is not as strong an amendment as I hoped for, it at least attempts to make up for the parts that are lost.

Having said that, let me add this thought. This is a terribly important issue, and it is one that cannot be swept under the rug. It is one that needs the full cooperation of all parties if we are going to find an answer. It has gotten off on a bad foot by the administration refusing even to appoint their member to the task force and refusing to allocate the money that the law required them to allocate.

My hope is not only that the amendment is adopted, which I believe has the support of Senator KERREY, the junior Senator from Nebraska, but that it is a sign of a new attitude in the Department of Agriculture and the administration. Dan Glickman is an honorable person who knows how to work problems out and solve problems. This is not his style. He is a problem solver, not a problem maker. My hope is that the Glickman attitude, the Glickman approach to these problems will prevail in the Department of Agriculture in the months and the years ahead, or, I should say, at least the months ahead.

Mr. President, I do not know if the compromise amendment has any opposition. I had been assured by Senator KERREY's office that he supports it. At least I don't know of further opposition to it. Our office is trying to check with Senator EXON's office, but pending hearing from Senator EXON, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I hope we can accept the amendment offered by the Senator from Colorado. He has made a substantial change in the proposal that he is making to accommodate concerns of others, including the administration and other Senators who expressed concerns earlier. We are trying to clear the amendment. We are not able at this time to announce whether or not we will be able to take it on a voice vote.

I hope other Senators will come to the floor and offer their amendments. We have a number of amendments that should be offered and resolved. We would appreciate very much the cooperation of the Senators in that regard. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SANTORUM). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, in an effort to clarify the situation we have two amendments that had been offered and debated last night by the Senator from Pennsylvania [Mr. SANTORUM]. And to advise Senators of a specific time when they can expect a vote to occur under the order there was to be no vote this morning before the hour of 11 a.m. But it will be my intention to have votes on motions to table the Santorum amendments beginning at 11 a.m. Under the order entered last night by the majority leader there was to be 4 minutes of time available for debate on those peanut amendments before the votes would occur.

So, hoping to clarify when these votes will occur, I am going to propound a unanimous-consent agreement which has been cleared.

I ask unanimous consent that time between now and 11 a.m. be equally divided on Santorum amendments Nos. 4995 and 4967, and at 11 a.m. I be recognized to move to table amendment No. 4995, as under the previous order, to be followed immediately by a motion to table amendment No. 4967.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COCHRAN. I thank the Chair.

This means that there is opportunity for further debate on these amendments between now and 11 a.m. So it protects that right. If other Senators want to talk about other amendments they can certainly do that as well.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, last evening, Senator SANTORUM laid down two amendments that were to be voted on, as I understand, around 11, but because of some problems with some of the Senators, it probably will be delayed for a while. But as I understand it, unanimous consent has been granted for us to debate between now and that time the peanut amendments that have been laid down. So I want to take advantage of it. I understand that the author and proponent of the amendments knows of the unanimous consent, and I will be glad to divide time if he wants it. But whatever it is, we can accommodate Senators equally with the time.

There are two amendments. The first amendment, I understand, that will be called up is one in which he alleges there is a conflict of interest in regard to the peanut program by the fact that co-ops and marketing associations which are run by farmers are involved in the administration of the peanut program. We understand there has been filed with the Department of Agriculture various letters by a law firm or law firms here in Washington in which it is anticipated there would possibly be some lawsuit pertaining to this matter. We feel that is an issue which ought to be determined by the courts.

We have contacted the Department of Agriculture. The Department of Agriculture tells us they have authority and they constantly monitor it. They have a responsibility that is carried out to see that there are no conflicts of interest. The idea that farmers participate in carrying out the program is universal. You have committees composed of farmers that are elected at the county level to carry out the program. There are State committees composed of farmers that carry out the program. It is a matter that farmers participate in, the theory here being that at the local level they know the local problems and that they are better equipped than Washington.

This seems to me to be a program that has been carried out for years to allow for those who are closest to the farmers to understand the individual problems of farmers and to work them out. Therefore, the concept of contracting out, the concept of local government, the concept of no big Government in Washington is carried out in regard to the present program if there is any problem that is involved.

The Department says this is entirely unnecessary. They administer the program. There is no conflict of interest. They audit. They monitor. They carry on in a very proper and businesslike manner if there is a matter that ought to be determined, such as a court case that may arise in regard to this program.

Certainly, right now we have a situation where we are in the middle of a growing season. We saw that the peanut program was reformed. There was some matter pertaining to a substantial cut, some cut that amounts to about 30 percent of the revenues that go to the peanut farmers, and we ought to allow it to work.

So I think this is a matter that is unnecessary. If it is, then it is across the board in every commodity because the farmers are on committees. The conservation committees have local participants in every county.

I see that Senator SANTORUM is here, and if he wants some time—and I see also Senator COVERDELL is here—I will be glad to yield the floor at this time. I will reserve my 2 minutes before the vote is taken as we had in the previous unanimous-consent agreement.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I want to share my feelings on this amendment with those of my distinguished colleague from Alabama. The Senator has made an eloquent case against the amendment which he began last night and has echoed again this morning.

I am going to be reasonably brief. I understand that the chairman, the Senator from Mississippi, will move to table this amendment, and I will support that motion. I think it is entirely appropriate. These issues were fought extensively in the early part of this year when we dealt with the farm bill. Farm policy was settled by the passage of that landmark bill.

At the time we were debating that bill, Mr. President, we were hearing from the farm community not only from my State and the State of the Senator from Alabama but across the Nation that we had to get the farm policy settled so that people could get into the fields, so that they could make their financial transactions and deal with the planting season and the farm season. We were already late. We passed this in early April, but that was late into the spring. Nevertheless, we got it done. In the ensuing 4 months, the entire farm community, including those who deal with peanuts extensively in my State and the State of the Senator from Alabama and others, everybody has been to the bank. Everybody has made their financial transactions. Everybody made their plans according to what the Congress of the United States and the President said the rules of the road would be for the next 7 years. Here we are 3 to 4 months later and we are talking about, through these amendments, changing the rules of the road. I have argued that this Congress, this Government does that in far too many ways every time it engages in retroactivity—retroactivity on the minimum wage, retroactivity on taxes, and now retroactivity on farm policy.

So, I would argue that policy should be set in the farm bill. It was debated and passed in early April and the farming community, no matter what their goals or products, engaged their financial decisions, made their family decisions, made their business decisions, and this is neither the appropriate place nor the appropriate time to alter that policy.

I thank the Chair for allowing me a few moments to express my agreement with this motion, to come and to share my remarks with the Senator from Alabama.

I yield the floor.

The PRESIDING OFFICER. Under the previous agreement, time has expired. The hour of 11 o'clock having arrived, the Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I ask unanimous consent the distinguished Senator from Pennsylvania be recognized for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania is recognized.

AMENDMENT NO. 4967

Mr. SANTORUM. Mr. President, the second amendment we will be voting on today is not a peanut amendment. It is an ethics amendment. It has nothing to do with the peanut program. It does not change the peanut program. It does not retroactively or prospectively alter anything in the peanut program. This is an ethics amendment. This amendment is very simple. It says the people who are the quota holders, the people who benefit from the program, should not also be the people who manage the program, who operate the program, who help promulgate regulations to oversee the program, who also do the enforcement for the program. That is virtually unprecedented in ag policy.

I am not changing anything in the peanut program with this amendment, not one thing. All I am saying is the

Secretary of Agriculture—this is what the amendment says—the Secretary of Agriculture shall determine whether these co-ops who oversee the program, who also are the beneficiaries of the program, violate the Federal ethics law. That is all this amendment says. That is not a change in the peanut program. That is just saying we should have some ethics in dealing with this issue.

There have already been letters filed, to the Secretary of Agriculture, back on June 5 requesting the Secretary to take action. The Secretary has not responded. What we are suggesting is the Secretary should respond. They should make a determination whether these co-ops, that—again I remind my colleagues—they oversee the program, they enforce the program, they help promulgate regulations on the program, and they are also the beneficiaries of the program. That is apparent, to me, a conflict of interest. But I am not suggesting that. I am not saying that it is. I am saying the Secretary should determine it. That is all this amendment does.

So we can have all this debate, as I am sure you will hear from others that this is an amendment that hurts the peanut program, that changes the rules of the game halfway through—it is just not the case. The case is this is an ethics amendment about how the Federal Government should run its ag programs and I hope we could get very strong support for something that is, I think, a relatively simple amendment that I was hoping we could have agreed to.

AMENDMENT NO. 4995

The first amendment I am going to talk about is another equity amendment. This is an amendment that simply says that peanut quota holders, unlike any other ag commodity, should be limited as to the amount of Government largess that they receive. Historically, all of the other crop programs, and now in the future all the other payments to farmers under the new freedom to farm bill, are limited to $40,000 per person. There is no limit in the peanut program. There are peanut farmers who can put their peanuts on loan and collect $6 million from the Federal Government. And we are saying they should be limited to $125,000.

The limit on the subsidy payments to all other crops is up to $40,000. I am saying $125,000. That affects less than 2,000 quota holders. Mr. President, 2,000 quota holders are affected by this, the wealthiest, the biggest. If you hear the argument, as you will from the other side: Wait a minute, this program is designed to help these small- to medium-size peanut growers who are really struggling, who are in poor areas—fine. We do not touch them. All we say is those who are the big quota holders, many of whom do not even farm their own land, they rent their quota to someone else to do the work for them—what we are saying is they can only avail themselves of the largess of getting twice what the world pays for peanuts for their peanuts up to $125,000.

I think that is, again, a very minor adjustment to the program. I will admit that is an adjustment to who benefits from the program. But we do not fundamentally restructure the peanut program here. All we are doing is redefining how much people can benefit from it. We do not change the program. We just change how much people benefit from it. I think $125,000 of guaranteed income from the Federal Government at twice the rate of what people will get paid everyplace else in the world for peanuts, is a pretty good deal for most of these quota holders and they should be happy with that limitation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, under the order, I now move to table amendment No. 4995.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4967

Mr. COCHRAN. Mr. President, under the previous order I now move to table amendment No. 4967.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4995

Mr. HEFLIN. Do I get my 4 minutes?

The PRESIDING OFFICER. There now is 4 minutes debate equally divided on the first motion to table, on amendment 4995. Who seeks recognition?

Mr. HEFLIN. Does the proponent seek to go first with his 2 minutes?

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, there is a little confusion as to which vote will be held, but I have to call this Santorum amendment the confusion amendment. We have, of course, argued in the past that we reformed it. And we have reformed it, the peanut program. But now we are having here, where the Senator from Pennsylvania argues that, since other commodities have a payment limitation, therefore peanuts ought to.

First, the confusion is that peanuts have never had a payment. They have not had a payment. The confusion here is that he is confusing a loan program with a payment program. You had deficiency payments, which were based upon a target price in all the commodities. But peanuts never had that. And that is where the limitation was on, was on the payments. Now you have, under the new farm bill, direct payments. You do not even have to plant in order to get your payment. You preserve your history. But the limit there is on the direct payment, the money that comes to you, the mailbox money, regardless of whether you plant or not plant. And there is a confusion there.

The loan program is a program which has been designed over the years to help temporarily. When a farmer says, ''All right, I need the money, I have to pay my bills, I put it in loan and therefore I take the chance. If the price goes up, I will sell it at the time I think is the most appropriate time in order to sell.'' That is a loan basis.

In regards to this, we show over the years——

The PRESIDING OFFICER. The 2 minutes of the Senator has expired.

Mr. HEFLIN. I ask unanimous consent for 30 seconds.

The PRESIDING OFFICER (Mr. BROWN). Is there objection? Without objection, it is so ordered. The Senator is recognized for 30 additional seconds.

Mr. HEFLIN. Mr. President, this chart shows the loan rate in blue over here. Throughout the years, the farmer's price, the market price has always been above the loan rate. So it is a matter being confused relative to this matter. Therefore, I urge that we vote against this matter and not be confused.

New farmers are coming into the program all of the time, which shows that 10,000 have come into the program over the last 10 years.

I thank the Chair for giving me the extra 30 seconds.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, the reason the market price is always above the quota price is because the peanut program is not just a price program, it is also a quota program. It limits the supply.

So, of course, the Secretary tells peanut growers how much they can plant, and they tell them to make sure that the demand is always higher than the supply. Therefore, the price, yes, is always higher than the quota price because the program makes it that way. That is No. 1.

With respect to these deficiency payments, I would be happy to meet in the back with the Senator from Alabama and would be very willing to get rid of the loan program that peanuts have and turn it into a target pricing scheme. I would love to do that. In fact, it has been offered many times to the peanut growers to do that, but they don't do that. Why? Because the system they have right now is so ridiculously lucrative, they would never opt for something like that.

Peanut quota holders get twice—twice—per ton for their peanuts than what the world market price is. They get almost $700 a ton for their peanuts, and the world price is $350 a ton. No wonder they don't want to go to a target pricing scheme or some other scheme. They have the best deal in town.

What we want to do is say, ''OK, you've got the best deal in town.'' I can't beat him. The Senator from Alabama, bless his heart, whops me every

time I come to the floor on this amendment. I say, if we are going to have this program, at least limit the benefits to the folks who deserve the benefits, and that is the small- and medium-size farmers. Quit subsidizing, to the tune of—and there is a farm out there that gets $6 million of guaranteed prices, twice what the world market is for peanuts.

Now, is that what we want to do? Is that what this program is all about? It certainly is not what the arguments of the folks who support the peanut program are all about. What they say it is all about is helping these small farmers, these poor dirt farmers in rural areas that really need this to make ends meet.

Fine, this is not going to bother them. Mr. President, $125,000 is not a small dirt farmer. That is about 150 to 200 acres. What we are talking about here are the big guys, less than 2,000. I remind Senators that 22 percent of the quota holders in peanuts own 80 percent of the quotas—22 percent, a little over 6,000 quota holders own 80 percent of the poundage for peanuts. The big guys are what drive this program, who lobby here, who contribute the money.

What I am saying is let's get these big guys out of the picture and let them divest from some of these quotas they hold and spread it around a little bit, give it to some of these additional growers who are dirt farmers who don't get a lot of money for their peanuts, let them have a little bit of it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SANTORUM. I ask unanimous consent for my additional 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, let these little guys get a little piece of the pie here. If you are really for the small- and medium-size peanut farmer in Alabama or Georgia, then what you want to do is you want these folks to divest from these big quotas and start spreading it around a little bit for the little guys to have a bite of the Federal largess.

If we are going to have a Federal largess, at least let more people benefit from it, let the little guy benefit. That is what this amendment does, this is a vote for the little guy. It actually will expand your base of support for the program and more will benefit from it.

Mr. HELMS. Mr. President, needless to say, I oppose both Senator SANTORUM's amendments, which are renewed assaults on the livelihoods of America's family farmers who produce peanuts. I should reiterate that there are more than 20,000 North Carolinians involved in various aspects of the peanut industry.

We've been down this road time and time again, Mr. President. However, this time, even the fiercest critics of the peanut program should acknowledge the extensive changes made by Congress in the 1996 farm bill. The most important change was the conversion of the peanut program into a no-net cost commodity program.

Mr. President, the burden of these changes is being borne by America's peanut farmers who understood the necessity of revamping the program in order for it to survive. The support price was cut by 10 percent, from $678 per ton to $610 and because of many other changes, peanut farmers anticipate that their incomes will decline by more than 20 percent.

So clearly, Mr. President, America's peanut farmers have agreed to—indeed, participated in reforming the program that has served the consumers of America so well. And, by the way, in North Carolina alone, the peanut industry generates more than $100 million in revenue. Moreover, Mr. President, the American taxpayers will save more than $434 million as a result of the reforms in the program.

It is discouraging that opponents of the program, not satisfied with the farm bill's reforms, now seek to go further in hindering peanut farmers in making their livings.

As for the Santorum amendments, they will not—and cannot —guarantee lower prices to consumers. Instead, they will disrupt the work of Congress which constructed a farm program to produce a reasonable price, an abundant supply, and the highest quality of peanuts in the world.

Mr. President, it was clearly established during the Agriculture Committee's debates on the 1996 farm bill that even if the peanut program were to be abolished, candymakers would not reduce the price of a candy bar, nor would the price of peanut butter be reduced by one red cent.

The pending after-the-fact amendments do not deserve serious consideration. The Senate should reject them unhesitatingly.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to table amendment No. 4995. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

I also announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 234 Leg.]

YEAS—64

Abraham	Cochran	Ford
Akaka	Conrad	Frahm
Baucus	Coverdell	Graham
Bennett	Craig	Gramm
Bingaman	Daschle	Grassley
Bond	Dodd	Harkin
Breaux	Domenici	Hatch
Bumpers	Dorgan	Hatfield
Burns	Exon	Heflin
Byrd	Faircloth	Helms
Campbell	Feinstein	Hollings
Hutchison	McConnell	Rockefeller
Inhofe	Mikulski	Sarbanes
Inouye	Moseley-Braun	Shelby
Jeffords	Murkowski	Simon
Johnston	Murray	Simpson
Kempthorne	Nickles	Thomas
Kerrey	Nunn	Thurmond
Leahy	Pell	Warner
Levin	Pressler	Wyden
Lott	Pryor	
Mack	Robb	

NAYS—34

Ashcroft	Frist	McCain
Biden	Glenn	Moynihan
Boxer	Gorton	Reid
Bradley	Grams	Roth
Brown	Gregg	Santorum
Bryan	Kennedy	Smith
Chafee	Kerry	Snowe
Coats	Kohl	Specter
Cohen	Kyl	Thompson
D'Amato	Lautenberg	Wellstone
DeWine	Lieberman	
Feingold	Lugar	

NOT VOTING—2

Kassebaum Stevens

The motion to lay on the table the amendment (No. 4995) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4967

The PRESIDING OFFICER. By previous agreement, there are 2 minutes per side on amendment number 4967.

The PRESIDING OFFICER. Who seeks recognition?

Mr. SANTORUM. Mr. President, this is a very simple amendment that has nothing to do with the peanut program. This does not change the peanut program at all. This actually does not change anything in law. All this amendment does is ask the Secretary of Agriculture to determine whether the regulatory body that oversees the peanut program is in violation of the Government ethics statute. That is all this amendment does.

Why do I ask the Secretary to do that? The reason I ask the Secretary to do that is, unlike virtually any other agriculture commodity program, the folks who oversee the program, who manage the loan policies, who help promulgate the regulations, the very same people who regulate this program, who enforce the program, who actually impose penalties on the quota holders are, themselves, the quota holders. The people who benefit from the program run the program. That is unlike any other program, with the exception of one, in this country.

What we want to do is simply ask the Secretary of Agriculture to examine the applicable Federal statutes to determine whether there is a conflict of interest here, and then take action. Frankly, the reason I am here on the floor with this amendment, some additional growers out West in Texas, New Mexico, Oklahoma, and a lot of other places, had asked the Secretary to make this determination 2 months ago. They asked him in a letter. He has not responded to that letter. So what we are trying to do is say, Mr. Secretary,

let us look and see if there is a conflict of interest. We do not prejudge it. We ask them to examine to see whether this is a proper setup for the regulation of this program. It does not change the program. It does not alter it in midstream. It simply asks the Secretary to take a look at a potential conflict of interest.

I hope we can get very strong support for this.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, the largest law firm in Washington, DC, is trying to have a lawsuit, and this is in connection with the lawsuit. If there is any problem, it ought to be determined in the lawsuit. The Department, for years, has had participation by farmers in every phase of the program. You elected farm committeemen to the old ASCS, which is now the Farmers' Service, and they carry out the program. They make decisions in regard to it. The Soil Conservation Agency has district commissioners that are elected, and they carry out the various programs. That is nothing different.

The Department says this is unnecessary. They have, over the years, developed guidelines to ensure that there is no conflict of interest. This is just another attack on the peanut program with an effort to try to have a lawsuit, and these people have hired the biggest law firm in Washington to bring the lawsuit. They have filed a protest letter and involved that. The program is now in operation.

The farmers have gone to the bank, they have made their plans, and they are moving forward. Now is not the time to change it. So I urge you to vote against this amendment.

The PRESIDING OFFICER. The motion to table amendment No. 4967 offered by the Senator from Pennsylvania is now before the body.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

I also announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The result was announced—yeas 61, nays 37, as follows:

[Rollcall Vote No. 235 Leg.]

YEAS—61

Akaka	Daschle	Helms
Ashcroft	Dodd	Hollings
Baucus	Domenici	Hutchison
Bennett	Dorgan	Inhofe
Bingaman	Exon	Inouye
Bond	Faircloth	Jeffords
Breaux	Feinstein	Johnston
Bryan	Ford	Kempthorne
Bumpers	Frahm	Kerrey
Burns	Glenn	Leahy
Byrd	Graham	Lott
Campbell	Gramm	Mack
Cochran	Harkin	McConnell
Conrad	Hatch	Moseley-Braun
Coverdell	Hatfield	Moynihan
Craig	Heflin	Murkowski
Murray	Pryor	Simpson
Nickles	Robb	Thurmond
Nunn	Rockefeller	Warner
Pell	Shelby	
Pressler	Simon	

NAYS—37

Abraham	Grams	Reid
Biden	Grassley	Roth
Boxer	Gregg	Santorum
Bradley	Kennedy	Sarbanes
Brown	Kerry	Smith
Chafee	Kohl	Snowe
Coats	Kyl	Specter
Cohen	Lautenberg	Thomas
D'Amato	Levin	Thompson
DeWine	Lieberman	Wellstone
Feingold	Lugar	Wyden
Frist	McCain	
Gorton	Mikulski	

NOT VOTING—2

Kassebaum	Stevens

The motion to lay on the table the amendment (No. 4967) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEFLIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4972

Mr. COCHRAN. Mr. President, at this point we are prepared to move to table the amendment previously offered by the distinguished Senator from Nevada, [Mr. BRYAN] on the Market Access program. My understanding would be that there would be 2 minutes available equally divided for discussion of that before we actually go to a vote on the motion to table.

With that understanding, I move to table the Bryan amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator's understanding is correct.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Nevada.

Mr. BRYAN. Thank you, very much, Mr. President. I reserve myself 1 minute, and I will yield the remaining minute to the distinguished ranking member.

Mr. President, this is an issue that has been before the Senate for a number of years. It deals with the program formerly known as the market promotion program, now referred to as market access program. This is a program in which taxpayer dollars are provided to some of the largest corporations in America to subsidize their advertising account under the dubious proposition that this is for export of American agricultural products abroad.

In February of this year, the Senate, by a vote of 59 to 37, approved an amendment which this Senator, together with the distinguished Senator from Arkansas and others, offered that would limit the level of funding, previously at $110 million, to $70 million, and we did so on the basis that we were able to eliminate some $40 million that previously had gone to foreign companies.

So the thrust of the Bryan-Bumpers amendment was to say that no longer could this money be allocated to foreign companies and by reason of the fact that we eliminated foreign company allocations $70 million kept the program constant.

Mr. President, I hope that my colleagues will support us as they did in February, and I simply say that this will keep the program level.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BRYAN. The proposal before us is $90 million. That is a 29 percent increase.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, this is a motion that we have actually already debated. Let me point out that under the farm bill there is a prescribed mandate for $90 million of funds to be allocated for this program. So unlike previous years, this is not a discretionary program any longer. The reforms that were made sought to address the complaints that had been made about corporate welfare and all the other allegations in previous years, but those no longer lie against the program as it is operated now. Only trade associations and small businesses are entitled to funds under this program. They are allocated by the Foreign Agriculture Service. They help break down barriers to U.S. exports. They provide us access to markets that we would not have otherwise. They are good for American jobs, the American economy. They help us export more of what we produce on our farms and in our factories in foodstuffs and the like. All the testimony shows that this program is very helpful and needed, and I urge Senators to vote yea on the motion to table.

Mr. MCCONNELL. Mr. President, the Market Access Program [MAP] is critical to the success of the 1996 farm bill and to continued agricultural growth. MAP is one of the few programs specifically allowed under the Uruguay Round agreement and not subject to any reduction. Many countries are increasingly pursuing policies to help their agricultural industries to maintain and expand their share of the world market. Now is not the time for the United States to continue to unilaterally eliminate or reduce MAP.

MAP is a key to helping boost U.S. agricultural exports, strengthening farm income, promoting economic growth and creating jobs. I urge your support to ensure programs such as MAP be fully funded. Again, I urge my colleagues to vote ''yes'' on the motion to table the Bryan amendment.

The PRESIDING OFFICER. The question before the body is on agreeing to the motion to table by the Senator from Mississippi. Those who are in favor of that motion should vote yea. Those who are opposed to that motion should vote nay. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alabama [Mr. SHELBY] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

I also announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 42, as follows:

[Rollcall Vote No. 236 Leg.]

YEAS—55

Akaka	Frahm	McConnell
Baucus	Frist	Moseley-Braun
Bennett	Gorton	Murkowski
Bond	Graham	Murray
Boxer	Gramm	Pressler
Breaux	Grassley	Pryor
Burns	Harkin	Robb
Campbell	Hatch	Santorum
Coats	Hatfield	Sarbanes
Cochran	Heflin	Simon
Cohen	Helms	Simpson
Conrad	Hutchison	Snowe
Craig	Jeffords	Specter
Daschle	Kempthorne	Thomas
Domenici	Kerrey	Thurmond
Dorgan	Kohl	Wellstone
Exon	Leahy	Wyden
Feinstein	Lott	
Ford	Mack	

NAYS—42

Abraham	Faircloth	Lieberman
Ashcroft	Feingold	Lugar
Biden	Glenn	McCain
Bingaman	Grams	Mikulski
Bradley	Gregg	Moynihan
Brown	Hollings	Nickles
Bryan	Inhofe	Nunn
Bumpers	Inouye	Pell
Byrd	Johnston	Reid
Chafee	Kennedy	Rockefeller
Coverdell	Kerry	Roth
D'Amato	Kyl	Smith
DeWine	Lautenberg	Thompson
Dodd	Levin	Warner

NOT VOTING—3

Kassebaum	Shelby	Stevens

The motion to lay on the table the amendment (No. 4977) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRECISION AGRICULTURE

Mr. CRAIG. Mr. President, I rise to stress the importance of ongoing research in the area of precision agriculture. Precision agriculture is also commonly referred to as site specific agriculture or intelligent farm systems. Precision agriculture is an exciting area of agriculture that enables farmers to produce in a manner that conserves fertilizer, energy, fuel and water while still producing a high quality and high yield crop.

In a bill that Mr. MCCONNELL recently introduced, precision agriculture is given additional attention. I commend Senator MCCONNELL for his efforts and note for the RECORD that myself, Senator KEMPTHORNE and Senator COCHRAN are all original cosponsors. I ask Senator COCHRAN, is this his understanding?

Mr. COCHRAN. Yes, I am very supportive of precision agriculture and Senator MCCONNELL's legislation.

Mr. KEMPTHORNE. Mr. President, in addition, I would like to clarify the intentions of the Fund for Rural America [FRA] under the Federal Agriculture Improvement and Reform Act. The FRA specifically designated one-third of the funding go toward research, extension, and education grants that, among other goals, will increase international competitiveness, efficiency, and farm profitability, and conserve and enhance natural resources. Further, the FRA research section clearly encourages interdepartment and interagency cooperation by allowing Federal agencies and national laboratories to be eligible. This is a solid step toward making the most efficient use of limited Federal research resources, and will facilitate new and unique applications of technologies to the agriculture industries.

I would like to clarify that research to develop precision agriculture, to apply remote sensing and information management technologies to agriculture, is an example of the type of research that the Secretary of Agriculture should support under the FRA. I ask the chairman, is that the case?

Mr. LUGAR. It is, and I look forward to working with my colleagues from Idaho and Mississippi to find appropriate ways to support development of precision agriculture.

VALUE-ADDED PRODUCTS

Mr. PRESSLER. Mr. President, South Dakota farmers and ranchers are looking to value-added products as one way to better market their commodities and products. By adding value to the basic commodity, farmers and ranchers can realize higher prices and improved income. This is being witnessed for all of agriculture, from grain farmers to livestock producers.

South Dakota is a leading State in finding innovative ways to add value to agricultural products. For example, South Dakota is a leader in the production of ethanol and more ethanol facilities are being planned to be built in South Dakota.

By the end of the year a new soybean processing plant will begin production in a new facility in Volga, SD. Currently there are serious negotiations underway for a new beef packing plant which would service South Dakota and regional livestock producers.

Another venture in western South Dakota is a plan for the Nation's first lamb packing facility that would combine slaughtering, breaking, packing, and shipping under one roof. The facility would provide fresh lamb products to wholesalers and distributors within the food industry. The facility would be called Monument Meats and be located in Belle Fourche, SD.

This effort would be a producer cooperative where producers would be contracted to provide lambs. The facility, when completed, would include and incorporate the suppliers of lamb with the distributors of the final product into the overall process of the proposed facility.

One area where Federal taxpayer dollars are efficiently spent is the Rural Business Enterprise Grants Program. These grants can be used to finance and facilitate development of small and emerging business enterprises. Promotion and support of a viable U.S. lamb industry by establishing the proposed facility would certainly meet the objectives of these grants.

The proposed lamb processing facility for Belle Fourche, SD, certainly meets the test of a promising breakthrough in promoting U.S. lamb production. A key role of the Federal Government is to promote innovative and new business opportunities. A $50,000 grant for a feasibility study of the proposed lamb processing plant would be helpful to demonstrate to producers and distributors the benefits that could be accrued from such a facility.

Supporters of this facility are only looking for assistance from the Federal Government just for the feasibility study. Once completed, there are no intentions of further requests for Federal funding. This seems to me to be a worthwhile investment.

If I could, I would like to ask a few questions to my distinguished colleague from Mississippi, the chairman of the Appropriations Subcommittee on Agriculture.

I recognize that the bill currently under consideration does not contain funding for a feasibility study for the lamb processing plant conceived to be built in Belle Fourche, SD. However, is it the chairman's belief that this is the type of venture where rural business enterprise grants could come into play?

Mr. COCHRAN. That is correct.

Mr. PRESSLER. Is it also correct to say that the U.S. Department of Agriculture could utilize this type of grant to establish value-added processing plants in the United States, like the one planned for in Belle Fourche, SD?

Mr. COCHRAN. That is my understanding.

Mr. PRESSLER. Finally, I would like to ask the chairman if he would work with me to secure future funding for a feasibility study to be done for a lamb processing facility in Belle Fourche, SD.

Mr. COCHRAN. I will continue working with my colleague from South Dakota to find funding for projects like the proposed lamb processing facility in South Dakota.

Mr. PRESSLER. I thank my colleague and friend.

Again, Mr. President, the proposed lamb processing plant can bring higher prices to lamb producers. The facility can bring economic growth and jobs to the community of Belle Fourche, SD. Finally, the facility can go a long way to promote the entire U.S. lamb industry. I will continue working to secure $50,000 for a Federal feasibility study for this much needed project.

Mr. COCHRAN. Mr. President, we are working to accommodate Senators by

working on amendments that have been proposed that we hope can be resolved without rollcall votes. There are some which may require a rollcall vote if Senators insist on a vote.

Senator BUMPERS and I are here and available to discuss these proposals. We hope those who want to offer their amendments will come forward. We would like to complete action on this bill. I suggest this is a good time to resolve differences, if we can, and then proceed to vote on those we can't agree on and finish the bill. We are not going to stay in all afternoon sitting and waiting. For those who want to present amendments, we will offer them for you and vote on them, and then we can get to the end of the bill, if we can get the cooperation of Senators at an early time this afternoon.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I don't have anything to add to what the distinguished Senator from Mississippi said. It is very frustrating, frankly, to sit here hoping somebody will show up with an amendment you know has an amendment and is going to come charging in at the last minute if you try to go to third reading.

So we have about four amendments here, and I might just mention, there is a Mikulski amendment on crab meat study by FDA, which I think is agreeable; there is a Wellstone amendment on wild rice under the farm bill of last year, which I think has been agreed to; there is an emergency drought assistance and Hurricane Bertha assistance by Senator DOMENICI, which I think has been cleared on both sides; Senator LUGAR on double cropping. I am told that is not quite worked out. The Brown amendment I think has about been worked out. A Hatfield amendment on rural development has been worked out.

So we can offer those on behalf of those people if they do not want to offer them themselves. But I would like for those people to know that they need to get over here. If they have been cleared, they need to offer them unless they want to bring them to us and let us offer them for them.

The amendments that are probably going to require rollcall votes are one by Senator KENNEDY dealing with Medguide. I do not know if Senator SANTORUM has any more peanut amendments or not. I understand he had eight. He has offered two so far. But anyway, the Kennedy amendment, an amendment by Senator SIMPSON dealing with wetlands, an amendment by Senator LEAHY on northeast forestry, and the barley amendment by the Senators from North Dakota. So that leaves us about four amendments that could possibly require rollcalls unless we get them worked out.

But if we can get those we have agreed on passed, and which will just leave us those four that could require rollcall votes, we ought to be through here by close to the middle of the afternoon or late afternoon. So with that admonition and plea to our colleagues to get over here to offer their amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1936

Mr. LOTT. Mr. President, I am very happy to say we have a unanimous-consent agreement with regard to how we handle the nuclear waste issue. There has been a lot of discussion and give and take.

I ask unanimous consent that, notwithstanding the consent agreement with respect to S. 1936, the cloture vote scheduled to occur on Thursday, July 25 be vitiated and the Senate proceed to the bill at 9 a.m. on Wednesday, July 31 under the following time agreement: 8 hours total for debate on the bill and all amendments, to be equally divided in the usual form: That there be four first-degree amendments in order to be offered by the Democratic leader for his designee; that there be 4 first-degree amendments in order to be offered by the majority leader or his designee; that all amendments be limited to 1 hour to be equally divided in the usual form; that all amendments be in order notwithstanding the adoption of any earlier amendment and all amendments must have been filed by the close of business on Thursday, July 25; provided further, that no amendment dealing with the storage of nuclear materials on Palmyra Atoll or some other U.S. Pacific island be in order; that all amendments must be germane to S. 1936 and in accordance with rule 22, and not subject to second-degree amendments, with no motions to refer in order; and following the conclusion or the debate time and the disposition of the amendments, the bill be immediately advanced to third reading and final passage occur all without further action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. BRYAN. Mr. President, I indicate to the majority leader that this has been cleared on this side of the aisle. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I will take but a brief moment. Let me thank the majority leader and our colleagues from Nevada for the kind of work that has produced this unanimous-consent agreement. I trust now that we will be able to move expeditiously on the issue of nuclear waste.

While it is an issue of great contention on the part of some of our Members—and certainly our colleagues from Nevada have great concern about what ultimately occurs here—I think we have, with this UC, an opportunity for a final conclusion and to express the will of the Senate—and, hopefully, the House—on an issue that is of national importance. I thank the Senators for their cooperation.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I would like to add, as chairman of the Energy and Natural Resource Committee, my satisfaction with the negotiations. I know the agony associated with this issue relative to Nevada. Unfortunately, we simply have to put this waste somewhere, and this question will now be resolved with a vote, at least in this body. I think, further, the willingness to try and work toward a solution enables the majority leader to move on with the business of the Senate, rather than tie it up in an extended filibuster, which, obviously, every Member has a right to proceed with. Nevertheless, we have a responsibility to resolve these issues in a manner that suggests some expeditious process.

I thank the Senators for their cooperation, ensuring that they will leave no stone unturned to pursue their convictions, but yet allowing the Senate majority leader to proceed. That is indicative of not just their good nature, but a recognition of what this body is all about.

I thank the majority leader.

Mr. LOTT. Mr. President, I want to make certain. No objection was heard, so the agreement was reached, is that correct?

Mr. REID. Mr. President, first, if I could briefly say something. I want to personally extend my appreciation to our leader, who spent a great deal of time with the majority leader trying to work this out. I think it shows good faith that we are trying to move things over here. We feel comfortable with the agreement and especially appreciate the work of the leadership.

Mr. LOTT. Mr. President, I believe there was no objection heard, is that correct? Has this been agreed to?

The PRESIDING OFFICER. Yes, that is correct.

Mr. LOTT. I want to thank all the parties involved, including the two Senators from Nevada, for their fairness and knowing how important this is to them, and for the involvement of the Senators from Alaska and Idaho, for their work.

My colleague from Nevada is absolutely right to say that Senator DASCHLE was helpful in this. In fact, he first initiated the idea on how this might be handled. It took a lot of discussion and coordination on your part.

He has been involved in a constructive way. I appreciate that type of work across the aisle. That is how we get things done in the best interests of our country.

I yield the floor.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 5002, AS MODIFIED

Mr. BROWN. Mr. President, in discussing the Brown amendment on the Agriculture appropriations bill, the junior Senator from Nebraska had recommended that we go with the modified version instead of the 5-year moratorium I suggested. He suggested a 2-month moratorium with an allowance for an additional time period in the event that there were delays in the process. So I have incorporated that aspect into my amendment and go from 5 years down to the 2 months, plus the additional time.

In addition, the senior Senator from Nebraska has suggested that we modify the provision regarding funding by the Secretary of Agriculture so that the funding relates to an amount which he feels is appropriate. That is very open-ended language and not very tight. But I must say that I have a great deal of confidence and faith in the Secretary of Agriculture and in his sense of fairness.

So I ask unanimous consent that my amendment be modified to incorporate those changes which I filed at the desk.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 5002), as modified, is as follows:

At the appropriate place in the bill, insert the following new section:

"SEC. . INTERIM MORATORIUM ON BYPASS FLOWS.

''(a) MORATORIUM.—Section 389(a) of P.L. 104–127 is amended by striking ''an 18-month'' after the word ''be'' and inserting ''a 20-month''.

''(b) REPORT.—Section 389(d)(4) of P.L. 104–127 is amended by striking ''1 year'' after the word ''than'' and inserting ''14 months''.

''(c) EXTENSION FOR DELAY.—Section 389 of P.L. 104–127 is amended by adding at the end the following new subsection:

'''(e) EXTENSION FOR DELAY.—There shall be a day-for-day extension to the 20-month moratorium required by subsection (a) and a day-for-day extension to the report required by subsection (d)(4)—

'''(1) for every day of delay in implementing or establishing the Water Rights Task Force caused by a failure to nominate Task Force members by the Administration or by the Congress; or

'''(2) for every day of delay caused by a failure by the Secretary of Agriculture to identify adequate resources as determined by the Secretary of Agriculture to carry out the purposes of the Task Force.'''

Mr. BROWN. Mr. President, it is my understanding that, while neither Nebraska Senators now have concerns about the amendment—or perhaps I should say will not object to the amendment—the senior Senator from Vermont does not want it passed prior to an amendment which he will offer.

So I ask unanimous consent that the yeas and nays be ordered and that the timing of the amendment be set at such time as the ranking Member and the chairman of the subcommittee would recommend to the body.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BROWN. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Pearl O'Rourk and Osvaldo Percira, legislative fellows, be permitted access to the floor during the consideration of H.R. 3603, the agriculture appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I suggest the absence of a quroum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I would like to speak to an issue that is included in the agricultural appropriations bill that deals with public health, and address the Senate for a short time this afternoon. I would then like to introduce the amendment that deals with that particular issue and then to move on from there.

The legislation before us includes a proposal to cripple the FDA's ability to protect the public against one of the most costly and deadly tragedies suffered by Americans. Every year millions—millions—of our fellow citizens are injured or killed by this silent epidemic. It results in over 2 million Americans being hospitalized each and every year. It results in 3 million Americans having to visit their doctor each and every year for problems that could be avoided. It costs the American economy an estimated $100 billion—$100 billion—a year in additional health costs and lost productivity.

What is this epidemic? It is a wave of illnesses, injuries, and even deaths caused by prescription drugs. Millions of Americans are affected and billions of dollars are spent on medical problems caused by prescription drugs. The Nation spends as much to cure the illnesses caused by prescription drugs as we spend on the drugs themselves.

The vast majority of these adverse drug reactions can be avoided if patients have basic information about the prescription drugs they are taking. That information will allow patients to understand the proper use of the drugs their doctors prescribe. It will alert them to the symptoms of adverse reactions that can occur with their medication. This basic information would be a written reminder of what doctors tell their patients when the drug is prescribed. That information is often hard to remember, often not followed, and often misunderstood.

We should do all we can to end these tragic, costly, and unnecessary illnesses, injuries, and deaths. Who can be against providing patients with basic information about the prescription drugs they take? Unfortunately, a powerful group of special interests has been fighting for two decades to prevent patients from getting this basic information. They have been fighting for almost 20 years to prevent patients from getting the information that could prevent needless injuries, illnesses, and deaths.

The latest battle in this long war by the special interests is this appropriations bill. Buried on page 58 of this 81-page bill is a provision that prohibits the FDA from assuring that drugstores and pharmaceutical companies provide their customers with the simple, basic information they need to protect themselves against drug-induced illnesses.

This provision would forbid FDA from going forward with a proposed regulation, called the medication guidance regulation, which would require that patients receive adequate information when they fill a prescription. The Food and Drug Administration is America's premier consumer protection agency. It has been working with private industry for many years to implement a program to achieve this objective. Time and time again, for more than 17 years, private industry has promised to get that information to patients. It has promised to stop these millions of needless injuries, illness, and deaths. It has promised to prevent these unnecessary hospitalizations and doctors' visits.

But, year after year, as millions of individuals are injured and billions of dollars are wasted, these tragedies continue. Why? Because all of these promises have been broken.

So, these tragedies continue, even though it costs only a few cents per prescription to add this basic information. Rather than spend a few cents per prescription, these special interests cause billions of dollars in tragedies year-in and year-out. Time and again, they put profit and self-interest ahead of public health.

As the result of these efforts the FDA is being muzzled by an unholy alliance

of drugstores and pharmaceutical companies. And, the patients are the losers. This provision is nothing more than a gag order preventing the FDA from making sure that patients get basic, minimal information about the prescription drugs they are taking. We are no longer in the dark ages when people mistakenly believed that patients needed to be protected from basic medical information.

It is almost inconceivable, Mr. President, but going back to the ethical statute of the Royal College of Physicians in 1555:

> Let no physician teach the people about medicines or even tell them the names of the medicines, particularly the more potent ones such as purgatives, opiates, narcotics, abortifacients, emetics or any other which are particularly dangerous: For the people may be harmed by their improper use. This under the penalty of 40 shillings.

That used to be the old method, deny individuals and consumers information about the types of treatment they were receiving.

Then as recently as 1934 a statement published in the Federal Register, stated that drug labeling should be written ''* * * only in such medical terms as are not likely to be understood by the ordinary individual.'' I repeat, that was in 1934.

We have transitioned a long way. The American consumer wants to know what they are ingesting, what is going into their bodies. They want to know about the food they eat. They want to know about the air they breathe and the water they drink. They want to know about prescription drugs. They want to know about over-the-counter drugs. It is a bygone day when we should deny the American consumer the best information that we have available. That is really what this issue is all about. Are we going to make sure that, for each and every prescription drug, the individual is going to get the best information that is available. They need this information in order to know how take their prescription drugs safely and to know if they are going to interact with any other types of prescription or over-the-counter drugs that they may be taking?

As billions of dollars are wasted each year, as millions of Americans are needlessly hospitalized each year, as millions of patients suffer adverse reactions each year, these special interests claim that their voluntary efforts are adequate to protect consumers. The body count goes up, but they claim that they have been doing all that is necessary.

But, their claims are false, and they know it. The clear facts show that Americans do not get enough information about the prescriptions they are taking. We know that because the hospitalizations, the doctors' visits, the injuries, the illnesses, and the deaths continue. Those are facts that the special interests do not want to talk about.

But the problem is even worse than that. American consumers get more information from a box of cereal than they do from the prescription drugs they buy. In fact, almost half of all consumers get no written information at all of the kind they need to use their prescriptions properly. And when the information is provided, it is too often inadequate or incomplete.

Approximately half of all consumers get some form of information. Half of them do not. But of the 50 percent that do, much of the information is incomplete. We have waited for industry to present their plans for providing this important information to the consumer: this is exactly what the Food and Drug Administration had requested. Industry was to voluntarily create a system and be able to show that 75 percent of prescription drug consumers received reliable information by the year 2000 and, hopefully 95 percent by the year 2006.

The Food and Drug Administration was going to make an assessment of the progress in the year 2000 and decide if additional steps were needed or if the industry should just continue with their efforts. The hope was that industry would provide this program voluntarily. But as you can see by the information presented here, the needed information is not forthcoming. This bill allows industry to continue as is and would not allow the Food and Drug Administration to meaningfully evaluate the process of information flow to consumers.

The Food and Drug Administration looked at the information that was provided to drug stores by eight commercial vendors. Drug stores that want to provide information to their customers can buy information systems from such commercial vendors. The FDA examined the information that these eight vendors provided on three commonly prescribed drugs: a sedative, an antibiotic, and a drug used to treat high blood pressure.

While there are a number of vendors, for this study, the FDA selected eight of the better ones.

Remember, we are talking about common medications that can result in life-threatening complications. We are talking about providing people with basic information and warnings that the drug that they are about to take could result in serious birth defects or could cause a fatal allergic reaction.

Mr. President, these drugs each have potentially dangerous side effects. One of these drugs can cause severe birth defects, but only four of the eight vendors even warned about use in pregnancy. And only one vendor commented on birth defects when that was the real danger.

One drug, the antibiotic, has the potential of causing a fatal allergic reaction. While six of the eight vendors provided information on the possibility of an allergic reaction, only one told ''What to do if an allergic reaction occurs.''

There were eight sources. This scorecard on this chart should have read ''8,8,8,8,8'' all the way down. That is the only score that should be acceptable. For each one of these three commonly used medications, they ought to provide the appropriate warnings about side effects, contraindications, the possibility of serious drug reactions. Anything less is unacceptable.

This is one of the more recent studies done by the FDA on the adequacy or inadequacy of information provided on important, commonly used prescription drugs. I remind you, for half of the prescription drugs no information is provided; while information is provided for the other half, this is an example of what that information may be.

Let me show you a specific example. This is a prescription for a drug called Macrobid, which is an antibiotic used for chronic therapy.

On the left is an enlargement of the information that one patient received when she had this prescription filled. It sounds pretty simple and certainly safe. It says, ''Take one capsule twice a day with food for 30 days. Then decrease dose to one capsule once a day. Take with food to lessen stomach upset. Must use for full length of treatment. May interfere with urine glucose test in diabetics.''

But is something missing? Is there information that is generally available and scientifically sound that would be of value to any consumer? What is missing is the fact that this drug is contraindicated in term pregnancies and during labor and delivery. If a baby is exposed to this drug during such time, there is the possibility of precipitating a rapid destruction of red blood cells that could be fatal for the baby.

So if a pregnant woman were taking this drug, she should know that if she takes it in the last stages of pregnancy or during labor and delivery she is risking the health of her child.

It is contraindicated in mothers who are breastfeeding infants less than 1 month of age. The drug gets into the breast milk and causes the same destruction of red blood cells.

Here you see it is also contraindicated in people with G6PD deficiency. G6PD deficiency is a type of blood disorder, reasonably rare, but nonetheless noteworthy. If you take this medicine and you have this kind of blood disorder, you may experience a fatal hemolytic anemia which is the breakdown of red blood cells. So this would obviously be valuable information for a patient who knows they have G6PD deficiency.

This drug can also cause lung disease. ''Should consult your physician in the event of pulmonary symptoms.'' Physicians suggest that patients who take this drug for more than 6 months should have routine lung examinations.

This is the kind of information that should be available. This is the kind of information that could easily be available. We are not talking about overly extensive pages of data. We are talking

about the kind of information that is readily available and accessible to both the company and to the FDA. This is the kind of information that is not being routinely provided today on these prescription drugs.

What is it that the FDA thinks is necessary? Here is a prototype designed by the FDA which includes the information they believe the consumer should be told. This one uses Cardizem, as an example. This provides all the information. We have it blown up here. ''What is the most important information that I should know about Cardizem?''

''Used to treat angina pectoris—chest pain. May lower blood pressure. If you get dizzy while using, call your doctor. Can interact with certain medications. Check with your doctor if using beta blocker, digitalis. If you notice very low heart rate, palpitations or feel very weak, call your doctor.''

Then there is a description of what Cardizem is. It is a relaxant that dilates blood vessels in the body, increases blood flow to the heart and helps reduce chest plain. A drug known as calcium channel blockers.

It has, ''Who should not take it?'' It indicates if you have heart problems, your doctor needs to know. If you have low blood pressure or heart block, a pacemaker, heart failure or any other heart problem; if you have liver or kidney problems, your doctor needs to know. If you are pregnant—the use of Cardizem in pregnant women has not been studied. Studies with animals suggest, however, that Cardizem may cause miscarriages.

So it points out if you have a heart problem, if you have liver or kidney problems or if you are expecting you should not take this medication. And it also says, ''If you are nursing, Cardizem is passed on through the breast milk. If you take, use some form of infant feeding.'' Change from breast to infant feeding.

Then it talks about how I should take Cardizem. ''Take before meal, if possible. If you miss a dose, take it as soon as possible. However, if it is almost time for your next dose, skip the missed dose and take your medicine as scheduled. Do not take double your prescribed dose.''

This is very important. Many people, when they are on prescription drugs, will fail to take it at the time prescribed, and they wonder whether they ought to double up. Maybe they forget for a day, maybe they forget to take a morning, noon or evening dose, and they wonder, ''Should I take it double tomorrow because I forgot to take today.'' Say I forget this morning's dose? Do I take two this afternoon? And this tells what to do if you do miss a dose.

''What should I avoid taking with Cardizem?'' It interacts with other medications. Your doctor may need to change the dosage for the medicine. Check with your doctor before taking the beta blocker drugs, ulcer drugs, and digitalis for heart failure.

So it mentions the types of health challenges that you might face, the sort of chronic problems that you might face, it gives you a warning and a heads up. And then it talks about other types of medicines that would have an adverse reaction.

''What are the side effects?'' It gets into the side effects. The swelling of the legs, headache, rash, weakness, a small number, less than a half-percent get heart palpitations. So it says, ask your doctor if you have difficulty breathing or have dizziness. This goes on. This is the type of information that we are talking about. This is scientific information presented to consumers in readable, understandable form that responds, by and large, to the everyday kind of questions that a consumer would have with regard to this particular medication.

I think all of us have seen the information for over-the-counter drugs. You know, the insert for Tylenol, Excedrin. Very few people, unless you are a chemist, can really understand it. That is not what we are talking about here. We are talking about valuable, readable information that could be of such great importance to consumers.

It is readable. It is understandable. And it is enormously valuable for patients. And yet, 50 percent of the American people do not get this kind of information. And the other 50 percent, in too many instances, get information that is inadequate.

This is the type of thing that we want to encourage. We want the industry to do this in a voluntary way. As I say, they are doing 50 percent now. We were hopeful to get them to 75 percent, working with the industry, working with the FDA to permit them to move through that process by the year 2000.

So this provision of the pending bill tells patients—the provision I mentioned earlier—that they do not need these warnings. All they need is to trust the industry to take care of them. But the industry is not providing the warnings, is not telling the patients the drug they are about to take will cause a serious birth defect or fatal allergic reaction.

The industry promised for years to provide the patients with the information. There are many, many examples of why industry cannot be trusted to do what is right.

In 1992 the FDA required a box warning—those are the warnings that are printed on the various boxes, the most serious kinds of warnings—on the labeling provided doctors and pharmacies for Seldane and Hismanal, two of the most popular prescription antihistamines for allergies. When taken in association with certain antibiotics or antifungals, which are two other classes of frequently prescribed drugs, there were deaths and serious cardiovascular reactions.

Let me tell you about one 29-year-old woman who was taking Seldane for allergies. She went to her podiatrist for athlete's foot and was given a prescription for Ketoconazole. Two days later she went to an emergency room complaining of a blackout. They could find nothing wrong with her, told her to return if it happened again. The next morning she was found dead in bed. Apparently, the cause of death was cardiac arrhythmia and death. The blackout episodes were most likely caused by arrhythmias.

If she was given patient labeling, she could have easily identified the warning against using the two drugs together. Her death was preventable.

The needed warnings even appeared in FDA-approved consumer advertising in magazines, such as People, Newsweek and Time.

Here in the Washington Post, on April 16, 1996 it talks about a warning: ''Seldane and Popular Antibiotics Equals Trouble.'' And the point of this chart, Mr. President, is this:

American pharmacists fill about 2 billion prescriptions a year, and the market is more complex than ever, with more diseases treated by multiple drugs. Retail pharmacists have more financial incentive to sell prescriptions than to spend time talking to customers about possible drug interactions,'' Shulke said.

They rely increasingly on computer programs to catch potentially dangerous drug interactions. Unfortunately, ''these software programs are lagging behind the state of the art'' and fail to keep up with [the] latest Food and Drug Administration and pharmaceutical [company] warnings.

* * * * *

Much of the information that doctors and patients receive about drugs comes from the companies themselves. Such information, while useful, tends to present ''one side of the story''—emphasizing the benefits of medications more than the risks.

So, Mr. President, this is something that was pointed out. This is by the pharmacists themselves, the American Pharmaceutical Association. The Director of Policy and Regulatory Affairs made those observations.

All of us would believe that when a prescription drug is given, that the patient has the best protection because he or she has the doctor. I think all of us understand that. We have come to rely on that doctor. The doctor is not going to obviously put this person at risk. But what we are finding out, what every indication is, particularly with elderly people, is that people either forget after a few days, a week, a month, several months, they get easily confused between various different kinds of information that they may have been told or that they have forgotten, all against a background where that kind of information is easily available, accessible, and understandable and should be provided to the consumer.

The warnings against taking these drugs in combination did not appear on the information sheets that pharmacists gave to consumers. Consumers were given better information in magazine ads than they were given by the pharmacists who dispensed their prescriptions.

Even today, after concerted efforts to educate physicians and pharmacists

about the dangers of prescribing Seldane with certain antibiotics, tens of thousands of patients are still given coprescriptions written in conjunction with one of those antibiotics.

We have been promised that the pharmaceutical industry and retail pharmacies will take care of keeping the public informed. What is happening in the Washington, DC, area? Well, Dr. Woolsey from Georgetown recently completed a study. Fifty pharmacies were selected out of the yellow pages. An investigator was sent to each of these stores with a prescription of Seldane and Erythromycin. Thirty-four of the pharmacies either refused to fill them or warned that the two drugs should not be taken together. But 16, or nearly a third, filled both prescriptions without any comment or warning, the very kind of situation we are talking about here.

A third of the pharmacies issued both of these drugs even though there are these extraordinary dangers. And 14 of those were asked if there were any problems taking the two drugs together. Nine said they could be taken together—that there was no problem.

Only nine of the prescriptions were accompanied by a written note suggesting a patient check with a doctor if these two drugs were taken together or to ''report any other drugs you take or disease you have.''

These are the warnings we have for a fatal reaction. Think of the information we would get for reactions that merely cause disease or discomfort.

Yet the current underlying legislation will allow industry to independently provide this information. This is the same industry that has so overtly failed in just this one situation of the fatal reaction of Seldane and Erythromycin. I ask you, how often have you been on an antihistamine and an antibiotic at the same time? What about your children?

So the rollcall of patients harmed or injured because they did not receive adequate warnings is a long one, and includes children and adults from every walk of life. Senior citizens, as I mentioned, are particularly victimized. The best estimate is 17 percent of all hospital admissions for senior citizens is as a result of an adverse drug reaction, about 5 percent for children. But no American can be confident that a member of their family will not be the next to suffer.

Let me give you several examples.

A 69-year-old man was prescribed an antibiotic called Cipro to treat a kidney infection. He took the pills for 10 days and failed to notice any improvement. When he returned to his physician, a repeat urine culture showed that the infection was still present. The physician changed it to another antibiotic.

The problem was not the antibiotic. This man was also taking Maalox for indigestion, which he had not been told that Maalox or other antacids prevent the antibiotic Cipro from being absorbed. Even though he was swallowing the right dose, not enough entered the bloodstream.

This should have been included on a drug information sheet.

A 48-year-old man was diagnosed as having a mild form of diabetes which can be treated by taking pills that will lower the amount of sugar in the blood. He had been taking these pills for 4 months. During that time his physician had changed the dose in order to maintain a good blood sugar level. He had been stable without any change in dosage for 2 months.

Then one day he twisted his ankle. To treat the pain he started taking Advil every 4 to 6 hours. The next morning he awoke feeling sweaty and light-headed and fainted as he got out of bed. He was rushed to the hospital where his blood sugar was measured at an extremely low level.

This man should have been warned that Advil and other related drugs increase the effect of the diabetes medication he was taking. What had been a good dose of medication in the past now lowered his blood sugar level to a dangerous level.

This should have been included on a drug information sheet.

A 58-year-old man who was otherwise very healthy developed diarrhea and abdominal cramping. He was diagnosed as having irritable bowel syndrome and was placed on a strong tranquilizer medication to calm down his intestines. Six months after being on this medication, he developed the symptoms of Parkinson's disease. His doctor started him on a medication for Parkinson's disease.

For 7 years, he took both drugs. Then a neurologist specializing in Parkinson's disease evaluated him and recognized that the real problem was the tranquilizer. Both drugs were discontinued.

Four months after seeing the neurologist, this man was on no medication and all of the Parkinson's symptoms had disappeared.

This man suffered from a side effect of the tranquilizer. The neurologist who made the correct diagnosis says that in 3 years he had seen 38 other patients who had drug-induced Parkinson's disease.

A 60-year-old woman was started on a drug called propranolol to treat her high blood pressure. The physician had prescribed a large dose considering her age and her size.

Two days after starting the drug she began feeling very weak. This got worse and on the third day she went to the emergency room where on arrival her pulse rate was only 36 beats per minute. This low heart rate was a result of the propranolol.

If she had received an adequate drug information guide, she would have recognized that her symptoms were likely a response to the medication, and she could have called her physician rather than going to an emergency room. She was lucky. If she had any heart disease, lowering her heart rate to such a level could have produced severe heart failure.

Mr. President, the list goes on. Leaving out critical warnings is unacceptable. In these types of life-and-death cases, FDA oversight is clearly warranted. The health and lives of too many patients is at stake.

FDA has rightly decided consumers deserve more protection than the status quo. The medguide regulation is intended to correct this gross deficiency in our consumer protection laws.

Today, we go into a supermarket to buy a loaf of bread, a carton of milk, or a box of cereal. Complete nutritional information is provided on the package. Here we have the package label for Wheaties, ''Breakfast of Champions.'' We see that, under the Food and Labeling Act we passed just a few years ago, we have the calories, total fat, cholesterol, sodium, potassium, all of the vitamins that are listed, the carbohydrates. All of this is printed in an easily and understandable form that is welcomed by every mother, every parent, every child.

When we buy over-the-counter drugs like aspirin or Tylenol, the FDA regulations require the drugs to have complete information, so those who take the pills understand what they are taking, how to take them, what side effects to watch out for, and what food or drugs it interacts with. Anyone who goes to the drugstore this afternoon will find that information available.

But, if we buy a prescription drug in the pharmacy of one of these same grocery stores, there is no guarantee that we will get the same kind of information when the prescription is filled. Current laws require more information about breakfast cereals than about dangerous prescription drugs, even though the necessary information can be provided simply and cheaply.

The results of this neglect are predictable and shocking. Mr. President, 30 to 50 percent of adult patients do not use their medications properly. In children, improper use exceeds 50 percent. Just look at this dog food label, Alpo puppy food. Friskies Alpo puppy food has all the information—protein, fat, fiber, moisture, calcium, phosphorous. It lists the various ingredients and how the minerals and vitamins have been added, talks about the weight and age of the dog, talks about recommended amounts and how many different feedings ought to be included. We provide it on dog food, cat foot, pet food. We provide it at the grocery store on the box of cereal and just about every other item in the grocery store under the food labeling provisions. We provide it for over-the-counter drugs. But the one area where we do not provide assurance is in the prescription drugs.

The FDA is attempting to provide and encourage the industry to get to 75 percent information by the year 2000—not by requiring—by working with them. We have seen the attempt in the

House of Representatives and the Senate of the United States to bar that type of action. That is not acceptable.

Mr. President, in the elderly, who rely most heavily on medication, noncompliance is often higher. They do not often understand the problems of missing doses or changing doses. This is more dramatic in low-income elderly. There are economically induced compliance problems, and patients sometimes attempt to stretch their medication by cutting back on their required daily dose. They have not been warned such action endangers their health.

You cannot have a meeting with senior citizens in any part of this country without, when you ask them how many spend $25 or more per month on prescription drugs, 80 percent of their hands going up. Ask who spends $50 or $75 a month, and a third of the hands go up that are taking prescription drugs. In many instances, there are a number of seniors who are dividing those prescription drugs to make them last over a longer period of time and who have no understanding or awareness of what that is doing in terms of endangering their health.

The patients taking medications are not the only losers. Public health is put at risk if uncured infections are transmitted and resistant infections develop.

The economic and human costs are staggering: 2 million avoidable hospitalizations, 3 million avoidable doctor visits, $20 billion in additional health care costs, and $100 billion in total costs to society. The need for action is clear, yet this legislation will stop the FDA from doing what is needed. Here it is, $20 billion, effectively, for avoidable hospital admissions because of adverse drug use—$20 billion a year. The best estimate is that it is $100 billion in terms of either direct or indirect costs. It has health implications and cost implications in terms of individuals and the community.

The medication guidelines this legislation would block would establish concrete goals for industry to meet. By the end of the year 2000, FDA seeks to ensure that at least 75 percent of patients with new prescriptions would obtain adequate, useful, easily understood written information. By the year 2006, 95 percent of patients with new prescriptions would receive this information. There is nothing radical about these targets. They are the same commonsense objectives established in the landmark ''Healthy People 2000'' goals developed under the Reagan-Bush administrations.

Working with drug companies, pharmacists, physicians, and consumers, FDA was planning to establish nonbinding guidelines on such information. These guidelines will help pharmacies ensure that the written information they provide is adequate.

If the goals in the proposed regulation are not met, FDA would have a choice—either institute a mandatory program or seek public comment on what steps to take next.

This approach is reasonable. It gives the private sector the opportunity to achieve compliance without regulatory requirements over the next 4 years. Yet the industry still objects. It claims that neither the medguide regulation nor binding requirements are necessary.

Inadvertent misuse of prescription drugs is not a new problem. FDA first starting tackling the problem on a broad scale in the mid-1970's.

In 1975, after examining the issue in-depth by studying existing labels, interviewing consumers, conferring with experts in the different health care fields, FDA published a notice in the Federal Register asking for public comments to help formulate a policy on patient labeling for prescription drugs.

In 1979, the FDA issued a proposed regulation to require drug manufacturers to write patient labeling for their drugs and provide it to pharmacists for dispensing with the drug. In comments on this proposal, consumers favored the proposal, while manufacturing pharmacists and the medical professions opposed it.

In 1980, after considering the comments, FDA issued a final rule. It decided that the evidence in the rulemaking record amply demonstrated that labeling would improve the benefits that consumers receive from prescription drugs in a number of ways. The information would increase compliance, which would in turn decrease injuries from misuse. The regulation required manufacturers to provide labeling to pharmacists, but it also allows pharmacists to write their own labeling.

In 1981, the incoming Reagan administration delayed the implementation of the FDA regulation. This is an issue that has been around for a long period of time. But the regulation was revoked altogether. Its justification was that the private sector had promised to implement a voluntary program to do the job. So here we are—15 years later—and industry is saying, once again, ''We don't need Federal regulation. Give us a few more years and we'll do the job.''

But the results of the industry's past 15 years of nonaction are crystal clear—too many deaths, too many injuries, and not enough patient information. Almost half of all patients receive no written information of the kind they need to monitor their use of medications. Too often, the information they receive is shockingly inadequate.

FDA rightly concluded that consumers are not being served. They developed a proposal and took it to industry, before even beginning a rulemaking proceeding. In a letter to Senator COCHRAN, FDA explains:

> We originally envisioned mandating that drug manufacturers develop patient leaflets which would be distributed with most prescription drugs, informing patients of such things as how to take the drug, what it was used for, what side effects to watch for, and what to do if problems were experienced with the drug.
>
> However, before issuing such a proposal, we met with the medical and pharmacy professions, representative of the nation's drug stores, drug manufacturers, consumers groups, and others. Many told us that new patient information systems, most using computer technology, had been developed and were being implemented that could accomplish our goal at little cost to pharmacies and consumers, and that by the end of the decade, most patients would be getting such information through these private sector mechanisms.
>
> We accepted their argument, and our subsequent proposal of August 1995 announced that we would defer consideration of a mandatory comprehensive Federal program until at least the year 2000, to give the private sector time to fulfill that commitment. We believe the proposed rule is very consistent with the concept stated in your letter of giving the marketplace a chance to meet our mutual objective. We are currently reviewing the comments submitted in response to the proposed rule, and recognize that revisions may be necessary to respond to some of the specific concerns raised by those who manufacture, prescribe, dispense prescription drugs.

So FDA's regulation, developed after consultation with the affected industries, is entirely reasonable. It sets a performance standard and goal of 75 percent of consumers receiving accurate, complete, helpful, and legibly written information by the year 2000. The 75 percent goal takes into account the existence of the small corner drug store that may not be able to meet the target as readily as large firms. The underlying mandatory regulation will not go into effect if this goal is met by the year 2000. In addition, it does not apply to drugs dispensed in doctors' offices, or hospitals, or in an emergency. In addition, there is special consideration for small retail pharmacies.

The FDA has gone the extra mile. Consumers deserve the protection. Fifteen years of inaction under so-called voluntary guidelines established by the industry is already too long. Now the industry will have another 5 years to show it can do the job voluntarily. But even that is not enough for the majority of Congress. They want to prohibit the FDA from implementing even this modest approach.

The provision in the bill states that if the private sector develops a plan within 120 days of enactment, FDA's rulemaking is suspended. However, the Secretary of HHS and the Commissioner of FDA cannot review the voluntary program to determine if it is, in fact, adequate. The only action that HHS or FDA is allowed to take is to audit the program to see if it meets the goals set by the industry—not the goals set by FDA or Healthy People 2000. The bill further hamstrings FDA by precluding any activity, such as guidelines, that might assist the private sector or assure that its program is adequate.

This provision is an abdication of Congress's responsibility to protect the

public health. Instead of responsible action by FDA, an industry with an unsatisfactory track record is permitted to regulate itself—without any FDA oversight to make sure that the industry program is adequate.

How many more people must be injured or killed before Congress does the right thing? How many more billions of dollars in health care costs must be squandered before we decide that the public interest should take precedence over these special interests.

The offensive provision in this bill is also part of the overall FDA reform bill reported by the Labor Committee. That legislation is the subject of continuing negotiations between Congress and the administration. The administration has identified modifying this provision as one of its highest priorities. We have been negotiating in good faith in the hope of reaching bipartisan agreement on a responsible FDA reform bill. Yet in the middle of these negotiations, this particular proposal is suddenly being rushed through Congress on this appropriations bill.

This FDA gag order does not belong on the agriculture appropriations bill. We all know what is going on here.

Special interests have brought and paid for this provision with political campaign contributions. Anti-FDA companies have contributed $1.3 million to the sponsors of several so-called FDA reform bills in the 3 years ending December 31, 1995. Of that sum, $888,000 were contributed by political action committees of FDA-regulated companies to the sponsors of these anti-FDA bills.

And those are only the campaign contributions made through last December. The money hasn't stopped flowing. In fact, in 1996 the money has continued to pour into the Republicans: Eli Lilly & Co., gave $305,000 to the Republican National Committee in the first 4 months of 1996. Bristol Myers-Squibb contributed $275,000 to the Republican National Committee in the first 4 months of 1996. And now they have their payoff.

The American people deserve a strong and independent FDA—an FDA that has the authority and ability to assure that the food we eat is nutritious and healthy, that the medicines we take will cure, not kill, and that the medical devices we rely on will sustain and improve life, not harm it.

By rejecting the proposal in the bill before us today, the Senate can send a message of reassurance to the American people. Public health is not negotiable. The FDA is not for sale to the highest bidder, and neither is Congress. No amount of campaign contributions can possibly justify selling out the FDA and jeopardizing the lives and health of the American people. The people have the right to useful and necessary information about the drugs they take—and FDA should have the chance to make sure they get it.

I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, first, I want to commend Senator KENNEDY for all his work with the Food and Drug Administration. He has been a bulldog in fighting to protect the public interest.

I stopped at the little store over in the Dirksen Building on the way over here. In the Dirksen Building, I saw pretzels, and I looked on the back of the pretzels and I saw how much sodium and everything else was there. A bag of pretzels gives us that information. When you pick up a candy bar, you have the information. But unless there is an agreement—and I understand some negotiations are taking place, and we may have an agreement here shortly, and I hope we do—what is going to happen is we are going to continue to not give people information on prescriptions.

Some companies do it voluntarily, but a great many do not. What the FDA has worked out is that, by the year 2000, 75 percent of prescriptions will have to provide that information. Frankly, I think the FDA, instead of being undermined, as this bill would do, ought to be criticized for not moving further than 75 percent. I cannot believe we would accept that 75 percent of pretzel bags is adequate. We insist that 100 percent of pretzels or dog food or breakfast food have this information. Why shouldn't people who buy prescriptions have this information? It just boggles the mind.

When you take a look at the reactions that come, which Senator KENNEDY was talking about, to people—and I can remember one of our colleagues just yesterday in the Democratic Caucus talking about a reaction that he got to drugs that were prescribed to him. Fortunately, he had information there, and he found out by reading the information that it was a reaction to the drug. By all means, we ought to protect the American public. What the Kennedy amendment does, and what the FDA is proposing, is that 75 percent of prescriptions should be covered by the year 2000, which is 4 years from now, and that 95 percent be covered by the year 2006, which is 10 years from now. If there is something wrong with this, it is that we are not covering everybody by the year 2000, all prescriptions, and, much less, by the year 2006, 10 years from now, still having 1 out of 20 prescriptions not covered.

I have to ask the question, Mr. President: Why do we have this here? Why would a pharmaceutical company want to prevent the American public from having this information? I assume it is that they may want to make a few more dollars and not have a liability here. I don't know. But, frankly, it seems to me that it protects them from the liability to have that information provided. What we do not need is an FDA gag order. That is what this bill is without an amendment. I am hopeful, from a report I just received from a staff member, that some kind of a compromise is being worked out. I do not know. But to say that the industry can set its own standards, I do not know how many prescriptions there are out here for various medicines. Let us say there are a thousand different kinds of things that could be out there. According to this bill right now, if each year they add one more where they would give the information, then it would take 1,000 years in order to meet that industry standard. And that would comply with this bill as it now is.

Mr. President, clearly we have to protect the public. This bill without an amendment does just the opposite. It protects pharmaceutical companies and not the public. Our aim ought to be to protect the public. I want good pharmaceutical companies. I want companies that invest in research and do other things. But we cannot do that and jeopardize the public. We can both protect the public and encourage a healthy pharmaceutical industry.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. SIMON. I am pleased to yield to my colleague.

Mr. KENNEDY. My good friend serves with me on our Human Resources Committee. We had been considering an FDA reform legislation, had we not, over the period of recent weeks? And the House of Representatives Commerce Committee also had been in the process of marking up over there even as we meet here this afternoon. As a matter of fact, I understood they are going to try to work out in a bipartisan way a number of the areas in that FDA bill. And the Senator understands I believe that this whole question of the Medguide has been included in the alleged FDA reform. So it was a matter that was going to come on up here on the floor of the Senate under the FDA reform both in the House and in the Senate.

I am just wondering whether the Senator was as surprised as I was to find out that this provision was taken out of the FDA reform. It had been a matter of some considerable discussion and difference in the Human Resources Committee. We had good debate on it for some of the reasons that have been outlined here this afternoon. Then to find out that it is tacked onto an agriculture appropriations bill, I do not know whether the Senator was as surprised as I was to find that out. The Senator might remember that we used to have the understanding that there was not going to be legislation on appropriations. That was ruled out, and now we permit it evidently under the various precedents on legislation on appropriations.

I am just wondering whether the Senator was as surprised as I was to see this measure on this bill. I would think the Senator, representing the great State of Illinois which is industrial in the north and agricultural in the south, is eager to see this legislation go forward.

I do think that it is important to note that this would be a matter that was going to be considered in a timely fashion we had hoped with the FDA reform. Now it is on an agriculture appropriations bill that is some distance from both committees of jurisdiction and subject matter. And I am just wondering if the Senator is somewhat surprised to see this emerge in this form.

Mr. SIMON. The Senator from Massachusetts knows that we were all surprised—most of us were surprised—that it emerged here. We had been working, as he indicated, in a bipartisan way in our committee to try to deal with some of these problems, and they are very complex. But to say I was surprised is factual. I have to say I am also puzzled. Why does this happen to hit on an agriculture appropriations bill? To my knowledge no one on that agriculture appropriations bill has been called in any of these negotiations. Does the senior Senator from Massachusetts have any idea how it happened to come on this agriculture bill?

Mr. KENNEDY. No; I do not. And I think this is an issue that deserves a full debate and discussion. I would be hopeful that we could work out some measure that would defer at least full debate so we would be able to permit the agriculture appropriations bill to move ahead without interfering with the current status. That was certainly our hope earlier in the day because I think that is really the best way to make sure that we are going to get the agriculture appropriations. None of us are interested in seeing this delayed at all, because of the importance of it. But I must say having this legislation which is of such enormous importance I think is a matter of importance, and we want to make sure that the Senate is fully apprised of it.

So it is my hope that we can still work something out. We have been in contact with a number of Senators who are interested in it, and we will have a chance to see if we cannot resolve this so that we can get back to considering some of the agriculture amendments.

Mr. SIMON. Mr. President, I simply want to again commend my colleague from Massachusetts for his leadership in this whole area, not just on this amendment but he has made a huge contribution in protecting the American public as we look at the FDA.

Mr. President, if no one else seeks the floor, I question the presence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask to proceed as if in morning business for a period of approximately 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. I appreciate the courtesy of the managers of the bill in allowing me to proceed in morning business.

RETIREMENT SECURITY

Mr. GREGG. Mr. President, I rise to talk a little bit about an issue that is absolutely critical, obviously, to the future of America. It is on the minds of many. And that is the issue of retirement of Americans and how we are going to pay for it.

This has become increasingly an issue that is receiving some visibility in a substantive way verses in a political and demagogic way as a number of proposals have been discussed over the last few months regarding the issue of how we are going to pay for retirement for our senior citizens who are presently receiving funds from the Social Security fund or from private pensions and also for those who are headed toward some sort of retirement benefit.

The reason that the visibility of the issue has increased is probably because the largest generation in America, in American history, I guess—the postwar baby boom generation—is starting to see the whites of the eyes of retirement coming over the hill and it is necessary for the postwar baby boom generation to focus on how its retirement years are going to be paid for. It is a very big issue, and it is one that needs to be addressed.

This Republican Congress has actually passed a series of major proposals in the area of retirement security. Most of these major proposals were included in last year's Balanced Budget Act, and they were aimed at making pensions more available and at making personal savings more attractive and at improving the Medicare system.

The President, regrettably, vetoed that proposal, which would have gone a long way toward assuring solvency specifically of the Medicare system. Perhaps as a result of that veto, the White House has become concerned about their culpability in not addressing the important issue of how we protect the retirement systems of this country, especially Medicare, which, we have heard from the trustees, is going to go bankrupt in the year 2001, potentially 2000.

And so, as a result of that, the President has now put forward a proposal. Of course, he puts forward a proposal on something almost every day, recognizing that most of it is not going to become law or enacted. Although it is really political in nature, it is still at least of some value in that he has put forward a proposal called the Retirement Security and Savings Act. The congressional leadership on the Democratic side of the aisle has also decided to put forward some proposals in this area called pension security bills—well, they were pension security bills. In May of this year, they put them forward and they were part of their families first agenda.

My concern is that many of these ideas which are being initiated on the other side of the aisle not only miss the mark, but they actually aggravate the problem because, for the most part, most of these ideas come out of the position of big government resolves problems and it is to the big-government approach that we should turn in order to address the problems. They are ideas born in the 1930's, which should have died with the passage of the Berlin Wall but, unfortunately, continue to engender themselves on the other side of the aisle.

However, at the same time that those ideas have been put forward, during the past year myself and Senator SIMPSON have been holding a series of coordinated hearings on the Nation's retirement policy, both in the Finance Committee and in the Labor Committee, where we chair the various subcommittees that are charged with this responsibility, I being responsible for the Committee on Aging, and he is responsible for Social Security.

So we have examined the current status of the Nation's public and private retirement system and the nature and magnitude of the challenge that system confronts as the baby boom generation moves towards retirement.

We have learned some important facts that provide a message of perspective on the current retirement security debate. These facts tell us that the scope of the problem we confront is enormous and, if anything, the American public is underestimating the problem and is underanxious about the problem.

Fact No. 1 is that the Social Security system presents a major problem in its present structure. Within 35 years, our country as a whole will have more senior citizens than Florida does today. Think about that. In 35 years, the average age of the American population generally will exceed today's average age of Florida's population. This wave of senior citizens will have a life expectancy 8 years longer than current seniors, which is good, obviously, but it also creates issues.

Social Security is terribly unprepared to cope with this change in demographics. The program operates on a pay-as-you-go basis, which works all right today when about 4.5 workers support each retiree, but by the year 2030 the ratio will have fallen to 2 workers supporting each retiree, and the program will simply collapse. Absent reform, nearly $8 trillion of unfunded liability exists today—$8 trillion. That is more than the national debt. That is what the unfunded liability is. Tomorrow's workers and the economy will never be able to withstand the taxes necessary to sustain an unreformed program once the baby boom generation begins to draw its retirement.

Fact No. 2: Our private pension regime presents a major problem. Keeping in mind Social Security's future, it should be considered a national crisis that just half of today's full-time workers participate in employer-sponsored pension plans or that 45 million

Americans have no access to a private pension plan or that over the past decade corporate contributions to pension plans have declined by 50 percent.

These sad facts are driven by the even sadder state of the pension access in smaller businesses and for lower income workers.

We passed a law just a few weeks ago which will correct some of this problem, but it does not solve all the problem, and it has not been signed by the President so we do not know that it will be agreed to. Today only 15 percent of the firms with less than 25 workers offer pensions to their employees. Whereas almost 80 percent of today's work force earning over $50,000 have pension plans, only 44 percent of the workers earning between $10,000 and $25,000 have pensions, and only 9 percent of those earning less than $10,000 have a pension. While many likely theories underlie our Federal pension system regime, the fact remains that the marketplace's reaction to it is failing our workers. Proposals that we did pass just in the last few weeks will help alleviate this to some degree, but it will not correct the fundamental problem.

Fact No. 3, personal savings presents a major problem. The typical working American retires with less than $10,000 of personal savings. Baby boomers now earning $75,000 a year, those doing well under the current pension statistics and expected to receive a typical employer-provided pension, would have to triple their current savings rate to maintain their current standard of living upon retirement. It is just logic that tells you this. The fact is, people today work for about 30 years. But because life expectancy has been extended, they also retire for about 30 years. So you cannot save just a few dollars while you are working and expect to have enough to cover you during your retirement when your retirement years are actually almost equaling your working years.

The majority of Americans are very unprepared in the area of pensions. Americans do not save anywhere near the rate required to sustain themselves. The reasons for this likely vary—the triumph of consumerism over thrift, the increase in family tax burdens, the welfare state's culture of dependency, the burdens of repaying student or other loans which now exist at levels unheard of for prior generations—but the effects are all too real. We simply are not saving enough as a culture.

These three basic facts concerning the three legs of the retirement stool—Social Security, private pensions, and savings—when viewed in combination, present a startling and disheartening picture. They also lead to some important lessons for judging the adequacy of any retirement security proposals the Congress may address over the next year.

Lesson No. 1: We can no longer ignore the Social Security problems. We have a lot of faith in the common sense of the American people, at least we do in New Hampshire, and believe that the true root of their retirement anxiety is the fear that Social Security will not be there for them. They are right to be scared. Continuing to ignore Social Security reform because the program is now running a surplus is inexcusable. Retirement policy is long-term policy. We must allow the public adequate time to adjust their pension and savings activities to any Social Security changes we may enact. Every additional year of delay makes any change not only more Draconian but also less fair and less likely to succeed.

Further, any reforms to Social Security should complement and reinforce the changes that must also be made to address today's savings and pension inadequacies. Those who champion ''retirement security'' but steadfastly ignore the Social Security problems not only mislead the American public but also now present a real danger to the retirement security of today's workers.

Lesson No. 2: We must act to buttress the private pension and personal savings activity of Americans. While the need for Social Security reform has gained some national attention and numerous reform proposals have been made, Social Security is just one portion of our national retirement policy. We must also reform the other components with similar zeal and creativity. Just as the debate on Medicare was taken to a new level last year, with a general consensus developing that more individual choices should be offered, and just as the debate on Social Security is moving toward a new level with the discussion gravitating toward personalized savings options, the debate on employer-provided pension reform must move to another level as well.

Our current pension structure does nothing for roughly half of our working population and neglects mainly the poorer workers at that. We do not need further tinkering, but we need new ways of thinking. We must also move with similar urgency and innovation to address the significant inadequacies in personal savings. While new tax incentives for savings seem to be the standard for the solution, increasing education on the need to save and changing the cultural attitude toward thrift may be even more effective and at a lower price in some regards.

Lesson No. 3: We do not have time for political silliness. Our most basic lesson is that we must consider and deal with the totality of the problem. Any retirement reform proposal must be looked at through a comprehensive, long-term lens. The fundamental test for each private pension or personal savings proposal must be: Will it really expand pension coverage or savings? And a key test for Social Security reforms must be: Will they complement, not undermine, our pension and savings goals?

Based on the facts I have just discussed, we do not have time to pass feel-good proposals that will end up making a bad situation even worse. We believe that many of the Democratic proposals would fail this test. While in theory they may work to give workers more pension security, in practice we know increased mandates, administrative expenses, and regulation causes businesses—and particularly small businesses—to opt out of pension activities. We have seen that in the defined benefit area especially.

Some Republican proposals should be reexamined as well. If tax incentives like IRA's only cause shifting of savings and not new savings, a tax cut that offers working folks new money to save may be a better approach.

It is important to keep in mind that the problems we confront result from an excess of good news. Americans are living ever longer, the Nation is prosperous, and we have come to expect a relatively comfortable retirement lifestyle. Our senior population is, as a whole, a generation that is in better financial shape than the other generations within the country.

These expectations, however, are running head-on into unavoidable demographic facts. Thus, we believe the Nation's retirement structure, a public program designed in the 1930's and which has become a Rube Goldberg hodge-podge of tax and regulatory provisions built up over time, must be overhauled and restructured in light of the population pressures the Nation confronts. Continuing a process of incremental changes will continue failure. Outdated structures offer little hope for achieving what must be achieved.

During the next few weeks, it is my intention to offer specific options which will lead to a comprehensive response to the problems which we have in the Social Security accounts, the pension accounts, and the savings area. I do not expect these proposals to be the end of the discussion but rather to be an effort to energize and promote the discussion. What is critical, however, is that we dedicate ourselves to the fact that we have to take action and we have to take it within the context of the next Congress. During this election year, when many politicians are putting their heads in the sand on this issue, we cannot afford that type of action.

As we go into this election cycle, there should be a significant national debate and discussion of just what we are going to do in the area of retirement security.

Mr. President, I yield the remainder of my time and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. I thank the Chair.

(The remarks of Mrs. FEINSTEIN and Mrs. HUTCHISON pertaining to the introduction of S. 1985 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. BRADLEY and Mr. WELLSTONE pertaining to the submission of Senate Resolution 282 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

Mr. BRADLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. EXON. Mr. President, I wonder if the Senator from Nebraska might inquire from the managers of the bill as to the status of the Ag appropriations bill.

I had the false impression earlier that there were not many matters to be resolved. I would simply observe the obvious, that not a great deal has taken place since noon when we had some votes. I would just like to know, for the schedule of the Senator from Nebraska, if the managers could advise as to the status of negotiations going on, whatever they are. What are the remaining matters of controversy on the Ag appropriations bill, which I thought had been so ably managed out of the committee by the managers of the bill, that we probably were down to not a great many contentious issues.

We have not had a vote since noon, and since I have been around here a long time, I know I get the signal when you do not vote from noon until 5 o'clock in the afternoon, that means we might not vote by 8 or 9 o'clock tonight. I know that my friend from Mississippi has been struggling with this bill. The Senator from Nebraska has had some interest in some side issues that have basically been resolved. I inquire of the managers of the bill if they could enlighten this Senator as to what likely might happen the rest of the waking hours today or in the evening.

Mr. COCHRAN. Mr. President, if the Senator will yield, my impression is that we are making progress in negotiating some proposed amendments with various Senators. There is a likelihood that we can resolve most of these issues without rollcall votes. There probably will be a vote on final passage, a rollcall vote on final passage. Senators can be assured of that. Depending upon how the negotiations go over the next several minutes, we should know soon about how many votes are likely to be required before we finally dispose of the bill.

I think we have made good progress and I am encouraged we will be able to complete this bill today sometime. I hope we do not have to go into the evening tonight. I see no justification for that. We cannot control that. If some Senator wants to talk about an amendment, he or she can start talking and, unless we have 60 votes to cut off debate, we cannot stop them. But I do not see that as happening. I think things are progressing in a way that will lead us to conclude this bill sometime this afternoon.

Mr. EXON. I certainly appreciate that optimistic report from my friend. That would mean the Senator from Mississippi holds out the hope we maybe would have final passage by 6 o'clock? Is that a fair assumption on the part of the Senator from Nebraska?

Mr. COCHRAN. Mr. President, if the Senator will yield further, I do not predict any particular time. I am hopeful we will be able to complete action sometime this afternoon, certainly before evening.

Mr. BUMPERS. Senator, I suggest if you have plans after 6 o'clock, cancel them. We have been here since 12 clock without one single amendment being offered, without anything happening. As the Senator from Mississippi said, a lot of negotiations are going on. I assume some progress is being made. But we have about four pretty contentious amendments and I do not know whether they are resolvable or not. If they are not, obviously each one of them is going to require a rollcall.

We have a number of other amendments that we could offer right now that have been cleared but, as I say, we have four or five that are pretty contentious. I do not know whether any progress is being made. But, if it is not, we are obviously going to be here for a while.

Mr. EXON. I thank both of my friends. I find myself in a similar position they are from time to time. It is very frustrating to manage bills on the floor of the Senate: Nobody offers any amendments; nothing is accomplished.

I wondered about this earlier, since we have not voted since noon. As far as I know, no amendments have been offered since noon. I would simply say, we get into these ruts from time to time. I am certainly not blaming either of the managers of the bill. They are the ones who have been here. It is most frustrating on their part. I was simply making inquiry to maybe jar things along, to help the managers of the bill. I know they are trying to break the deadlock.

I hope it takes place, and I appreciate their frankness with regard to what I think is a rather dark prospect for early resolution of these matters this afternoon. I hope we can dispose of them sometime during the daylight hours.

I thank the managers of the bill.

Mr. FEINGOLD. Mr. President, yesterday, the Senate approved by unanimous consent an amendment to reauthorize USDA's authority to allow seasonal base plans under Federal milk marketing orders. Producers in Wisconsin have no quarrels with seasonal base plans but they want assurances that they will not exacerbate what they believe to be an already discriminatory pricing structure within Federal orders. Farmers in Wisconsin seek assurances that seasonal base plans for milk marketing orders are neither intended to nor will have the effect of increasing milk prices or production on an average annual basis. Mr. President, I ask the managers of H.R. 3603, Is it their understanding that seasonal base plans under milk marketing orders will increase neither overall prices levels nor milk production in orders in which they are implemented?

Mr. BUMPERS. Mr. President, the Senator from Wisconsin is correct. The seasonal base plans reauthorized by this bill are merely intended to level production and prices over the year to stabilize the market and are not intended to provide any price enhancement or production incentives, measured on a yearly basis, to dairy farmers in those orders. The Secretary of Agriculture should administer any seasonal base plans consistent with that understanding.

Mr. COCHRAN. Mr. President, that is my understanding as well. Seasonal base plans are merely a stabilization tool, not a price enhancement mechanism, and should be administered as such.

Mr. FEINGOLD. I thank my colleagues.

NORTHERN PLAINS POLICY RESEARCH CENTER

Mr. CONRAD. Mr. President, I would like to discuss a matter of some importance to the Northern Great Plains and my State of North Dakota with the chairman and ranking member of the Appropriations Subcommittee. I note their presence on the floor, and ask if they would be willing to engage in a colloquy at this time.

Mr. DORGAN. I too would appreciate the ability to discuss the bill before us with the distinguished Senators from Mississippi and Arkansas.

Mr. COCHRAN. I would be pleased to discuss this bill with the Senators from North Dakota.

Mr. CONRAD. First, let me thank the chairman and ranking member for putting together this important piece of legislation. They have an extremely difficult task balancing many important programs funded in this bill in the context of a very difficult funding situation. I know the committee receives many requests each year for worthwhile projects, and of course budget restraints make it impossible to fund all those projects.

One of the projects I believe the Senators considered this year was the development of a Northern Plains policy research center. As the Senators know, research models currently available provide important information to farmers and others in rural America regarding issues that affect rural economies. Unfortunately, the data collected through current research models, as valuable as it is, does not capture the special characteristics of Northern Great Plains agriculture.

Mr. DORGAN. I share the sentiments expressed by my colleague, and also would like to commend the Senators for the work they have done with this legislation. I would like to offer a few additional thoughts on the proposed Northern Plains policy research center. This center would conduct a wide range of policy-related research and outreach activities focused on policy changes for agricultural producers, agribusiness firms, and the rural economies of the Northern Plains States. The center would identify and evaluate alternative policies for Northern Plains commodities and value-added products; evaluate the impact of policies on international competitiveness, on rural business development, and on farm structure and sustainability; and examine the impact of cross-border policy inconsistencies in North America and strategies to improve export opportunities.

As the Senators know, these are not easy times for rural America. The center would play a critical role in the economic vitality of Northern Plains States. Would the chairman and ranking member be willing to indicate their thoughts on the establishment of a Northern Plains policy research center?

Mr. COCHRAN. The Senator from North Dakota is correct when they say this was one of the many issues considered by the committee this year. I agree that the data provided by the proposed center would be valuable to Northern Plains States. Unfortunately, the committee's funding allocation did not allow us to provide funding.

Mr. BUMPERS. I agree with the chairman's assessment.

Mr. CONRAD. Would the chairman and ranking member be willing to indicate whether they would support the USDA using funds provided in this bill for markets, trade, and policy research under the Competitive Grants Program to develop such a center?

Mr. BUMPERS. Let me say to the Senator that I would encourage USDA to assist in establishing a Northern Plains policy research center using funds provided in this bill, as the Senator indicated.

Mr. COCHRAN. I share the view expressed by my colleague from Arkansas. I would just add that the committee expects the Department to consider only those applications judged meritorious when subjected to the established review process.

Mr. CONRAD. I thank the Senators for their support and for their comments.

Mr. DORGAN. I also want to express my deep thanks to Senator COCHRAN and Senator BUMPERS.

RURAL TELEMEDICINE AND DISTANCE LEARNING SERVICES GRANT AND LOAN PROGRAM

Mr. CONRAD. Mr. President, would the Senators be willing to engage in a colloquy regarding the Rural Telemedicine and Distance Learning Services Grant Program at this time?

Mr. COCHRAN. I would be happy to engage in a colloquy with the Senator from North Dakota.

Mr. CONRAD. I appreciate the subcommittee's support for the Rural Telemedicine and Distance Learning Services Grant Program, and am pleased to see that the subcommittee has provided $10 million for this important program. In 1993, the University of North Dakota School of Medicine and Health Sciences made a major commitment to the education and training of rural and frontier health care providers. To support this commitment, the school invested considerably in distance education technology in the form of satellite transmission equipment, upgraded telecommunications equipment, and advanced computer networks to develop the North Dakota Health Education Network. This network is an important component of the overall health education communication program that serves the State of North Dakota. However, the system would better serve educators, students, and the citizens of North Dakota if it had access to additional computer technology, two-way video technology, additional satellite downlink sites, and funds for additional medical and medical education programs.

I wish to make the subcommittee aware that the University of North Dakota School of Medicine and Health Sciences may submit an application for a rural telemedicine and distance learning grant to accomplish the additional activates I just described. Do the distinguished chairman and ranking member of the subcommittee agree that this grant application, if submitted, would be appropriate for consideration under the Rural Telemedicine and Distance Learning Services Grant Program?

Mr. COCHRAN. I agree that it would be appropriate for USDA to consider this application, if submitted, and I encourage the Department to give full consideration to an application for a rural telemedicine and distance learning grant from the University of North Dakota. Additionally, I expect the Department to consider only applications judged meritorious when subjected to the established review process.

Mr. BUMPERS. I share the chairman's view.

Mr. CONRAD. I thank the Senators for their support.

GRANTS TO BROADCASTING SYSTEMS

Mr. HATFIELD. Mr. President, the fiscal year 1997 Agriculture appropriations report references a Grants to Broadcasting Systems Program that I would like to discuss with the chairman of the Agriculture Committee, Mr. LUGAR, and with the Senator from North Dakota, Mr. CONRAD, who was the original sponsor of the program when it was authorized in the 1989 Rural Development Partnership Act.

It is my understanding that the program statutorily restricts eligibility for the program to statewide, private, nonprofit public television systems whose coverage is predominantly rural. In order to further clarify the statute, a new provision was added at my request to the 1996 Federal Agriculture Improvement and Reform Act of 1996 [FAIR] Act that defined statewide as having a coverage area of not less than 90 percent of the population of a State and not less than 80 percent of the rural land area of the State. Is my understanding of the statute correct?

Mr. LUGAR. Yes, the Senator from Oregon is correct. The new provision became effective upon enactment of the FAIR Act on April 14, 1996.

Mr. HATFIELD. Am I correct, then, in assuming that an applicant that meets the statutory eligibility criteria of the program as it was amended by the act would be considered eligible for the program upon the date of the act's enactment?

Mr. LUGAR. Yes, the chairman of the Appropriations Committee is correct. In addition, given the clear statutory eligibility requirements of this particular program, I can see no reason why eligibility could not be determined in the application process.

Mr. CONRAD. As the original sponsor of the provision that authorized the program in the Rural Development Partnership Act of 1989, I commend the Senator from Oregon in his efforts to not only further define the statute, but also to clarify the effective date of eligibility for applicants for fiscal year 1996 funding. It is my understanding that the definitional clarification offered by the Senator to the 1996 farm bill will not significantly increase the number of eligible applicants for the program. In that regard, I am providing for the RECORD a letter from America's Public Television Stations [APTS] which provides a list of those public television systems that, given the amended statutory criteria, would be eligible for the program. I ask unanimous consent the letter be printed in the RECORD.

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

AMERICA'S PUBLIC
TELEVISION STATIONS,
Washington, DC, July 22, 1996.

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

DEAR SENATOR CONRAD: I am writing in response to your request for assistance in identifying public television stations that may be eligible for the ''Grants to Broadcasting Systems'' program administered by the United States Department of Agriculture.

As I understand, to be eligible for the program a public television licensee must be a private, non-profit entity that provides statewide coverage that is predominantly rural. Based on a copy of the states considered ''rural'' by the Secretary of Agriculture and the statutory definition of statewide coverage as outlined in your letter, the following public television licensees would meet the statutory eligibility criteria:

Maine Public Broadcasting Corporation,
Prairie Public Broadcasting, Inc., North Dakota,
Oregon Public Broadcasting, and
Vermont ETV, Inc.

Please let me know if I can provide you with any further assistance.

Sincerely,

DAVID J. BRUGGER,
President.

Mr. CONRAD. My colleagues are aware that I serve on both the Senate Budget and Agriculture Committees, and that I have long been concerned about efficiency in Government. One effective method of reducing Government administrative expenses is writing regulations only when interpretive guidelines are necessary. In the case of the Grants to Broadcasting Systems Program, the statute, as amended, clearly speaks for itself, and the amendment offered by the Senator from Oregon clarifying the definition of statewide does not change the program substantively. Finally, I would like to associate myself with the statement by the chairman of the Agriculture Committee that there should be no reason why eligibility for this program could not be determined in the application process.

Mr. HATFIELD. I appreciate the comments of my colleagues from North Dakota and Indiana, and assume that the USDA will be attentive to the discussion that we have had with regard to this program.

AMENDMENT NO. 4997

Mr. SARBANES. Mr. President, I am pleased that the managers of the bill have agreed to accept the amendment which I offered on behalf of myself and Senator MIKULSKI to continue three important research programs at Beltsville Agricultural Research Center. My amendment restores $458,700 to the Regulation of Chilling Injury By Polyamines and Membranes in Apple, Tomato, Squash, and Pepper Program; $240,000 to the production and evaluation of tissue cultured fruit crops; and nondestructive sonic sensing of firmness and/or condition of apples and other agricultural commodities. These programs are critical to growers, to maintaining a nutritious and safe food supply for our consumers, to Beltsville's mission and to the Department's overall research objectives. I want to thank the distinguished chairman and ranking member for their support and help with this amendment.

Mr. BAUCUS. Mr. President, I rise today to express my support for the Agricultural appropriations bill before the Senate. I commend the chairman and the ranking member of the subcommittee for their hard work on this bill and I thank them for their efforts.

The bill before us includes a number of very important items. While the legislation is replete with programs which are of great benefit for the Nation as a whole, there are a number of provisions which are especially critical to Montana. And I'd like to address those issues right now.

Mr. President, I am pleased that the bill contains adequate funding for the animal damage control activities conducted by the U.S. Department of Agriculture. For livestock producers this is a vital program. And in Montana and the other Western States which are home to the reintroduction of wolves this program is essential—to both the producers in the affected region and to the wolves.

In the area of research I am pleased that the Senate mark has funded the Agricultural Research Service at a level above the level of appropriations for 1996. I feel that is appropriate. The Federal Agriculture Improvement and Reform Act of 1996 laid the foundation for a transition to dramatically decreased Federal involvement in agriculture production. That transition will result in a greater need to be competitive in agricultural production. Research holds the key to enhancing that competitiveness.

The research conducted and supported by USDA will help ensure that American agriculture continues the success that has characterized this industry over the past century. One facility which will play a role in this research effort is the Center of Excellence which is being established in Sidney, MT. I am pleased that the report language encourages the direction of adequate resources to this center.

This bill also provides for the continued funding of a number of research efforts which are underway in Big Sky country. These efforts which are largely cooperative efforts engaged in with other institutions will yield the technological advances which will carry Great Plains agriculture into the 21st century.

But Mr. President, it is important to note that there is one item which is not completely provided for in this bill. While I recognize the chairman's desire to avoid revisiting the farm bill, there is considerable need for a technical corrections package, but that package has not been forthcoming. And I am uncomfortable waiting until next year to repair some of these problems.

In one instance—regarding the payment rate for barley producers—there is an inequity which has not been totally resolved. While the initial payment rate projections for all commodities have been reduced from their initial projected levels, through no fault of their own, barley producers were dealt an exceptionally hard blow. Their payment levels which were lower than most commodities to begin with were dramatically impacted by calculations predicting the economic effect by 0/85 program acreage enrollment.

While this program had an effect on all commodities, due to high enrollment of barley acres it had a far greater negative impact on the barley payment rates than on other commodity rates.

So the barley producers have come to their Senators—those of us from barley producing regions of this Nation—and asked for our assistance. I want to give them the fair treatment they deserve.

I would thank the chairman and the ranking member for their assistance in reaching agreement on an amendment to repair this. But I would ask that this issue—this question of fairness for all commodities—be considered for further refinement in the conference. I think we can find a better solution to this issue and I look forward to working with the conferees on that effort.

Mr. President, I would conclude my remarks by urging my colleagues to support this bill—with the change I have mentioned. And I thank the managers for their work on this matter.

Mr. President, I yield the floor.

Mrs. BOXER. Mr. President, this is a very important bill for my State of California as we are the number one ranking agricultural State in the U.S.

While there are many issues addressed in this bill that are important for my State, I would like to highlight three California specific issues:

METHYL BROMIDE ALTERNATIVES RESEARCH

I am pleased that the Senate agreed to my request of an additional $1 million for methyl bromide alternatives research.

Methyl bromide is critically important to California agriculture for control of pre-plant and post-harvest pests, and is to date, the only cost-effective material for controlling a variety of soil-borne pathogens and weeds that can seriously impact crop yields. These uses are particularly significant for commodities such as strawberries, almonds, walnuts, raisins, and numerous other field and row crops.

Methyl bromide was listed as a Class I ozone depleting sub- stance in December 1993, and according to Section 602 of the Clean Air Act, it must be withdrawn from production, importation and distribution in the U.S. by the year 2001.

My ''Sense of the Senate'' on methyl bromide included in the farm bill sent a clear message to the U.S. Department of Agriculture that research into alternatives to methyl bromide must be a top priority.

The additional $1 million will bring the total up to $14.889 in 1997.

AVOCADOS

I support the concurrence of the Senate Committee on Appropriations with

the House report language regarding the regulation of importation of Mexican avocados.

Last year the U.S. Department of Agriculture's Animal and Plant Health Inspection Service issued a proposed rule governing the importation of Mexican Hass avocados into the United States. The proposed rule would allow Hass avocados to be imported into the Northeastern United States during the winter months of November through February.

California avocado growers have expressed their continued concerns that the USDA proposed rule inadequately protects their industry from harmful pests or disease that imported avocados may carry.

Importation of Mexican avocados has been prohibited for over 80 years because of the presence of at least nine known quarantined pests of economic significance. If pest-infested avocados are allowed into the United States, not only avocados but other crops such as citrus, apples, peaches and pears will be placed at risk.

In light of new scientific data which indicates that the incidence of avocado pests in Mexico is significantly higher than previously thought, it is very important that the Department of Agriculture determine whether the original data it relied on is sound and complete. If the Secretary cannot make this determination, I urge the Department to reopen the rulemaking record on the proposed rule, and undertake the procedures stated in the House report language before issuing a final rule.

FRESH-FROZEN CHICKEN LABELLING COMPROMISE

National poultry producers have in the past always put fresh labels on frozen chickens. They freeze their chicken rock solid, label it fresh, transport it across the U.S., thaw it out locally, and sell it to consumers as if it had never been frozen.

As the author of the Truth in Poultry Labeling Act, I have for years worked to disallow the use of the fresh label where a poultry product has been previously frozen.

Last year, after many years of public debate, we achieved a hard-fought victory for consumers when the U.S. Department of Agriculture promulgated a common sense rule on labeling fresh and frozen poultry. The rule which had been scheduled to take effect this August sets out three labeling categories: fresh poultry products which have never been chilled below poultry's freezing point—26 degrees Fahrenheit—would be labelled ''fresh''; 2) poultry products which have been chilled below 26 degrees but above 0 degrees would be labelled ''hard chilled'' or ''previously hard chilled''; and 3) poultry products which have been at 0 degrees or below would be labelled ''frozen'' or ''previously frozen.''

I believe that the implementation of the USDA-promulgated rule would eliminate consumer confusion, save consumers millions of dollars in premiums paid for frozen poultry they believe is fresh, and further restore consumer trust in the integrity of food labels.

However, language was included in the 1996 Agriculture Appropriations bill, that blocked implementation of the rule. My attempt to remove the language in order to allow USDA implementation of the rule was voted down by a vote of 31 to 68.

Since then, industry and consumer groups have reached a compromise which, while not perfect, is a significant step forward.

The compromise included in this bill is based on the requirement that the Department of Agriculture issue a revised final regulation based on a compromise that is supported by industry and many consumer groups.

The key positive development is the agreement that only poultry which has not been cooled below 26 degrees Fahrenheit can be labelled ''fresh.'' While this is a very significant step forward, I remain concerned about the clear labelling of products that are cooled to temperatures below 26 degrees but above 0 degrees Fahrenheit. The compromise would not require these products to bear any specific alternative labelling.

Mr. MCCONNELL. Mr. President, I want to commend subcommittee Chairman COCHRAN for his work on the Agriculture Appropriations bill for fiscal year 1997. This bill provides funding for all the activities under the jurisdiction of the Department of Agriculture, except for the U.S. Forest Service. It also funds the activities of the Food and Drug Administration, the Commodity Futures Trading Commission, and the Farm Credit System.

This has been one of the most difficult years to date and I congratulate Senator COCHRAN for his leadership in working through the difficult decisions in crafting this bill. In particular, Chairman COCHRAN and his staff are to be commended for the clarity that this bill provides for the budget of the Food and Drug Administration. That accomplishment required countless hours of hard work, but is just the sort of good government effort we have come to expect from the subcommittee chairman and the staff working under his direction.

FDA's core mission is to protect the health of the American people. A critical part of FDA's core mission is to provide Americans with timely access to drugs, medical devices, and food technologies that can improve public health. The Federal Food, Drug, and Cosmetic Act requires FDA to review and approve or deny petitions and applications for foods, drugs, and medical devices within specified timeframes. Yet, FDA routinely ignores its statutory deadlines. According to the agency's own numbers, FDA, on average, fails to review applications and petitions for every FDA-regulated product category within the prescribed timeframes. FDA's failure to comply with its statutory deadlines hurts patients and consumers waiting for market introduction of new therapies and technologies that can significantly improve public health. The report accompanying this bill, like similar directives from the House, makes clear the congressional expectation that FDA protect public health by performing product reviews within the timeframes prescribed by law.

This bill also directs FDA to complete several rulemakings that have been pending at the agency for as many as 6 years. Although I, like my colleagues, oppose overregulation, I do appreciate the need for regulations required to protect public health. Currently pending at FDA are several rulemakings that have fallen victim to unreasonable agency delay. FDA has identified each of these rulemakings as agency priorities. Yet, the agency's record of follow-through on these rulemakings is terribly lax. I commend subcommittee Chairman COCHRAN for including language in this bill that directs the agency to complete rulemakings necessary for the protection of public health without unreasonable delay.

During fiscal year 1997, this Senator will be closely watching FDA's performance. It is my hope that the agency will heed congressional directives to comply with statutory review times, as well as complete action on several rulemakings that the agency has identified as important for the protection of public health. Regrettably, over the last few years FDA does not have an impressive record of responsiveness to Congress. If FDA's failure in these areas continues, it is my expectation that the committee will revisit the issue with the intention of compelling FDA compliance with its statutory obligations.

Timely access to new therapies and technologies can significantly enhance public health. FDA must meet the requirements of the Food, Drug, and Cosmetic Act in its review of petitions and applications.

I am grateful that language concerning the regulation of commercial transportation of equine to slaughter is included. The committee urges the Department to expeditiously act to implement this regulation. Often these horses are transported for long periods, in overcrowded conditions, and often in vehicles that have inadequate head room. The implementation of regulations would allow horses to get to a slaughter facility safely and as quickly as possible with the least amount of stress to the animal.

Again, Mr. President, I congratulate Chairman COCHRAN on his leadership in developing a well balanced bill that addresses food safety, research, nutrition, conservation, market promotion, and development, and rural development.

Mr. BYRD. Mr. President, we have before the Senate the fiscal year 1997 appropriations bill for Agriculture, Rural Development, the Food and Drug

Administration, and Related Agencies. This bill, as reported by the Senate Committee on Appropriations provides $54,276,792,000 in total obligational authority for the coming fiscal year. This amount is $1,224,755,000 more than provided in the House bill, but it is nevertheless $4,040,522,000 below the President's request and nearly $10 billion below the amount provided for fiscal year 1996.

This bill provides funding necessary to support a wide variety of programs that are very important to all Americans. These programs include food and nutrition programs, environmental protection and conservation, rural development, export promotion, assurance that we have a safe food and drug supply, and research and education programs necessary for the production of agricultural products and equally important to consumers of those products. In fact this bill provides funding for all programs at the U.S. Department of Agriculture, except the Forest Service, and also includes funding for the Food and Drug Administration and the Commodity Futures Trading Commission.

While West Virginia may not reach the levels of traditional farm commodity production of some states in the Midwest or other regions of the country, this bill is very important to my state. West Virginia is on the cutting edge of new methodologies in aquacultural production for species that thrive in cool and cold water environments. There is a growing demand for these products and it is vitally important that we develop the tools and methods to increase production to meet this demand. This bill helps us to achieve that goal.

Conservation is important to all Americans. Without proper conservation practices, erosion would sweep our prime farmland into rivers and streams. Water quality would suffer, aquatic species would fail, and community costs for clean water would escalate. Proper conservation practices also mean better management of water resources in order to reduce the threat of floods. Recent events in West Virginia, and other states, remind us of the need to invest in flood protection and this bill helps forge the relationships necessary between federal agencies and local communities to best meet their water and soil management needs.

The Department of Agriculture provides a variety of programs important to rural communities. The Rural Development title of this bill contains a number of loan and grant programs to provide housing assistance, rural business and community development, basic utilities such as water and sewer services, and distance learning programs for improved rural communication.

Last year, the U.S. Department of Agriculture completed Water 2000, a study of safe drinking water needs in the United States. I hope everyone will take note of the results. Nearly 3 million families, representing 8 million people, do not have access to safe drinking water. Let me repeat that. Eight million citizens of the United States of America do not have access to a reliable source of clean drinking water. Every day, every night, millions of Americans can not turn on their faucets and drink safe water.

Regreattably, in my own state of West Virginia, the study reports that it would take $162.3 million to clean up and provide potable water to approximately 79,000 West Virginians. It would take another $405.7 million to meet the worsening drinking water supply situation of some 476,000 West Virginians. Many other states are facing similarly serious situations.

This bill provides nearly $659 million in budget authority for water and sewer programs. I am happy to note that this is a great improvement from last year's bill and is nearly the amount of the President's request. But our House counterparts recently approved their version of the FY 1997 Agriculture appropriations bill in which they provided only $496,868,000 for water and sewer programs. I urge my colleagues to stand firm on the Senate level of funding for these critically important programs. The bill also contains provisions to allow the transfer of funds from other programs to the water and sewer accounts, which represents the broad-based recognition that these services are very basic to all our people and deserve our attention.

I would also like the speak about a provision in the recently passed farm bill that involves rural development opportunities, the so-called Fund for Rural America. The Fund for Rural America, which is referenced in the report accompanying this bill, provides the Secretary of Agriculture $100 million directly out of the Commodity Credit Corporation to use, at his discretion, in a manner designed to assist rural Americans. Among the types of programs the Secretary can use through this Fund are rural housing, water and sewer loans and grants, rural business loans and grants, and a variety of research program initiatives.

Mr. President, this Fund presents the Secretary of Agriculture with rare opportunity. Over the past several decades, a number of Federal programs have been developed to assist rural America in a variety of ways. Unfortunately, budgetary constraints have limited the Secretary's ability to focus these programs on specific areas so that they can be utilized to their full potential. An unfortunate reality of our current fiscal condition is that scarce resources tend to be spread thin.

The Fund for Rural America gives the Secretary of Agriculture the opportunity to showcase what can be done for rural America, given adequate resources. There are rural areas throughout the Nation that are in desperate need of the types of assistance the Department of Agriculture can provide. There are such areas in West Virginia, there are such areas in the Western United States, there are such areas along the Lower Mississippi River Delta of which both the chairman and ranking member managing this bill are very familiar.

While I recognize the importance of providing the Secretary full discretion in how the Fund for Rural America is to be managed, I hope, and I believe, he shares my view that this Fund provides the type of opportunity I have just described. I am confident the programs administered by the Secretary can make a great difference in the lives of West Virginians, as well as in the lives of other rural citizens in all regions of the country. I hope the Fund for Rural America will give us the chance to see exactly what kind of difference it can be.

Mr. President, there are many other programs in this bill that are important. Obviously, food and nutrition are important to us all. Food safety and confidence in our drug and blood supply are also vitally important to every American. Agricultural trade continues to be a very bright star in our Nation's balance of trade. Protection of investors in the commodity futures markets is becoming increasingly challenging as the market place continues to develop new and innovative forms of transactions. All these areas of importance are touched on by programs funded in this bill.

I am pleased to express my support for this bill and I want to congratulate the very capable chairman and the equally capable ranking member of the Agriculture and Rural Development Subcommittee, Senators COCHRAN and BUMPERS, for crafting this bill and bringing it to the floor. As is too often the case, I wish we were able to do more to increase funding for these important programs beyond the levels contained in this bill. However, given all the budget constraints with which we are faced, I believe an admirable job has been done. I fully expect a strong show of support in Senate passage of this bill, a successful conference with the House, and approval by the President.

I also thank the subcommittee staff for their fine work: Galen Fountain and Carole Geagley for the minority, and Rebecca Davies, Jimmie Reynolds, and Hunt Shipman for the majority.

Mr. DASCHLE. Mr. President, I support the agricultural appropriations bill that we are considering today and want to commend the chairman, the Senator from Mississippi, and the ranking member, the Senator from Arkansas, for their work on this important legislation. They and their staffs have spent countless hours under enormous pressure trying to ensure that discretionary agriculture programs are adequately funded. Considering the fiscal constraints with which they have been forced to comply, they have done a commendable job.

The appropriations process is never easy, as the committee faces a number

of difficult choices. For this reason, the bill does contain some provisions that are troublesome to me. For example, I regret the decision to provide less than full funding for the food safety inspection system at the same time the USDA is implementing the new science-based meat and poultry inspection system, the hazard analysis of critical control points [HACCP]. Also, the potential reduction in Federal outlays for lending programs that benefit our Nation's farmers, ranchers, and rural communities could jeopardize the rural economy. These issues deserve further attention.

Mr. President, I am not entirely pleased with the shape of this legislation. However, I am hopeful that it can be improved in conference with the House. Therefore, I urge my colleagues' support of the bill.

Mr. HATCH. Mr. President, after listening to our debate today, it strikes me that the agriculture appropriations bill is really fundamental to the heart of the Food and Drug Administration [FDA] reform initiative that so many of us in the Congress believe is drastically needed.

I think that a majority of Americans would be surprised, perhaps even shocked, to learn that the FDA routinely ignores deadlines set forth in the law, deadlines for reviews of products vital to public health such as approvals of new medical devices or generic drugs.

The committee, in fact, recognized this disregard of the law and its dramatic impact in its report this year. The committee noted in part:

> The Committee expects the FDA to meet statutory review times for the review and approval of various food, drug and device applications and petitions . . . Extensive testimony has been presented about how the delay in approval of new drugs and medical devices has hurt American public health because U.S. patients do not have access to the latest technologies. Also, slow approval times are driving research and manufacturing jobs in these industries overseas, where earlier approvals are routinely expected.

The committee went on to say:

> The problem is this agency often disregards its statutory obligation to approve or deny various applications and petitions within specified timeframes. As a result, many applications disappear into FDA for years.

For the edification of my colleagues, I want to point out a few examples of statutory mandates which the FDA has failed to meet.

Section 409(c)(2) of the Federal Food, Drug, and Cosmetic Act stipulates that FDA consideration of food additive petitions must normally be completed within 90 days. The FDA performance is so pathetic in this area that the Department of Health and Human Services fiscal year 1997 budget justifications do not even contain quantification of the backlog in this area. The FDA report merely states, ''The backlog currently includes approximately 300 petitions, with 11 classified as 'novel or important.'''

However, a report by the House Committee on Government Reform and Oversight in December 1995 indicated that since 1970 the average time to approval of a direct food additive has been at least 20 months.

It is interesting to note that at the time of the House committee's June 22, 1995, hearing on food additives, there were 295 pending food additive petitions. Seven percent of them were filed between 1971 and 1979.

The story is not much better for drugs and devices.

For human drugs, the mean approval time for new drug applications [NDA's] in 1995 is 25.7 months; that is 428 percent greater than the statutory deadline of 6 months.

For animal drugs, the comparable 1995 figure is 39 months, which is 6 times the statutory timeframe of 6 months.

For generic animal drugs, the time is 31 months, 5 times the limit of 6 months.

For human generic drugs, the average approval time is 34.2 months, an incredible 570 percent greater than the statutory deadline of 6 months.

Although the pioneer and generic animal drug approvals exceed their statutory deadlines by substantial amounts, it is puzzling why the agency allocates its resources so that generic animal drugs are approved faster than generic human drugs.

Let me turn now to medical devices.

Approval of 510(k) applications is running at 137 days on average, which is 47 days beyond the statutory 90-day timeframe.

For pre-market approvals, the 1995 statistic is 276 days, which is nearly 100 days beyond the law's 180-day mandate.

In perhaps the most blatant disregard of congressional directives, the Appropriations Committee was forced to note this year that the FDA did not even honor the Committee's request for quarterly reports on its plans to refocus resources and make a greater priority completion of ongoing product reviews.

Mr. President, I have devoted a good deal of my congressional career to study and advocacy of FDA related issues.

I consider FDA to exemplify what is best in government—and, unfortunately, what is worst.

This agency can work miracles to protect the public health.

This agency can also go off on a tangent, with a bureaucratic, one-way/my-way attitude that rivals none in its ability to obfuscate and circle the wagons.

In my experience, FDA responds to much of such criticism by citing that it does not have the resources it needs to do the job.

Mr. President, I will take a back seat to no one in my support for adequate funds and facilities for the FDA. As a member of the Labor and Human Resources Committee for 18 years, I fought hard for improved resources for this agency.

But, today, the FDA's plaint of inadequate resources is only in part truth—in part it is bunk.

The FDA does, in fact, have the resources it needs to accomplish its core mission, such as product review.

The Appropriations Committee has worked hard to review the FDA's accounting in great detail and provide them with necessary funding in the bill we consider today.

What FDA does not have resources for is to self-generate work or expand its mission.

Moreover, the fallacy of the FDA's ''we don't have the resources'' defense can be found in this simple question: ''If you don't have the resources, why don't you request them?''

If the agency is serious about product reviews and can't meet deadlines, then why don't they seek the resources to do the job?

Those of us who take a great interest in the FDA have struggled for years to find a method to compel the agency to focus its priorities. We must find a way to discourage them from adopting that infamous kid-in-the-candy-store attitude which has led to an ever-expanding empire at the expense of meeting statutorily mandated deadlines. The FDA never met an issue it didn't like, no matter how small or how large.

That is the central issue of the debate on FDA reform.

And as I listen to our debate today, I have realized that the will of the FDA follows its resources.

With the Prescription Drug User Fee Act of 1992, the Congress provided a new source of income for new drug approvals —industry-funded user fees— and suddenly new drug approval times are coming down dramatically.

Unfortunately, though, the agency—which during our GATT debate was such a staunch defender of the generic drug industry —seems to have abandoned its commitment to that industry when you look at the budget for next year, which presumes decreases in FTE's for generic drug reviews and increases in product approval times.

That is why we are seeing such a bitter debate today over issues such as the Medguide regulations.

I think that any objective study of Medguide will show that the FDA has taken an old regulation off the shelves, dusted it off, and attempted to move it forward almost 20 years later.

When challenged about the initiative, they have resorted to their public health defense, exhorting their allies in the Senate to throw up the special interest shield, the most common FDA tool to block legislative activities the agency dislikes.

If there is such a pressing public health need for the Medguide regulation, then why has it laid dormant for almost 20 years?

Perhaps the publicity this debate has engendered is the real answer.

But the bottom line is that the FDA must get serious about using its resources more wisely. That would do a

lot to restore its credibility with the Congress.

Let me turn now to some specifics in the bill we are considering today.

The legislation contains three technical amendments to the recently enacted FDA Export Reform and Enhancement Act that the committee included on behalf of Senator GREGG and myself.

The purpose of the Export Act is to increase the opportunities for U.S. firms to export their medical products to our trading partners around the world. This new law will result in jobs for Americans and will help keep our country as the leader in developing new medical technologies.

Consistent with the intent of the new export law, these technical amendments, included in the Appropriations Committee mark, would make three clarifications. The first is that products which have not been approved in the United States may be imported for further processing, such as sterilization, and then exported.

The second change clarifies that FDA-approved insulin, antibiotic drugs, and animal drugs which may be exported, subject to section 801(e)(1) of the Federal Food, Drug, and Cosmetic Act, for other than FDA-approved indications need not also meet the labeling requirements of section 801(f).

The final change explains that products exported under section 802 must, consistent with the requirements of section 201(m), include the labeling required by the approving and importing country.

Next, I would like to discuss briefly the issue of the patent extension for the drug lodine that is contained in the House companion to this bill. We are all sensitive to the issue of legislating on appropriations bills. We all recognize the need to respect the process by which authorizing committees develop legislation.

But given the realities of the legislative calendar, we also know there will be very limited opportunities to pass any new free-standing bills during the remainder of this session.

The plain truth of the matter is that between now and adjournment there will be extraordinary pressures to attach amendments to any active legislative vehicles and many of these will be appropriations measures.

During consideration of the issue related to pharmaceutical patents and GATT, the Senate Judiciary Committee, at the request of Senator SPECTER, included a lodine patent extension provision and the bill was approved by the committee on May 2. In response to Senator PRYOR's attempt to attach his version of pharmaceutical patent legislation on the Department of Defense authorization bill, S. 1745, I offered the Judiciary Committee compromise legislation, further modified by an amendment by Senator SPECTER. This amendment, which was adopted on June 27 by a 53–45 vote, also included the lodine amendment.

In my view, should it be considered advisable to retain lodine provisions in the agriculture appropriations bill, I believe that the language of the Judiciary Committee compromise amendment, already passed by the full Senate, is preferable to the House-passed language.

This is so because some have read the lodine provision adopted by the House to suspend the operation of the Bolar provisions of the Hatch–Waxman Act with respect to this one drug. This is the exception to the general rule against patent infringement that allows generic drug firms—and only generic drug firms—to test and seek FDA regulatory approval for their products prior to the expiration of the patent of the pioneer product.

If this is the correct reading of the House language, the effect would be to extend the exclusivity period for lodine for 2 to 5 years beyond the 2 years nominally stated in the amendment. Two years should mean 2 years, not 5 or 7 years.

The Senate-passed lodine provision closely parallels the daypro provision signed into law. We should retain this approach with lodine by adopting the Senate language contained in the DOD authorization.

I wish to also make a few comments about saccharin. The House bill contains a 5-year extension on the ban to prevent FDA taking saccharin off the market. The Senate bill provides a 1 year extension for saccharin.

Unless the Congress acts, the FDA will be compelled to enforce the mindless zero risk standard imposed by the Delaney Clause and ban saccharin.

While I believe that this matter should be addressed through the authorization process and that the Delaney Clauses be repealed, in the short term, I believe it prudent to adopt the House's 5-year extension.

Let me say again that there are strong arguments to be made that an appropriations bill is not the best mechanism to legislate on such controversial matters as the Delaney Clauses. But some believe that the Delaney Clauses are too controversial to address in a comprehensive fashion when the FDA reform bill is taken up in the next weeks. This raises the question of whether the FDA authorizing statute—the Federal Food, Drug, and Cosmetic Act—can be said to be truly reformed if the Delaney Clauses are left intact.

I know how I come out on that question because I am among those who believe that the Delaney Clauses are among the most illogical, unwarranted laws on the books.

In this regard, I must salute our colleagues in the House, who voted last night 417 to 0 to do away with the Delaney provision in the context of pesticide residues. Our colleagues have much to be proud of in their unanimous decision to reject the zero risk stranglehold of Delaney with the new reasonable-certainty-of-no harm test.

It seems to me that the Congress should act favorably on the pesticide provision and expeditiously act on the other areas affected by Delaney Clauses: food and color additives and animal drug residues.

Frankly, Congress long ago recognized, based on the established science on the issue, that the benefits of saccharin exceed the risk.

While saccharin in high doses caused tumors in laboratory animals, FDA recognized that there is no evidence that this product has harmed humans. Despite this, the law would have required FDA to ban the product unless the Congress overrode this particular application of the Delaney Clause.

Subsequent to the initial congressional action on this matter in 1977, the Saccharin Study and Labeling Act, this moratorium was extended by Congress 6 more times, many times at my initiative and with bipartisan support.

Because, to my knowledge, no evidence has come to light that the risk of saccharin is any greater than previously thought, I see no more reason to ban this product today than existed in 1977. In fact, I understand that more recent studies indicate saccharin does not pose the cancer risk in animals that it was thought to pose 20 years ago.

I do see many good reasons to change the Delaney Clause.

As a realist, I know that some would be tempted to take to the floor and debate this at length, so I cannot be certain that this battle will be won quickly, or even this year. For that reason, I believe that the 5-year extension in the House bill is preferable to the 1-year provision currently in the Senate bill.

In closing, Mr. President, I commend my colleagues, Senators HATFIELD, COCHRAN, BYRD and BUMPERS, for their hard work in bringing forward these FDA provisions and also for their diligence in making certain the agency is made more accountable to the public. These are the first, and most important, steps in FDA reform.

Mr. COCHRAN. Mr. President, we are prepared now to announce that the indications are encouraging, that a number of amendments that have been pending and are to be offered have been or are being resolved. We do have a couple of amendments that we had hoped could be worked out but we do not think can be worked out.

Senators are deciding now whether to withdraw those amendments, look for another vehicle to offer the amendment on later, or offer the matters as freestanding legislation. Let me just say, most of these issues—I think maybe all of them—involve legislation and really do not deal with the funding levels in the bill.

We also have one other problem that has arisen because, since this bill funds the Department of Agriculture, Senators have amendments that come under the jurisdiction of the U.S. Forest Service, legislative in nature. And

the Forest Service really is not funded in this bill. The Forest Service is funded in the Interior appropriations bill. So we are trying to encourage Senators who do have amendments that cannot be accepted on this bill, to consider offering them as amendments to the Interior appropriations bill or as freestanding bills on another day.

Having said that, I think it is likely we are going to proceed very soon, presenting those amendments, announcing the decision of Senators, and voting on those that require rollcall votes.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I listened carefully to my good friend from Mississippi. I have a feeling that my amendment, while it comes close to his description, I am hoping it is somewhat outside the pale—an expression that he, with his cosmopolitan and erudite upbringing, his education in another part of the world dear to both of us, would understand, the expression, ''beyond the pale.'' So, I might try to bring it within the pale of acceptability. Since the managers are not too pressed for time, I was thinking, perhaps to give the Reporter of Debates a chance to rest a bit, I may suggest the absence of a quorum for just a couple of moments so that we might reason together.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABRAHAM). Without objection, it is so ordered.

Mr. COATS. Mr. President, what is the current status of the legislation?

The PRESIDING OFFICER. The pending amendment before the Senate is Brown amendment No. 5002.

Mr. COATS. Mr. President, I ask unanimous consent that that amendment be temporarily set aside so that I may speak on the bill in general.

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered.

Mr. COATS. Mr. President, earlier there was discussion—not discussion, a statement on this floor—by a Senator on the Medguide. The Medguide issue is an issue that arose in the Labor and Human Resources Committee discussion of the Food and Drug Administration reform effort.

Medguide is an attempt by pharmacies and pharmacists to provide consumers information relative to the drugs that are prescribed by those pharmacists. The industry has attempted in the last few years to prepare software which would allow them to prepare leaflets and information for distribution to their patients, those seeking to have their prescriptions filled at the pharmacies, which would provide those consumers with information about the impact of those drugs on their health, the dosage, what contraindications might be necessary; in other words, warnings as to what the side effects are, warnings to not mix these drugs with certain other drugs that the patient may be taking, and so forth.

An example of these are—I hold these up. Here is one from Eckerd, ''RX Adviser,'' for the drug Novolin. It is easily readable. It describes the prescription number, the date on which the prescription was filled, the directions to the individual taking the prescription, and then it lists how to use this medicine. It is formatted in bold type. It has cautions and possible side effects, and it is very consumer friendly. It catches your eye. It grabs your attention. It is in different colors.

Here is one from another pharmacy, CVS for Zantac, 300 milligram tablet. It again tells the prescription number, the name of the individual it is prescribed for, how to take this medication, what the uses are, side effects, precautions, notes to the consumer—very helpful information.

I have a whole raft of these that are currently being distributed and handed out by pharmacies across the country. In fact, in 1995, it is estimated that nearly 65 percent of all patients received this information from their pharmacist, up from just 20 percent 3 years ago.

Now, many in the industry believe we have gone beyond that point. I think that is a conservative estimate. Many believe we have already reached the 75-percent level of consumers receiving this information, which happens to be the goal set by Health and Human Services Healthy People 2000 Goal Program. So we are 4 years ahead of schedule with private industry. But now along comes the FDA saying: Oh, no. No, no, no. We do not trust the professionals to advise those taking these medicines to do a competent job to provide necessary warnings, to provide appropriate consumer information. We think this is something that the Government needs to step in and regulate. And so we, the FDA, need to make sure that these consumer information guides which are in addition to, by the way, the manufacturer's required printing of all of the compounds that go into the drug—all of us have seen those. You get your bottle of prescription drugs, and you pull out a piece of paper and you extend it out 2, 3, 4 feet and the print is so small that those of us over the age of 20 do not have the eyesight to read that. If we could read it, we would not understand what it says. And so the pharmacies have said let us boil this down into everyday common language and make sure the consumers get the right information. But the FDA says we do not trust the industry to do that; we need to make sure that we have a plan that will ensure that the information given to consumers fits our requirements. And by the way, we are going to have to approve all of these proposals of information to make sure that it is not violating anything that the FDA wants to check. And so they have put out these nice, big, thick rules and regulations called ''Prescription Drug Product Labeling, Medication Guide Requirements, Proposed Rule,'' issued on August 24, 1995.

If you thought it was hard to read and understand the drug manufacturer's instructions about drugs, you ought to try reading FDA's proposed rule. On and on it goes for page after page—nearly 100 pages of fine print now that everybody is going to have to sort through, every manufacturer is going to have to sort through, adjust all of their information to the Government regulated point size of lettering, to the Government regulated headings. They are going to tell you what headings you have to use. They are going to tell you what size of type you are going to have to use.

Interestingly enough, the samples that FDA puts out which follow their recommended guidelines are only about one-tenth as intelligible as the information currently being distributed to the patients when they receive their prescriptions. Typical Government bureaucratic ineptitude, mediocrity, and obfuscation that we find in Government agency after Government agency advising consumers as to how to use a product or how not to use a product.

And so we bring in another Government agency to tell private industry what to do, and in telling them what to do they are going to turn a readable, consumer-friendly product into your typical Government, IRS, unintelligible form of how to do all this.

Let me find this section here that describes some of the requirements:

> Format for Medication Guide.
>
> The medication guide shall be printed in accordance with all the following specifications:
>
> A. The letter height or type shall be no smaller than 10 points.

And they point out here that one point equals 0.0138 inches. See all these people measuring with a little ruler here, is this greater than 10 times 0.0138 inches?

> For all sections of the medication guide except the manufacturer's name and address and revision date.

Interestingly enough, they do not say how big the manufacturer's name and revision date are, probably the two most important pieces of information are not described here:

> B. The medication guide shall be legible and clearly presented.

Well, the current industry forms are very legible and very clearly presented. But does that satisfy the FDA? Oh, no. Oh, no. It has to be printed and legible like the FDA forms that they provide as samples which, if anybody cares to look, are illegible and unintelligible.

So we are going to go to the Government format for that. On and on it goes:

The words ''Medication Guide'' must appear—

So forth and so on. And then here is the killer. Here is the killer. And this is why people ought to be concerned about FDA sticking its head in here where it does not need to. This medication guide has to have this verbatim statement.

This medication guide has been approved by the U.S. Food and Drug Administration.

And that has to appear on the bottom of every medication guide.

The whole purpose for FDA reform is because you cannot get anything approved at FDA. And so instead of consumers receiving helpful information, they are going to be sitting around waiting for month after month after month after month or year after year after year for FDA to approve the guide that tells them how to use the medicine. Now, FDA says: Oh, no. We can handle this without a problem.

They cannot handle anything else without a problem. Consumers not only are unable to get the medications they need because FDA takes years to approve it, now they are not even going to be able to get the information to use the medication because the FDA once again has to approve all of the information.

On and on this goes with prescription after prescription as to just how these advisories should be put together.

I guarantee you, anybody who has had experience with FDA, anybody who has listened to drug manufacturers or medical device manufacturers tell the horror stories about getting even the most simple of medical devices approved or even drugs that have been tested clinically approved, used for years in other countries without problem, yet cannot receive approval here in the United States, will quickly realize the problem that we are developing here.

So FDA now will create a whole new bureaucracy. They will create a whole new process of making sure they approve all of the Medguide statements.

Now, we took this issue up in committee, and in committee after significant discussion it was determined by a majority of members on a bipartisan basis—I believe the vote was 13 to 3. Members need to understand this is not a politically partisan debate. This is a debate between those who want to hold on to the status quo of mediocre, inept Government bungling and bureaucracy and those who think that maybe private industry has a more efficient, effective way to do it and perhaps can even protect the consumer a little more efficiently and effectively than FDA has been able to protect the consumer.

We have gone through several decades now of denying effective treatment and drugs and devices to American consumers because FDA does not have the capacity to adequately and on a timely basis examine and approve or disapprove submittals of either drugs or devices that can benefit the consumer. I have a lot of manufacturers that would simply say, if they would just call us up and tell us they would disapprove it, they would not have to go through this year after year after year of inept bureaucratic bungling to determine whether or not our product is going to be allowed to be marketed in the United States.

So, here we have another Big Government stride into a brand new area of regulation, regulation that currently is handled at the State level. State pharmacy boards traditionally regulate pharmacists, have the authority to regulate pharmacists. They have been providing services to the patients and consumers for a long, long time in this country.

We have now an FDA that will, again, issue a regressive regulation which will stifle innovation and changes in pharmacy information. We have an FDA which will provide a one-size-fits-all, bureaucratically uniform style of type, style of heading, style of verbiage. Any of you who have to struggle through, as I do every year, trying to read the IRS instructions as to how to fill out your income tax will understand that somehow Government just cannot seem to get instructions into common, everyday language. I am afraid we will see more of that out of FDA.

The most ironic thing here is that people have been pleading with FDA for more focus on their necessary items. No one is saying we ought to close down FDA. We are simply saying, can you focus more of your resources and your effort on the more essential elements of your business here? Yet now we are going to take already scarce, depleted resources and shift them and divert them from their primary focus of providing safety and efficacy for drugs and devices and protecting the Nation's food supply, to making sure that the information handed to the consumer, which is a duplicate, which is in addition to all the requirements that the drug manufacturer has to put in the medicine, consumer-friendly information—we now have to make sure this complies and gets approval from the Food and Drug Administration. I think they ought to spend more time approving drugs, more time approving devices, and less time worrying about whether this is 10-point type or 12-point type.

How interesting to note that the advisories that we have examples of here are far more readable, far more presentable and far more legible than what the FDA, in their regulation, says it ought to be. The last thing a pharmacist or a pharmacy wants to do is hand its own customers something that is illegible. What they really want to do is hand them something that they can read and understand, because if they do that, they will come back.

I get frustrated over this whole process, as you probably can tell. I am frustrated that we cannot proceed on meaningful FDA reform when we have such a bipartisan consensus on doing this. The vote in the Labor and Human Resources Committee was 13 to 3. We had solid support from both Democrats and Republicans on the need to do this. Yet, because FDA reform is stalled and cannot seem to work its way before the U.S. Senate, the Senator from Mississippi, whose committee has jurisdiction over the appropriations, took this portion of the proposal, which would impose some requirements and restrictions to make sure these private advisories comply with what is necessary, and incorporated that language in the agriculture appropriations bill. Suddenly we have had this big holdup here over whether or not this language ought to be here.

Mr. President, my understanding is that some agreement has been reached on a watered down but hopefully still effective change in the language, which will be the subject, apparently, of a colloquy that will be coming shortly between the chairman of the committee and the Senator from Massachusetts. I hope the agreement which is reached is not one that the FDA will find another excuse not to implement, because my understanding is that the agreement is subject to the approval of the Commissioner of the FDA, who is probably the biggest problem we have at FDA right now.

One of the amendments I offered in committee was to limit the terms of FDA Commissioners because I think, if there is ever an argument for term limitations, it is the current FDA Commissioner and the way that agency is being run. Hopefully, we can move forward now with something that is of great benefit to the consumers of this country—nearly 65 to 75 percent now receive these advisories—and not grind ourselves down into a bureaucratic excuse for something that does not begin to measure up to the advisories that are currently out there. When are we going to learn that all wisdom, all professionalism, does not rest in a Government agency; that industry has its own, the private sector has its own motivations for protecting the consumer? Besides, States have the ability, and State pharmacy boards have the ability, to impose some reasonable regulations on their own pharmacists and their own pharmacies.

Mr. President, I wish we were debating FDA reform, because it looks like we may go another session of Congress without any meaningful reforms in a process that denies patients and consumers in this country sometimes life-saving drugs.

The question is asked, what if FDA did not take this time to approve some of these medicines? The question also has to be asked, how many people have suffered, or perhaps needlessly died, because FDA was not able, on a timely basis, to approve life-saving drugs or devices? There is a backlog that is staggering at FDA. There is an ineptitude that is staggering out there. I do

not trace it to the good scientists who are working there and clinicians who are working there. I trace it to an inept bureaucracy which often seems to have motivations beyond the health and safety of consumers. I think it is time we did something about it, and I am glad we are taking this one small step to benefit the consumers. I congratulate the Senator from Mississippi for working out an agreement here so we can accept this.

I yield the floor.

Mr. GREGG. Mr. President, I rise today in support of the original MedGuide provision that was included as part of the Agriculture Appropriations bill. The Agriculture Appropriations bill contained the language on the MedGuide issue that was overwhelmingly passed by the Labor Committee by a vote of 13 to 3 during the markup of S. 1477, the FDA reform bill, in March.

This provision in the Agriculture bill required the Secretary of HHS to request, within 30 days after enactment, that national consumer, industry and practitioner groups work together to develop a plan for the distribution of high quality, helpful consumer information about prescription drugs, such as adverse reactions and product combination problems.

It provided the opportunity for the private sector to continue building on its marked successes in this area over the last several years. By FDA's own survey, the percentage of consumers receiving substantial written information about their prescription increased from 32 percent to 59 percent between 1992 and 1994. There is no reason to believe that pharmacists will either suddenly begin to perform this task more poorly, nor any reason to think that the goal of 75 percent by the year 2000—shared by FDA and professionals practicing pharmacy—will not be voluntarily achieved, without FDA getting involved.

It called for an approach to public policy that is flexible, sufficiently specific and comprehensive so as to meet consumers' needs, and neither promotional nor so technical that it is of no use to the consumer. The information has to be legible, comprehensible, and accurate.

This amendment did not do one thing—it did not allow the FDA to expend its limited funds to implementing its MedGuide regulation.

The FDA cannot afford diversions from their mission to review and approve quality, and often life-saving, products. This is clear from the numerous hearings we have held, reports that have published, and complaints we have heard from the FDA itself—''Give us more resources. Give us more time to do our job.''

The FDA regulation would require every pharmacist to provide specific information to patients each time they fill a prescription. While FDA claims the regulation is voluntary, if 75 percent of consumers are not receiving the formatted information by 2000, the regulation becomes mandatory.

Well, there is nothing voluntary about this regulation—pharmacists will no longer be able to craft written information to meet individual patients' needs if this regulation is imposed. There is also nothing voluntary about imposing a $121 million cost annually on pharmacists and manufacturers, according to the FDA's own calculation. FDA's calculation determined the program would cost individual pharmacies at least $1,500 to comply, equaling $106.7 million a year. Manufacturers are expected to spend $5,000 to $12,000 per medication guide developed, or at least $14.4 million annually.

And who do you think those costs will be passed on to? The consumer.

One must also consider that the practice of pharmacy has always been regulated at the State level—FDA may not regulate the practice of medicine. FDA only has product labeling authority, not the accompanying information.

There is also a great deal of concern that this regulation also has not taken into account the expanded liability it imposes on pharmacists. Pharmacists not only have the ability to tailor information to suit the patient, they are able to phrase—and sometimes rephrase—information in a way that the patient understands. Going to a one-size-fits-all information standard will defeat this important purpose of pharmacy as the pharmacist will be prevented from serving as the learned intermediary.

The provision in the underlying bill would have had the same goals as MedGuide: 75 percent consumer receipt by the year 2000; a way to assess the effectiveness of any consumer information distribution system; and a measure of the quality of the information being distributed. This provision would not have simply cut the FDA out of the process—instead, it provided a 120-day stay of execution from the FDA rule. After that, if the private sector failed to respond, the Secretary of HHS could proceed with the detailed regulation proposed by the FDA.

This regulation is not only a poor priority for the Commissioner—he has stated it is his No. 1 issue—and an inappropriate use of limited funding, it is also beyond the general authority of the FDA. While we all would agree that it is important that the consumer get the information they need, as their circumstances call for, I don't understand how the FDA can believe it is somehow more capable of telling Americans what they must, and cannot, know than the pharmacists serving consumers on a daily basis.

Mr. President, I think the FDA has enough to do already without breaking new regulatory ground, especially where the private sector is already rising to the task at hand.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Amendment No. 5003

(Purpose: To protect the public health)

Mr. KENNEDY. Mr. President, I ask unanimous consent that the pending amendments be laid aside for an amendment that I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 5003.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 59, line 6, after ''consumers).'' insert:

''(b) GOALS.—Goals consistent with the proposed rule described in subsection (a) are the distribution of useful written information to 75% of individuals receiving new prescriptions by the year 2000 and to 95% by the year 2006.''

On page 59, line 16 insert the following: ''(4) contain elements necessary to ensure the transmittal of useful information to the consuming public, including being scientifically accurate, non-promotional in tone and content, sufficiently specific and comprehensive as to adequately inform consumers about the use of the product, and in an understandable, legible format that is readily comprehensible and not confusing to consumers expected to use the product.'' and

On page 60, line 5, insert after the word ''if'' the following: ''(1)''.

On page 60, line 8, strike the words ''and begin to implement'' and insert the following: ''and submit to the Secretary for Health and Human Services''.

On page 60, line 10, strike the words ''regarding the provision of oral and written prescription information.'' and insert the following: ''which shall be acceptable to the Secretary of Health and Human Services; (2) the aforementioned plan is submitted to the Secretary of Health and Human Services for review and acceptance (provided that the Secretary shall give due consideration to the submitted plan and that any such acceptance shall not be arbitrarily withheld); and (3) the implementation of (a) a plan accepted by the Secretary commences within 30 days of the Secretary's acceptance of such plan, or (b) the plan submitted to the Secretary commences within 60 days of the submission of such plan if the Secretary fails to take any action on the plan within 30 days of the submission of the plan. The Secretary shall accept, reject or suggest modifications to the plan submitted within 30 days of its submission. The Secretary may confer with and assist private parties in the development of the plan described in sub-sections (a) and (b).''

On page 60, line 20 through line 22, strike ''The Secretary shall not delegate such review authority to the Commissioner of the Food and Drug Administration.''

On page 59, line 7, re-letter sub-section (b) to sub-section (c), and on page 59, line 16, re-number subparagraph (4) to subparagraph (5), and on page 59, line 21, re-number subparagraph (5) to subparagraph (6), and on page 59, line 23, re-letter sub-section (c) to sub-section (d), and on page 60, line 12, re-letter subsection (d) to sub-section (e).

Mr. KENNEDY. Mr. President, I want to say how pleased I am that we have managed to work through our concerns with my friends from Mississippi and

Indiana on the language relating to adequate consumer labeling for prescription drugs that is in the Agricultural Appropriations bill. The changes that they have graciously agreed to will address my concerns that the provisions need to contain safeguards to ensure that the voluntary plan developed by organizations representing health care professionals, consumers, pharmaceutical companies, pharmacies, database companies, and other interested parties will be adequate.

I am concerned, however, that when this provision goes to conference with the different House language, that all our hard work in coming to this agreement may go by the wayside. It is critical that I have the word of my friend from Mississippi that the conference not limit the authority of the Secretary and the FDA to assure provision of information to the public beyond the provisions of section 601 as amended.

Mr. COCHRAN. I agree with my colleague from Massachusetts, and I can assure him that, while I am not able to speak for the entire conference committee, I will do my best to reach a compromise on this issue that will not place further limits on the authority on the Secretary and the FDA with regard to this important public health issue.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid upon the table.

Mr. COCHRAN. Mr. President, there is no objection. We have reviewed it, and we thank very much the distinguished Senator from Massachusetts and the Senator from Indiana and others who have worked to negotiate this agreement.

Mr. BUMPERS. Mr. President, let me just say, the amendment has been cleared on this side. It has taken all afternoon to craft this amendment in a form which is acceptable to all sides.

I compliment Senator KENNEDY for his tenacity and determination in getting this accomplished. It is a very, very worthwhile amendment in this Senator's opinion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 5003) was agreed to.

Mr. KENNEDY. Mr. President, I see other colleagues on the floor. I appreciate the cooperation of all in working through this amendment—Senator COCHRAN, Senator BUMPERS, Senator COATS and others.

I will not delay the Senate, but I must say, I will add a word of commendation for Dr. Kessler. I have a strong difference of opinion about his service in the FDA. The FDA has been a whipping boy, particularly in recent times, but I do think if we look at the most recent GAO reports, look at the breakthroughs of new drugs getting out to the people in this country and look at the assault that has been made on the FDA by the tobacco industry and other groups, his service will go down as a distinguished one.

Just a final point, Mr. President. This whole issue really is not about bureaucracy, it is about information—useful, readable, understandable information about prescription drugs that can make a difference in terms of an individual's quality of health.

Mr. President, we do it with regard to dog food, we do it with regard to Wheaties, we do it with over-the-counter drugs. We can do a better job.

I am very hopeful the job will be done through the voluntary systems that are being set up now; that it will be given a reasonable time, although all of us are very hopeful that will be successful.

I am grateful to the floor managers for accepting this amendment. I thank the Chair. I yield the floor.

Mr. BUMPERS. Mr. President, has the Kennedy amendment been accepted?

The PRESIDING OFFICER. It has been agreed to.

The PRESIDING OFFICER. The Senator from Vermont.

AMENDMENT NO. 4987

(Purpose: To implement the recommendations of the Northern Forest Lands Council)

Mr. LEAHY. Mr. President, I ask unanimous consent it be in order to call up amendment No. 4987, which is at the desk. It is the Northern Forests Stewardship Act, which is sponsored by me and cosponsored by Senators JEFFORDS, GREGG, SMITH, SNOWE, COHEN, MOYNIHAN, KENNEDY, and KERRY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, very briefly, this amendment, which affects the Northern Forests of the States of Vermont, New Hampshire, and Maine especially, makes sure the rights and responsibilities of the landowners are emphasized. The primacy of our States, that means very much to each of us, is reinforced, the traditions of the region are protected, but we have the advantage of using new ways of achieving our goals in forestry and the use of our land and ways to do it that did not even exist a few years ago. It is a case where we have had citizens, landowners, foresters, and everybody else come together with a plan that actually works.

Mr. President, I thank the distinguished chairman and ranking member and others who worked with us this afternoon to get this through. I yield the floor.

Ms. SNOWE. Mr. President, I rise in support of the amendment offered by Senator LEAHY to include a revised version of S. 1163, the Northern Forest Stewardship Act, in H.R. 3603. I thank my colleague from Vermont, Senator LEAHY, for his hard work on this legislation, and I thank the other cosponsors of the bill for their efforts. I would also like to thank Senator LUGAR, chairman of the Agriculture Committee, and the managers of the bill before us, Senator COCHRAN and Senator BUMPERS, for their cooperation and acceptance of this amendment.

Let me state at the outset what this amendment is not because I would like to clear up any misconceptions that may exist. This amendment does not, in any way, provide the Federal Government with new regulatory authority. This amendment does not, in any way, permit the Federal Government to intrude, uninvited, upon the affairs of any State. This amendment does not, in any way, allow the Federal Government to assume control over private timberlands in the Northern Forest region. This amendment does not, in any way, impose Federal mandates on the Northern Forest States. In actuality, the amendment reaffirms the primacy of the Northern Forest States in the management of their forests, and it is intended to help the States do what they want to do on these issues. That is why the affected States support this bill. A simple reading of the legislation will make these facts abundantly evident.

Six years ago, the States of Maine, New Hampshire, Vermont, and New York created the Northern Forest Lands Council to study problems facing the Northern Forest region, and to issue recommendations for State and Federal policies that would help to maintain the traditional patterns of land ownership and use in the region. The council was formed in response to public fears of significant conversion of the Northern Forest Lands to nonforest uses. These fears had been stoked by the attempted sale of Diamond International's timberland holdings by Sir James Goldsmith, who had acquired Diamond in a hostile takeover in 1987.

It goes without saying that the 26-million-acre Northern Forest region is an extraordinary resource. It provides the largest expanse of unbroken forestland east of the Mississippi River. These forests provide excellent outdoor recreational opportunities, abundant wildlife habitat, and breathtaking scenic vistas. But these lands also form the foundation of the livelihoods of thousands of people in the region who harvest trees from the forest, and who convert the trees into valuable products like paper, lumber, and furniture. The Northern Forest is, and always has been, a multiple use forest.

The council, which consisted of representatives from each State and from each of the major stakeholder groups with an interest in the forest, spent roughly 4 years and millions of dollars collecting and analyzing data, consulting with State officials, and holding many meetings and discussions with the public throughout the region. The council completed its recommendations in September 1994, and then disbanded. In its final report, the council requested that the U.S. Congress enact legislation to implement its Federal recommendations beginning in 1995. This legislation is the culmination of the council process, a process, I might add, that fostered very beneficial new

working relationships between industry, landowners, and the environmental community on the critical issues related to our forests.

The Leahy amendment embodies the latest version of S. 1163. This bill has undergone a series of revisions based on numerous comments from a diverse collection of individuals, organizations, businesses, and States in the region. And I think this bill responds to the opinions and recommendations of such a diverse group as well as any one bill can. The Northern Forest Lands process has always operated out of a strong desire for consensus, and the legislation before us reflects the desire of Senators from the Northern Forest region to maintain that practice.

At its most basic, the Northern Forest Stewardship Act is designed to help conserve the Northern Forest lands, and its many values, for future generations. But unlike some past approaches to resource conservation in the Congress, this bill puts States in the driver's seat, which is most appropriate in this case because the great majority of these lands are privately-owned. In effect, the legislation assigns the Federal Government a role as cooperator in the region, consistent with the council's recommendations. It authorizes Federal agencies, primarily the State and Private Forestry division of the U.S. Forest Service, to provide technical and financial assistance to the Northern Forest States for activities such as developing benchmarks of sustainable forest management, conducting forest research, conserving valuable forest lands, and assessing water quality trends in the region. But the bill makes clear that this assistance can only be provided if the individual States request it. If the States do not request it, then no assistance can be provided under this legislation.

As a region characterized by the private ownership of timberland, the legislation is replete with references and provisions reaffirming private property rights. The Land Conservation section, for instance, prohibits the use of any Federal funds authorized by this legislation for State land acquisition projects unless the owner willingly offers the property for sale.

Recognizing the economic importance of the forest to the people who live in the region, the Leahy amendment also authorizes technical and financial assistance to the States, the forest products industry, and local communities to help expand value-added production and create sustainable new jobs in the forest products sector.

Mr. President, as I said before, the basic purpose of this legislation is to implement the council's recommendations, and I think the bill succeeds on that account. But I want to point out that one very important component of the council's report has been necessarily omitted from this bill, and that is Federal tax policy.

The council recognized that Federal taxes can create negative incentives that discourage landowners from maintaining their lands as forest, and it recommended changes to the Internal Revenue Code that would help reverse these incentives and encourage landowners to keep their lands forested. The council's recommendations emphasized reforms of estate taxes, capital gains taxes on timber sales, and passive loss rules for forest management, and they have been incorporated in a separate bill, S. 692, which was introduced by Senator GREGG, and which I have cosponsored. As a tax bill, this legislation will obviously have to proceed on a separate track through the Finance Committee, and, therefore, we were not able to include it in this amendment. But the Northern Forest Senators remain committed to it, and, in fact, we included language in the findings section of this legislation stating that Congress and the President should enact additional legislation to address the tax policies that negatively influence the stewardship of our forest lands. We hope to get these tax changes included in the next major tax bill that comes before the Senate.

Mr. President, I would also like to address a few specific criticisms of the original version of S. 1163, and describe the way in which we have modified the bill language as a result. The cosponsors agreed to revise the Principles of Sustainability section so that it now reads as a sense-of-the-Congress resolution. Concern had been expressed that the provision, as previously drafted, could be loosely interpreted to impose a set of national best management practices for private timberlands, and that was not our intent at all. The latest change eliminates the possibility of such an interpretation in the future. We changed the Congressional ''Declarations'' section to a ''Findings'' section, conforming it to the traditional format for Federal legislation, and making it clear that this provision does not, in any way, create any new legal authorities.

In the Land Conservation section, the legislation has been modified to clarify that Federal funding for land acquisition under the act can only be provided as part of a State-managed public land acquisition process, which is a policy with which most stakeholders in the region agree.

What we have before us today, Mr. President, is a responsible proposal to encourage and facilitate the conservation of the Northern Forest resource for its outstanding ecological, economic, and recreational values. In keeping with longstanding tradition in the region, the States will lead the effort on Northern Forest-related policy issues, but the Federal Government should be available to assist the States in their efforts if called upon to do so, and this bill will help to ensure that appropriate assistance is available. The Northern Forest Stewardship Act offers a reasonable, constructive, and consensus-oriented approach to forest management in our region.

This legislation enjoys the support of the four Northern Forest States, a wide range of environmental organizations, the Maine Forest Products Council, and major newspapers in Maine. This is one bill that is truly both pro-environment and pro-economy. I hope all of my colleagues will support the Leahy amendment.

Mr. COCHRAN. Mr. President, let me state this amendment has been reviewed. It has been cleared on this side. I commend and thank the distinguished Senator from Vermont for his cooperation.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4987) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 5004

Mr. BURNS. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I think this has been cleared by both sides.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS] proposes an amendment numbered 5004.

Mr. BURNS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

SEC. . BARLEY PAYMENTS.

Section 113 of Public Law 104–127 is amended by inserting a new subsection (g) that reads:

''(g) ADJUSTMENT IN BARLEY ALLOCATION.—In addition to the adjustments required under subsection (c), the amount allocated under subsection (b) for barley contract payments shall be increased by $20,000,000 in fiscal year 1998, and shall be reduced by $5,000,000 in each of fiscal years 1999–2002.''

Mr. BURNS. Mr. President, this is an adjustment in the barley allocation in the farm bill. It seemed as though when we were making the transition payments on all commodities and program crops, barley and their producers were penalized more than anybody else in making the adjustments. In fact, all other commodities, all other program crops were adjusted just slightly lower, with the exception of rice, and it actually went up. The barley payment was adjusted a good whopping 30 percent lower, 14 cents a bushel.

What this amendment does is it moves money from the outyears to the nearby years: $20 million in this fiscal year and then taking from the next 4 years, the outyears, $5 million. In other words, we are going to increase

the payment about a nickel this year, and then we will be subtracting about a penny from the outyears in year 2, 3, 4 and 5.

So with that, it will make an adjustment this year. I think this is a short-term solution. After talking with my colleague from Montana and my friends from North Dakota, we realize this is a short-term solution, and I think we have to look at a longer term to make the adjustment to make it fair. That is all we are asking for barley producers across America, is fairness. I think there has to be a long-term solution made.

Mr. President, I ask for its adoption, and I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I support the effort of my colleague from Montana, Senator BURNS. This is not any of our preferred solutions to the problem faced by our barley producers. Very frankly, the barley farmers have been left short. They were told very clearly last year that if the new farm bill passed, they would get 46 cents a bushel. Somebody made a mistake. It is still not clear to me who did or precisely how they did, but the fact is, a mistake was made. Instead of getting 46 cents, barley producers are going to get 32 cents, 30 percent less.

Very clearly, farmers were told 46 cents. They were told the prices and amounts that were going to be paid were estimates, no question about that. But they were told, and told repeatedly, that the amounts that they would actually receive would be close to those estimates. I was in dozens of meetings where they were told it would be close to those estimates; maybe a few cents difference.

And, indeed, if you look at corn, they were told it was going to be 27 cents. It turned out to be 24 cents. On wheat, they were told it was going to be 92 cents. It turned out to be 87 cents. Everybody understood those differences. But when it comes to barley, they were told 46 cents, and it turned out to be 32 cents. Not a 5-percent difference, not a 10-percent difference, a 30-percent difference. Is there any wonder that barley producers across the country are wondering, is there anything straight that comes out of Washington?

They were told clearly and directly that if they signed up to this farm bill that 46 cents is what they could expect to receive. That is not what they are getting, that is not what they are receiving, and it is not right.

There ought to be an adjustment. Many of us prefer we make this adjustment up front, clearly, and we take it out of the EEP program, or we take it out of some other approach, some other way of paying for it, but that it be paid for. In discussing it with our colleagues, it was clear that at this stage, that was not going to be acceptable.

So the Senator from Montana has come up with an approach to bring money from later years up front to reduce this differential on the hope and the expectation that perhaps as we go through the process, we can get this problem solved in a more appropriate way.

I think on that basis this approach deserves support, because, hopefully, in the conference committee, we can get a better resolution. Again, I think it is just a fundamental question of whether or not we treat our barley producers in this country in a fair way.

I salute my colleague from Montana for his efforts. I thank the Chair and yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota, Mr. DORGAN.

Mr. DORGAN. Mr. President, let me ever so briefly agree with my colleagues. I support the efforts of the Senator from Montana. We had a number of meetings today with the Senator from Montana, Senator BURNS, Senator BAUCUS, Senator LARRY CRAIG, Senator CONRAD, myself, and others. This is not the preferred solution. I do not view this as a destination. I view this as a step on the way to where we want to get to solve this issue.

Senator CONRAD said it clearly. The proposal was made that barley growers would receive fixed payments and the first year would be 46 cents. That turns out not to be 46 cents at all but instead 32 cents a bushel. That may not mean much to people, unless you raise some barley and discover that your expected income is now 30 percent lower than you anticipated when you heard about this program and developed support for the program based on the representation of what the fixed payments would be in the farm program.

So we will go to conference. This is a device and a mechanism by which this issue can go to conference. My hope is that this issue will be resolved in conference the way it should be resolved. It should be resolved by providing for barley producers what they were told they would receive as fixed payments in the farm bill. The failure to do that, it seems to me, really places at risk the credibility with respect to this farm program.

I again support the efforts of the Senator from Montana as a step toward a destination that would make the barley producers whole. Mr. President, with that, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me thank Senators who have been working to resolve this issue for their efforts. A great deal of work has gone into crafting this amendment. I compliment particularly the Senator from Montana [Mr. BURNS]. I ask unanimous consent that the Senator from Idaho [Mr. CRAIG] be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, we are going to continue to monitor this situation. We hope that this is helpful. As we go into conference, we will work to resolve the issue to the satisfaction of the Senate. With that, I know of no objections to the legislation. I hope that we can proceed to adopt it on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 5004) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CONRAD. Will the Senator yield for one moment so I might thank the chairman and the ranking member for their patience as we worked to resolve this matter? We very much appreciate your assistance.

Mr. COCHRAN. I thank the distinguished Senator for his kind comments. We appreciate his good efforts, as well.

AMENDMENT NO. 5002, AS MODIFIED

Mr. COCHRAN. Mr. President, as I understand it, the pending amendment now is the Brown amendment, as modified. I know of no objection to the amendment. I ask unanimous consent that we adopt the amendment and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered. The yeas and nays are vitiated. The amendment, as modified, is agreed to.

The amendment (No. 5002), as modified, was agreed to.

AMENDMENT NO. 4978, WITHDRAWN

Mr. COCHRAN. Mr. President, I know that the next amendment is the KERREY amendment No. 4978. Senator KERREY has offered this along with two other amendments. Those other amendments were agreed to. I have been authorized to ask that the KERREY amendment No. 4978 be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4978) was withdrawn.

AMENDMENTS NOS. 5005 THROUGH 5009, EN BLOC

Mr. COCHRAN. Mr. President, I now have a series of amendments which I will send to the desk en bloc and ask that they be reported and agreed to en bloc; an amendment on behalf of Senator SIMPSON; an amendment on behalf of Senator HATFIELD; an amendment I send to the desk for and on behalf of the Senator from Idaho, Mr. KEMPTHORNE; an amendment I send to the desk on behalf of the Senator from Alabama, Mr. SHELBY; an amendment by Senator DOMENICI which is cosponsored by Senators HELMS, THURMOND, FAIRCLOTH, and BINGAMAN.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes amendments numbered 5005 through 5009, en bloc.

Mr. COCHRAN. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 5005 through 5009), en bloc, are as follows:

AMENDMENT NO. 5005

At the end of the bill, add the following;

SEC. . EASEMENTS ON INVENTORIED PROPERTY

None of the funds appropriated or otherwise made available by this Act may be used by the Secretary of Agriculture to establish a wetland conservation easement under section 335(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(g)) on an inventoried property that was used for farming (including haying and grazing) at any time during the period beginning on the date 5 years before the property entered the inventory of the Secretary and ending on the date the property entered the inventory of the Secretary. To the extent that land would otherwise be eligible for an easement haying and grazing must be done according to a plan approved by the Natural Resources Conservation Service.

AMENDMENT NO. 5006

On page 42, line 26 before the colon, insert the following: ''*provided further,* That of the total amount appropriated, not less than $2 million shall be available for grants in accordance with section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f))''

AMENDMENT NO. 5007

(Purpose: To provide that the Secretary of Agriculture may use funds in the Fund for Rural American for grants to develop and apply precision agricultural technologies)

At the appropriate place in the bill, add the following:

SEC. . GRANTS FOR PRECISION AGRICULTURAL TECHNOLOGIES.

Section 793(c)(2)(A) of the Federal Agriculture improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(2)(A)) is amended—

(1) in clause (vii),by striking ''and'' at the end;

(2) in clause (viii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(ix) develop and apply precision agricultural technologies.''.

AMENDMENT NO. 5008

(Purpose: To make additional funding available for fiscal year 1996 for investigations of arson at religious institutions)

At the appropriate place in the bill, add the following:

TITLE VIII—SUPPLEMENTAL APPROPRIATIONS AND RESCISSION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1996

DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses,'' to be used in connection with investigations of arson or violence against religious institutions, $12,001,000, to remain available until expended.

INTERNAL REVENUE SERVICE

INFORMATION SYSTEMS

(RESCISSION)

Of the funds made available under this heading in Public Law 104–52, $16,500,000 are rescinded.

AMENDMENT NO. 5009

At the appropriate place in the bill, insert the following:

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

For an additional amount for the Agricultural Credit Insurance Fund Program Account for the additional cost of emergency insured loans authorized by 7 U.S.C. 1928–1929, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, resulting from droughts in the Western United States, Hurricane Bertha, and other natural disasters, to remain available until expended, $25,000,000: *Provided,* That these funds are available to subsidize additional gross obligations for the principal amount of direct loans of $85,208,000: *Provided further,* That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the amount shall be available to the extent that the President notifies Congress of his designation of any or all of these amounts as an emergency requirement under section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

EMERGENCY SUPPLEMENTAL APPROPRIATION FOR EMERGENCY DISASTER LOANS

Mr. DOMENICI. Mr. President, there is nothing more precious to New Mexico, and to the arid Southwest in general, than water. Unfortunately, precipitation in the Southwest this year has been, in a word, disastrous. Precipitation and snow melts in almost every New Mexico basin are dangerously below average. Despite recent rains, stream flows in New Mexico are still predicted to be 33 to 100 percent below average through the summer, with no end in sight. If the drought continues, and there is every indication that it will, the consequences to New Mexico will be truly devastating.

No sector in New Mexico has been hit harder by the drought than its farmers and ranchers. Water levels in the Middle Rio Grande have dropped severely, leading to radically decreased water availability for the hundreds of irrigators depending on that water. Farmers in the southern part of the State are being forced to go to water wells, thus depleting the already-taxed aquifer. And in northeastern New Mexico, winter wheat is failing for the first time in anyone's memory.

Additionally, the drought has wiped out forage for New Mexico's livestock producers, causing an industry already hit hard by high feed prices to hurt even more. In fact, this drought has devastated crops and livestock in my State to such an extent that every single county in New Mexico is currently eligible for USDA's disaster assistance programs.

Mr. President, one of the programs that has been crucial in helping the farmers and ranchers of my State cope with this disaster is the USDA's emergency disaster loan program. Funding for this program this year may soon run out, however. As a consequence, the Western Governors' Association has identified supplemental funding for emergency disaster loans as a top priority.

Our amendment will ensure that this much-needed emergency loan program remains funded in the event of a shortfall in this fiscal year. The contingency funding will also remain available in the event of a shortfall in fiscal year 1997. Specifically, our amendment provides an additional $25 million for the program as an emergency supplemental appropriation, which will allow for an additional $98 million in emergency disaster loans. The additional funding in the amendment would only become available if the administration determines that other funding sources have been exhausted.

In closing, Mr. President, let me reiterate that this drought is one of the worst calamities to hit my State, and the Southwest in general, in the last 50 years. Our amendment for supplemental funding of USDA's emergency loan program will ensure that desperately needed relief will continue to be given to those people who have been hardest hit by this disaster.

Mr. HELMS. Mr. President, on behalf of the eastern North Carolina farmers whose crops were devastated by Hurricane Bertha, I am happy to cosponsor this proposal to provide emergency loan assistance to farmers.

On July 12, Hurricane Bertha ripped through the eastern part of North Carolina, destroying an estimated 80 percent of the State's tobacco crop and up to 90 percent of the corn crops in some counties. Cotton and soybeans also were damaged.

Bertha was particularly devastating because it hit right before harvest season, ravaging crops in their most vulnerable stages. Estimates of the total damage to North Carolina agriculture continue to climb and currently stand at $188 million. Many North Carolina farmers suffered total losses of their 1996 crops.

Mr. President, this amendment will provide emergency loans, approved by the USDA for farmers seeking a way to recover from the financial losses imposed by the hurricane. It will enable farmers to purchase the inputs such as fertilizer, seed, and equipment needed to put crops back into the ground.

The early extension of credit to qualified farmers is essential to move them beyond this natural tragedy. I've been contacted by many of these farmers, Mr. President; for example, Ronnie and W.C. Cox who are fifth generation corn, cotton, and tobacco farmers in Onslow County. Their 300 acres of corn were totally destroyed along with 75 percent of their 225 acres of their tobacco crop. Cotton and other crops were likewise severely damaged.

These farmers aren't asking for a free ride, Mr. President. The Coxes in Onslow County wrote to me saying, ''We do not want grants or handouts. But, we do need to borrow $750,000 or $1 million for 3 to 5 years at a low interest rate.''

Mr. President, this amendment will extend a helping hand to these embattled farmers and thereby help them to help themselves. It's the right thing to do—at the right time.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the amendments be agreed to en bloc and the motions to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 5005 through 5009), en bloc, were agreed to.

AMENDMENTS NOS. 5010 THROUGH 5014, EN BLOC

Mr. BUMPERS. Mr. President, I send a series of amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arkansas [Mr. Bumpers] proposes amendments numbered 5010 through 5014, en bloc.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 5010 through 5014), en bloc, are as follows:

AMENDMENT NO. 5010

(Purpose: To increase funding for the Grain Inspection, Packers and Stockyards Administration and the Food Safety and Inspection Service, with an offset)

On page 23, line 8, strike ''$22,728,000'' and insert ''$23,928,000''.

On page 46, line 14, strike ''$657,942,000'' and insert ''$656,742,000''.

AMENDMENT NO. 5011

(Purpose: To express the sense of the Senate regarding Canadian wheat and barley exports to the United States)

At the end of the bill, add the following:

SEC. . SENSE OF SENSE ON CANADIAN WHEAT AND BARLEY EXPORTS.

It is the sense of the Senate that—

(1) the United States Trade Representative should continue to carefully monitor the export of wheat and barley from western Canada to the United States;

(2) the bilateral Memorandum of Understanding with Canada clearly states that the United States—

(A) will not accept market disruptions from imports of Canadian grains; and

(B) will use its trade laws if it appears likely that market disruptions will occur;

(3) the United States Trade Representative should monitor any policy changes by the Canadian Government, acting through the Canadian Wheat Board, that have the potential for increasing the exports of Canadian grains to the United States;

(4) family farmers of the United States should not be subject to increases in the 1-way channel of Canadian grain exports to the United States that unfairly disrupt the grain transportation systems and depress the prices received by farmers; and

(5) the United States Trade Representative should be prepared to support the use of antidumping laws, countervailing duty laws, section 301 of the Trade Act of 1974 (19 U.S.C. 4211), and other United States laws consistent with the international obligations of the United States, if—

(A) the Canadian Government implements the changes described in paragraph (3) without a resolution of the underlying cross-border grain trading issues between the United States and Canada; and

(B) the changes lead to unfair and injurious exports of Canadian grain to the United States.

AMENDMENT NO. 5012

At the appropriate place insert the following:

Not later than 180 days after enactment of this Act, the Administrator of the Food and Drug Administration, in consultation with the States and other appropriate Federal agencies shall report to the Chairman and Ranking Member of the Committee on Appropriations of the House and Senate on the feasibility of applying DNA testing or other testing procedures to determine the adulteration, blending, mixing or substitution of crab meat other than *Callinectes sapidus* offered for sale in the United States. The Administrator also shall report on the feasibility of developing a database of imported crab meat shipments from port of entry to final wholesaler to be made available to State agencies to aid enforcement and public health protection.

AMENDMENT NO. 5013

At the appropriate place, insert the following:

''No funds appropriated or otherwise made available to the Secretary of Agriculture may be used to administer section 118(b)(2)(A) of the Agricultural Marketing Transition Act unless the planting of a fruit or vegetable on contract acreage, if planted subsequent to the failure of a contract commodity on the same acreage within the same crop year is permitted on contract acreage: *Provided,* That this provision shall take effect upon the date of enactment of this Act into law.''

AMENDMENT NO. 5014

(Purpose: To prohibit the use of funds to administer the provision of contract payments to a producer for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice)

At the end of the bill, add the following:

SEC. . PLANTING OF WILD RICE ON CONTRACT ACREAGE.

None of the funds appropriated in this Act may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays on the final passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 237 Leg.]

YEAS—97

Abraham	Ford	Mack
Akaka	Frahm	McCain
Ashcroft	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Murkowski
Bingaman	Gramm	Murray
Bond	Grams	Nickles
Boxer	Grassley	Nunn
Bradley	Gregg	Pell
Breaux	Harkin	Pressler
Brown	Hatch	Pryor
Bumpers	Hatfield	Reid
Burns	Heflin	Robb
Byrd	Helms	Rockefeller
Campbell	Hollings	Roth
Chafee	Hutchison	Santorum
Coats	Inhofe	Sarbanes
Cochran	Inouye	Shelby
Cohen	Jeffords	Simon
Conrad	Johnston	Simpson
Coverdell	Kempthorne	Smith
Craig	Kennedy	Snowe
D'Amato	Kerrey	Specter
Daschle	Kerry	Stevens
DeWine	Kohl	Thomas
Dodd	Kyl	Thompson
Domenici	Lautenberg	Thurmond
Dorgan	Leahy	Warner
Exon	Levin	Wellstone
Faircloth	Lieberman	Wyden
Feingold	Lott	
Feinstein	Lugar	

NAYS—1

Bryan

NOT VOTING—2

Kassebaum Moynihan

The bill (H.R. 3603), as amended, was passed.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I move that the Senate insist on its amendments to H.R. 3603, and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to.

The PRESIDING OFFICER (Mr. SMITH) appointed Mr. COCHRAN, Mr. SPECTER, Mr. BOND, Mr. GORTON, Mr. MCCONNELL, Mr. BURNS, Mr. HATFIELD, Mr. BUMPERS, Mr. HARKIN, Mr. KERREY, Mr. JOHNSTON, Mr. KOHL, and Mr. BYRD, conferees on the part of the Senate.

Mr. COCHRAN. Mr. President, I thank all Senators for their cooperation during our management and handling of this bill on the floor of the Senate. I especially want to thank and compliment the distinguished Senator from Arkansas for his strong leadership and for his efforts to get a good bill passed by the Senate. We could not have done it either without the capable staff assistants: Becky Davies, Hunt Shipman, Jimmie Reynolds, Galen Fountain—all of whom worked very diligently, expertly, and professionally. They reflect credit on the Senate. We are very proud of them.

Mr. BUMPERS. Mr. President, let me echo what the distinguished Senator from Mississippi has just said.

First, let me say—I do not say this to be all that gracious but to simply state as fact—that the Senator from Mississippi's patience is much greater than mine. There were times this afternoon when I grew terribly frustrated about the pace of the proceedings, and the Senator from Mississippi kept assuring me that negotiations would pay off and that we would get the bill passed in due time. Of course, he was dead right. But more importantly than that, he is a very gifted legislator and a man of great patience and intellect. And it is a real pleasure for me to work with him as the ranking member on this committee. I thank him for his really truly magnificent work on the bill.

I would be remiss if I did not thank Becky Davies, Jimmy Reynolds, and Hunt Shipman of Senator COCHRAN's staff; and my own staff, Galen Fountain. If we choose to tell the truth, we will admit that is where most of the work was done. We could not have done it without them. I want to pay special tribute to the staff.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, Mr. President, I believe the distinguished Senator from Arkansas wishes to conclude his remarks.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the distinguished Senator from Montana, Senator BAUCUS, be added as a cosponsor of the Burns barley amendment that passed immediately preceding the passage of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I thank my distinguished colleague from Mississippi, Senator COCHRAN, for his outstanding work on this major piece of legislation. He showed real leadership once again and, of course, his colleague, the ranking member on the Agriculture Appropriations Subcommittee, Senator BUMPERS, did a great job.

Earlier today it was not clear at all how long this was going to take. But the fact of the matter is they only spent just a little over a day getting this job done even though it spread out over 3 days. It is a very important major accomplishment, and I thank them for their work. I commend all of our colleagues who worked through a lot of very difficult issues that affect a lot of States. They came to conclusion, and I appreciate very much the good work that they did.

As a result of that our intent now is to go to the foreign ops appropriations bill. The manager, the chairman, the Senator from Kentucky, Senator MCCONNELL, is here, and the ranking member is ready to go. We will go right to that.

There will be no further rollcall votes tonight. We wanted to confirm that this is the last vote of tonight.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 3540, the foreign ops appropriations bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3540) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: Provided, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $730,000,000 to remain available until September 30, 1998: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums shall remain available until 2012 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 1997 and 1998: Provided further, That up to $50,000,000 of funds appropriated by this paragraph shall remain available until expended and may be used for tied-aid grant purposes: Provided further, That none of the funds appropriated by this paragraph may be used for tied-aid credits or grants except through the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State, or any agency or national thereof.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $20,000 for official reception and representation expenses for members of the Board of Directors, $40,000,000: Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: Provided further, That, none of the funds made available by this or any other Act may be made available to pay the salary and any other expenses of the incumbent Chairman and President of the Export-Import Bank unless and until he has been confirmed by the United States Senate: Provided further, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1997.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: Provided, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $32,000,000: Provided further, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, $72,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961, to be derived by transfer from the Overseas Private Investment Corporation Noncredit Account: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 1997 and 1998: Provided further, That such sums shall remain available through fiscal year 2005 for the disbursement of direct and guaranteed loans obligated in fiscal year 1997, and through fiscal year 2006 for the disbursement of direct and guaranteed loans obligated in fiscal year 1998. In addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $40,000,000: Provided, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account

and to be available for obligation until September 30, 1997, for necessary expenses under this paragraph: Provided further, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1997, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96–533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,290,000,000, to remain available until September 30, 1998: Provided, That of the amount appropriated under this heading, up to $18,000,000 may be made available for the Inter-American Foundation and shall be apportioned directly to that agency: Provided further, That of the amount appropriated under this heading, up to $10,500,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: Provided further, That of the funds appropriated under title II of this Act that are administered by the Agency for International Development and made available for family planning assistance, not less than 65 percent shall be made available directly to the agency's central Office of Population and shall be programmed by that office for family planning activities: Provided further, That of the funds appropriated under this heading and under the heading ''Population, Development Assistance'' that are made available by the Agency for International Development for development assistance activities, the amount made available for sub-Saharan Africa should be in at least the same proportion as the amount identified in the fiscal year 1997 draft congressional presentation document for development assistance for sub-Saharan Africa is to the total amount requested for development assistance for such fiscal year: Provided further, That funds appropriated under this heading shall be made available, notwithstanding any other provision of law, to assist Vietnam to refom its trade regime through, among other things, reform of its commercial and investment legal codes: Provided further, That up to $5,000,000 of the funds appropriated under this heading may be made available for necessary expenses to carry out the provisions of section 667 of the Foreign Assistance Act of 1961: Provided further, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: Provided further, That none of the funds made available under this heading or under the heading ''Population, Development Assistance'', may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: Provided further, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: Provided further, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term ''motivate'', as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: Provided further, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: Provided further, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, up to $30,000,000 shall be transferred to ''International Organizations and Programs'' for a contribution to the International Fund for Agricultural Development (IFAD), and that any such transfer of funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed $25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: Provided further, That not less than $650,000 of the funds made available under this heading should be made available for support of the United States Telecommunications Training Institute.

POPULATION, DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of section 104(b) of the Foreign Assistance Act of 1961, $410,000,000, to remain available until September 30, 1998.

CYPRUS

Of the funds appropriated under the headings ''Development Assistance'' and ''Economic Support Fund'', not less than $15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

BURMA

Of the funds appropriated by this Act to carry out the provisions of chapter 8 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $2,500,000 shall be made available to support activities in Burma, along the Burma-Thailand border, and for activities of Burmese student groups and other organizations located outside Burma, for the purposes of fostering democracy in Burma, supporting the provision of medical supplies and other humanitarian assistance to Burmese located in Burma or displaced Burmese along the borders, and for other purposes: Provided, That of this amount, not less than $200,000 shall be made available to support newspapers, publications, and other media activities promoting democracy inside Burma: Provided further, That funds made available under this heading may be made available notwithstanding any other provision of law: Provided further, That provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: Provided, That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the ''Foreign Assistance and Related Programs Appropriations Act, 1985'' (as enacted in Public Law 98–473) shall be superseded by the provisions of this section, except that the authority contained in the last sentence of section 123(g) may be exercised by the Administrator with regard to the requirements of this paragraph.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $190,000,000, to remain available until expended.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961; of modifying direct loans extended to least developed countries, as authorized under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended; and of modifying concessional loans authorized under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, as authorized under subsection (a) under the heading ''Debt Reduction for Jordan'' in title VI of Public Law 103–306, $27,000,000, to remain available until expended: Provided, That none of the funds appropriated under this heading shall be obligated except through the regular notification procedures of the Committee on Appropriations.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the subsidy cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That funds made available under this heading shall remain available until September 30, 1998.

HOUSING GUARANTY PROGRAM ACCOUNT

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, $4,000,000, to remain available until September 30, 1998: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall

be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, $6,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for central and Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the Foreign Assistance Act of 1961.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the ''Foreign Service Retirement and Disability Fund'', as authorized by the Foreign Service Act of 1980, $43,826,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $495,000,000: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be made available for expenses necessary to relocate the Agency for International Development, or any part of that agency, to the building at the Federal Triangle in Washington, District of Columbia.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $28,000,000, to remain available until expended, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,340,000,000, to remain available until September 30, 1998: Provided, That of the funds appropriated under this heading, not less than $1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1996, whichever is later: Provided further, That not less than $815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance may be provided, with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance: Provided further, That in exercising the authority to provide cash transfer assistance for Israel and Egypt, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of non-military exports from the United States to each such country: Provided further, That it is the sense of the Congress that the recommended levels of assistance for Egypt and Israel are based in great measure upon their continued participation in the Camp David Accords and upon the Egyptian-Israeli peace treaty: Provided further, That of the funds appropriated under this heading, $3,000,000 shall be made available to establish an independent radio broadcasting service to Iran: Provided further, That none of the funds appropriated under this heading shall be made available for Zaire.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $475,000,000, to remain available until September 30, 1998, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Central and Eastern Europe and the Baltic States.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) With regard to funds appropriated or otherwise made available under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—

(1) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and

(2) the provisions of section 534 of this Act shall apply.

(e) With regard to funds appropriated under this heading that are made available for economic revitalization programs in Bosnia and Hercegovina, 50 percent of such funds shall not be available for obligation unless the President determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Hercegovina has complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Hercegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has been terminated.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the new independent states of the former Soviet Union and for related programs, $640,000,000, to remain available until September 30, 1998: Provided, That the provisions of such chapter shall apply to funds appropriated by this paragraph.

(b) None of the funds appropriated under this heading shall be transferred to the Government of Russia—

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, negotiating repayment of commercial debt, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

(c) Funds may be furnished without regard to subsection (b) if the President determines that to do so is in the national interest.

(d) None of the funds appropriated under this heading shall be made available to any government of the new independent states of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: Provided, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: Provided further, That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian, disaster and refugee relief.

(e) None of the funds appropriated under this heading for the new independent states of the former Soviet Union shall be made available for any state to enhance its military capability: Provided, That this restriction does not apply to demilitarization or nonproliferation programs.

(f) Funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations.

(g) Funds made available in this Act for assistance to the new independent states of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(h) Funds appropriated under this heading may be made available for assistance for Mongolia.

(i) Funds made available in this Act for assistance to the New Independent States of the former Soviet Union shall be provided to the maximum extent feasible through the private sector, including small- and medium-size businesses, entrepreneurs, and others with indigenous private enterprises in the region, intermediary development organizations committed to private enterprise, and private voluntary organizations: Provided, That grantees and contractors should, to the maximum extent possible, place in key staff positions specialists with prior on the ground expertise in the region of activity and fluency in one of the local languages.

(j) In issuing new task orders, entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(k) Of the funds made available under this heading, not less than $225,000,000 shall be made available for Ukraine, of which funds not less than $25,000,000 shall be made available to carry out United States decommissioning obligations regarding the Chornobyl plant made in the Memorandum of Understanding between the Government of Ukraine and the G–7 Group: Provided, That not less than $35,000,000 shall be made available for agricultural projects, including those undertaken through the Food Systems Restructuring Program, which leverage private sector resources with United States Government assistance: Provided further, That $5,000,000 shall be available for a small business incubator project: Provided further, That $5,000,000 shall be made available for screening and treatment of childhood mental and physical illnesses related to Chornobyl radiation.

(l) Of the funds made available for Ukraine, under this Act or any other Act, not less than $50,000,000 shall be made available to improve safety at nuclear reactors: Provided, That of this amount $20,000,000 shall be provided for the purchase and installation of, and training for, safety parameter display or control systems at all operational nuclear reactors: Provided further, That of this amount, $20,000,000 shall be made available for the purchase, construction,

installation and training for Full Scope and Analytical/Engineering simulators: Provided further, That of this amount such funds as may be necessary shall be made available to conduct Safety Analysis Reports at all operational nuclear reactors.

(m) Of the funds made available by this Act, not less than $95,000,000 shall be made available for Armenia.

(n) Of the funds made available by this or any other Act, $25,000,000 shall be made available for Georgia.

(o) None of the funds appropriated under this heading may be made available for Russia unless the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor or related nuclear research facilities or programs.

(p) Of the funds appropriated under this heading, $15,000,000 shall be provided for hospital partnership programs, medical assistance to directly reduce the incidence of infectious diseases such as diphtheria or tuberculosis, and a program to reduce the adverse impact of contaminated drinking water.

(q) Of the funds appropriated under this heading and under the heading ''Assistance for Eastern Europe and the Baltic States'', not less than $12,000,000 shall be made available for law enforcement training and exchanges, and investigative and technical assistance activities related to international criminal activities: Provided, That of this amount, not less than $1,000,000 shall be made available for training and exchanges in Russia to combat violence against women.

(r) Of the funds appropriated under this heading, not less than $50,000,000 should be provided to the Western NIS and Central Asian Enterprise Funds: Provided, That obligation of these funds shall be consistent with sound business practices.

(s) Of the funds made available under this heading, not less than $10,000,000 shall be made available for a United States contribution to the Trans-Caucasus Enterprise Fund.

(t) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program proposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(u) Funds appropriated under this heading may not be made available for the Government of Ukraine if the President determines and reports to the Committees on Appropriations that the Government of Ukraine is engaged in military cooperation with the Government of Libya.

(v) Of the funds appropriated under this heading, not less than $15,000,000 shall be available only for a family planning program for the New Independent States of the former Soviet Union comparable to the family planning program currently administered by the Agency for International Development in the Central Asian Republics and focusing on population assistance which provides an alternative to abortion.

(w) Funds made available under this Act or any other Act (other than assistance under title V of the FREEDOM Support Act) may not be provided to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh.

(x) Of the funds appropriated under this heading, not less than $2,500,000 shall be made available for the American-Russian Center.

INDEPENDENT AGENCY

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $205,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: Provided, That none of the funds appropriated under this heading shall be used to pay for abortions: Provided further, That funds appropriated under this heading shall remain available until September 30, 1998.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out the provisions of section 481 of the Foreign Assistance Act of 1961, $160,000,000: Provided, That during fiscal year 1997, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive non-lethal excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $650,000,000: Provided, That not more than $12,000,000 shall be available for administrative expenses: Provided further, That not less than $80,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $50,000,000, to remain available until expended: Provided, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $140,000,000 to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act for demining activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for the acquisition and provision of goods and services, or for grants to Israel necessary to support the eradication of terrorism in and around Israel: Provided, That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: Provided further, That such funds may also be used for such countries other than the new independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: Provided further, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: Provided further, That not to exceed $13,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for administrative expenses and heavy fuel oil costs associated with the Agreed Framework: Provided further, That of the funds made available to KEDO for heavy fuel oil costs associated with the Agreed Framework, not more than one-third of such funds may be obligated within ninety days after the date of enactment of this Act, not more than two-thirds of such funds may be obligated within 180 days after the date of enactment of this Act and the remaining funds may not be obligated until August 1, 1997: Provided further, That funds may be obligated for such heavy fuel oil costs only if, prior to each obligation of funds, the President certifies and so reports to the Committees on Appropriations that North Korea is using all fuel oil financed by the parties to the Agreed Framework for purposes allowed by the Agreed Framework: Provided further, That the obligation of such funds shall be subject to the regular notification procedures of the Committees on Appropriations.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $40,000,000: Provided, That up to $100,000 of the funds appropriated under this heading may be made available for grant financed military education and training for any high income country on the condition that that country agrees to fund from its own resources the transportation cost and living allowances of its students: Provided further, That the civilian personnel for whom military education and training may be provided under this heading may also include members of national legislatures who are responsible for the oversight and management of the military, and may also include individuals who are not members of a government: Provided further, That none of the funds appropriated under this heading shall be available for Zaire and Guatemala: Provided further, That funds appropriated under this heading for grant financed military education and training for Indonesia may only be available for expanded military education and training.

FOREIGN MILITARY FINANCING PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,224,000,000: Provided, That of the funds appropriated by this paragraph not less than $1,800,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be available for grants only for Egypt: Provided further, That the funds appropriated by this paragraph for Israel shall be disbursed within

thirty days of enactment of this Act or by October 31, 1996, whichever is later: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: Provided further, That Poland, Hungary, and the Czech Republic shall be designated as eligible for the program established under section 203(a) of the NATO Participation Act of 1994: Provided further, That of the funds made available under this paragraph, $30,000,000 shall be available for assistance on a grant basis for Poland, Hungary, and the Czech Republic to carry out title II of Public Law 103–477 and section 585 of Public Law 104–107: Provided further, That funds made available under this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: Provided further, That, for the purpose only of providing support for NATO expansion and the Warsaw Initiative Program, of the funds appropriated by this Act under the headings ''Assistance for Eastern Europe and the Baltic States'' and ''Assistance for the New Independent States of the Former Soviet Union'', up to a total of $20,000,000 may be transferred, notwithstanding any other provision of law, to the funds appropriated under this paragraph: Provided further, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, $60,000,000: Provided, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $540,000,000: Provided further, That the rate of interest charged on such loans shall be not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities: Provided further, That of the funds appropriated under this paragraph $20,000,000 shall be made available to Poland, Hungary, and the Czech Republic: Provided further, That funds appropriated under this heading shall be made available for Greece and Turkey only on a loan basis, and the principal amount of direct loans for each country shall not exceed the following: $122,500,000 only for Greece and $175,000,000 only for Turkey.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: Provided, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: Provided further, That funds made available under this heading shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a): Provided further, That none of the funds appropriated under this heading shall be available for Zaire, Sudan, Peru, Liberia, and Guatemala: Provided further, That none of the funds appropriated or otherwise made available for use under this heading may be made available for Colombia or Bolivia until the Secretary of State certifies that such funds will be used by such country primarily for counternarcotics activities: Provided further, That funds made available under this heading may be used, notwithstanding any other provision of law, for activities related to the clearance of landmines and unexploded ordnance, and may include activities implemented through nongovernmental and international organizations: Provided further, That not more than $100,000,000 of the funds made available under this heading shall be available for use in financing the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act to countries other than Israel and Egypt: Provided further, That only those countries for which assistance was justified for the ''Foreign Military Sales Financing Program'' in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: Provided further, That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That the Department of Defense shall conduct during the current fiscal year nonreimbursable audits of private firms whose contracts are made directly with foreign governments and are financed with funds made available under this heading (as well as subcontractors thereunder) as requested by the Defense Security Assistance Agency: Provided further, That not more than $23,250,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: Provided further, That not more than $355,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1997 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $65,000,000: Provided, That none of the funds appropriated under this paragraph shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE GLOBAL ENVIRONMENT FACILITY

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), $35,000,000, to remain available until September 30, 1998.

CONTRIBUTION TO THE INTERIM TRUST FUND AT THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the Interim Trust Fund administered by the International Development Association by the Secretary of the Treasury, $626,000,000, to remain available until expended.

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

For payment to the International Finance Corporation by the Secretary of the Treasury, $6,656,000, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, $25,610,667, and for the United States share of the increase in the resources of the Fund for Special Operations, $10,000,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $1,503,718,910.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund to be administered by the Inter-American Development Bank, $27,500,000 to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $13,221,596, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $647,858,204.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89–369), $100,000,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $11,916,447, for the United States share of the paid-in share portion of the initial capital subscription, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $27,805,043.

NORTH AMERICAN DEVELOPMENT BANK

For payment to the North American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in portion of the capital stock, $56,250,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the North American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the capital stock of the North American Development Bank in an amount not to exceed $318,750,000.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance

Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $295,000,000: Provided, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: Provided further, That not less than $3,000,000 of the funds appropriated under this heading shall be made available for the World Food Program: Provided further, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA): Provided further, That none of the funds appropriated under this heading that are made available to the United Nations Population Fund (UNFPA) shall be made available for activities in the People's Republic of China: Provided further, That not more than $35,000,000 of the funds appropriated under this heading may be made available to the UNFPA: Provided further, That not more than one-half of this amount may be provided to UNFPA before March 1, 1997, and that no later than February 15, 1997, the Secretary of State shall submit a report to the Committees on Appropriations indicating the amount UNFPA is budgeting for the People's Republic of China in 1997: Provided further, That any amount UNFPA plans to spend in the People's Republic of China in 1997 shall be deducted from the amount of funds provided to UNFPA after March 1, 1997 pursuant to the previous provisos: Provided further, That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any other funds.

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled ''International Disaster Assistance'', and ''United States Emergency Refugee and Migration Assistance Fund'', not more than 15 per centum of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. None of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: Provided further, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading ''Foreign Military Financing Program'', not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: Provided further, That of the funds made available by this Act under the heading ''International Military Education and Training'', not to exceed $50,000 shall be available for entertainment allowances: Provided further, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: Provided further, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: Provided further, That of the funds made available by this Act under the heading ''Trade and Development Agency'', not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for ''Nonproliferation, Anti-terrorism, Demining and Related Programs'') pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Serbia, Sudan, or Syria: Provided, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected Head of Government is deposed by military coup or decree: Provided, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations, except for transfers specifically referred to in this Act.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1997, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: Provided, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the deobligation and reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: Provided, That the authority of this subsection may not be used in fiscal year 1997.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: Provided, That funds appropriated for the purposes of chapters 1, 8 and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading ''Assistance for Eastern Europe and the Baltic States'', shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: Provided further, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: Provided further, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: Provided, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act or during the current fiscal year for Nicaragua, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: Provided, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. For the purposes of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for ''Development Assistance'', ''Population, Development Assistance'', ''International organizations and programs'', ''Trade and Development Agency'', ''International narcotics control'', ''Assistance for Eastern Europe and the Baltic States'', ''Assistance for the New Independent States of the Former Soviet Union'', ''Economic Support Fund'', ''Peacekeeping operations'', ''Operating expenses of the Agency for International Development'', ''Operating expenses of the Agency for International Development Office of Inspector General'', ''Nonproliferation, Anti-terrorism, Demining and Related Programs'', ''Export-Import Bank of the United States'', ''Foreign Military Financing Program'', ''International military education and training'', ''Peace Corps'', ''Migration and refugee assistance'', and for the ''Inter-American Foundation'' and the ''African Development Foundation'', shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance: Provided, That comparable requirements of any similar provision in any other Act shall be applicable only to the extent that funds appropriated by this Act have been previously authorized: Provided further, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 per centum in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen days in advance of such commitment: Provided further, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 per centum of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: Provided further, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: Provided further, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: Provided further, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Notwithstanding any other provision of law or of this Act, none of the funds provided for ''International Organizations and Programs'' shall be available for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: Provided, That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 1997.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

SEC. 517. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations under the Treaty of Peace Between the Arab Republic of Egypt and the State of Israel, done at Washington on March 26, 1979, Israel incurred severe economic burdens. Furthermore, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that, subject to the availability of appropriations, it is the policy and the intention of the United States that the funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: Provided, That none of the funds made available under this Act may be used to lobby for or against abortion.

POPULATION PLANNING ASSISTANCE LIMITATIONS

SEC. 519. (a) PROHIBITION ON ABORTION FUNDING.—None of the funds made available under this Act may be used to pay for the performance of abortion as a method of family planning, or to coerce or motivate any person to practice abortions.

(b) PROHIBITION ON ABORTION LOBBYING.—None of the funds made available under this Act may be used to lobby for or against abortion.

(c) ELIGIBILITY.—In determining eligibility for assistance from funds appropriated to carry out section 104 of the Foreign Assistance Act of 1961, nongovernmental and multilateral organizations shall not be subjected to requirements more restrictive than the requirements applicable to foreign governments for such assistance.

REPORTING REQUIREMENT

SEC. 520. The President shall submit to the Committees on Appropriations the reports required by section 25(a)(1) of the Arms Export Control Act.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 521. None of the funds appropriated in this Act shall be obligated or expended for Colombia, Guatemala, Haiti, Liberia, Pakistan, Sudan, or Zaire except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 522. For the purpose of this Act, ''program, project, and activity'' shall be defined at the Appropriations Act account level and shall include all Appropriations and Authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, ''program, project, and activity'' shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development ''program, project, and activity'' shall also be considered to include central program level funding, either as (1) justified to the Congress, or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND AIDS ACTIVITIES

SEC. 523. Up to $8,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival activities and activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome in developing countries: Provided, That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: Provided further, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 524. None of the funds appropriated or otherwise made available pursuant to this Act

shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 525. Section 61(a) of the Arms Export Control Act is amended by striking out ''1996'' and inserting in lieu thereof ''1997''.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 526. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: Provided, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: Provided further, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 527. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 528. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 529. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 530. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 531. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 532. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 533. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

SEPARATE ACCOUNTS

SEC. 534. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated, and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities, or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all appropriate steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The provisions of this subsection shall supersede the tenth and eleventh provisos contained under the heading ''Sub-Saharan Africa, Development Assistance'' as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98–1159).

(3) NOTIFICATION.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 535. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, ''international financial institutions'' are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 536. (a) DENIAL OF ASSISTANCE.—None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq, Serbia or Montenegro unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

(b) IMPORT SANCTIONS.—If the President considers that the taking of such action would promote the effectiveness of the economic sanctions of the United Nations and the United States imposed with respect to Iraq, Serbia, or Montenegro, as the case may be, and is consistent with the national interest, the President may prohibit, for such a period of time as he considers appropriate, the importation into the United States of any or all products of any foreign country that has not prohibited—

(1) the importation of products of Iraq, Serbia, or Montenegro into its customs territory, and

(2) the export of its products to Iraq, Serbia, or Montenegro, as the case may be.

POW/MIA MILITARY DRAWDOWN

SEC. 537. (a) Notwithstanding any other provision of law, the President may direct the drawdown, without reimbursement by the recipient, of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value not to exceed $15,000,000 in fiscal year 1997, as may be necessary to carry out subsection (b).

(b) Such defense articles, services and training may be provided to Vietnam, Cambodia and Laos, under subsection (a) as the President determines are necessary to support efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War, and to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support United States Department of Defense-sponsored humanitarian projects associated with the POW/MIA efforts. Any aircraft shall be provided under this section only to Laos and only on a lease or loan basis, but may be provided at no cost notwithstanding section 61 of the Arms Export Control Act and may be maintained with defense articles, services and training provided under this section.

(c) The President shall, within sixty days of the end of any fiscal year in which the authority of subsection (a) is exercised, submit a report to the Congress which identifies the articles, services, and training drawn down under this section.

MEDITERRANEAN EXCESS DEFENSE ARTICLES

SEC. 538. For the four year period beginning on October 1, 1996, the President shall ensure that excess defense articles will be made available under section 516 and 519 of the Foreign Assistance Act of 1961 consistent with the manner in which the President made available excess defense articles under those sections during the four year period that began on October 1, 1992, pursuant to section 573(e) of the Foreign Operations, Export Financing, Related Programs Appropriations Act, 1990.

CASH FLOW FINANCING

SEC. 539. For each country that has been approved for cash flow financing (as defined in section 25(d) of the Arms Export Control Act, as added by section 112(b) of Public Law 99–83) under the Foreign Military Financing Program, any Letter of Offer and Acceptance or other purchase agreement, or any amendment thereto, for a procurement in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act shall be submitted through the regular notification procedures to the Committees on Appropriations.

AUTHORITIES FOR THE PEACE CORPS, THE INTER-AMERICAN FOUNDATION AND THE AFRICAN DEVELOPMENT FOUNDATION

SEC. 540. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act, or the African Development Foundation Act. The appropriate agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 541. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: Provided, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

AUTHORITY TO ASSIST BOSNIA AND HERZEGOVINA

SEC. 542. (a) The President is authorized to direct the transfer, subject to prior notification of the Committees on Appropriations, to the government of Bosnia and Herzegovina, without reimbursement, of defense articles from the stocks of the Department of Defense and defense services of the Department of Defense of an aggregate value of not to exceed $100,000,000 in fiscal years 1996 and 1997: Provided, That the President certifies in a timely fashion to the Congress that the transfer of such articles would assist that nation in self-defense and thereby promote the security and stability of the region.

(b) Within 60 days of any transfer under the authority provided in subsection (a), and every 60 days thereafter, the President shall report in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate concerning the articles transferred and the disposition thereof.

(c) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles provided under this section.

RESTRICTIONS ON THE TERMINATION OF SANCTIONS AGAINST SERBIA AND MONTENEGRO

SEC. 543. (a) RESTRICTIONS.—Notwithstanding any other provision of law, no sanction, prohibition, or requirement described in section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), with respect to Serbia or Montenegro, may cease to be effective, unless—

(1) the President first submits to the Congress a certification described in subsection (b); and

(2) the requirements of section 1511 of that Act are met.

(b) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) there is substantial progress toward—

(A) the realization of a separate identity for Kosova and the right of the people of Kosova to govern themselves; or

(B) the creation of an international protectorate for Kosova;

(2) there is substantial improvement in the human rights situation in Kosova;

(3) international human rights observers are allowed to return to Kosova; and

(4) the elected government of Kosova is permitted to meet and carry out its legitimate mandate as elected representatives of the people of Kosova.

(c) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of subsection (a) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs or to achieve a negotiated settlement of the conflict in Bosnia-Herzegovina that is acceptable to the parties.

SPECIAL AUTHORITIES

SEC. 544. (a) Funds appropriated in title II of this Act that are made available for Afghanistan, Lebanon, and Cambodia, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Bosnia and Herzegovina, Croatia, and Kosova, may be made available notwithstanding any other provision of law: Provided, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985: Provided further, That none of the funds appropriated by this Act may be made available, and funds previously obligated may not be expended, for assistance for any country or organization that the Secretary of State determines is cooperating, tactically or strategically, with the Khmer Rouge in their military operations, or to the military of any country that is not acting vigorously to prevent its members from facilitating the export of timber from Cambodia by the Khmer Rouge: Provided further, That the Secretary of State shall submit reports to the Committees on Appropriations on February 15, 1997 and September 15, 1997, on whether there are any countries, organizations, or militaries for which assistance is prohibited under the previous proviso, the basis for such conclusions and, if appropriate, the steps being taken to terminate assistance.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and energy programs aimed at reducing emissions of greenhouse gases, and for the purpose of supporting biodiversity conservation activities: Provided, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) During fiscal year 1997, the President may use up to $40,000,000 under the authority of section 451 of the Foreign Assistance Act of 1961, notwithstanding the funding ceiling contained in subsection (a) of that section.

(d) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 545. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel; and

(2) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 546. (a) Of the funds appropriated or otherwise made available by this Act for ''Economic Support Fund'', assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean in accordance with the provisions of section 534 of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.

(b) Funds made available pursuant to this section may be made available notwithstanding the third sentence of section 534(e) of the Foreign Assistance Act of 1961. Funds made available pursuant to subsection (a) for Bolivia, Colombia and Peru may be made available notwithstanding section 534(c) and the second sentence of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 547. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961: Provided, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: Provided further, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: Provided further, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 1997, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: Provided, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 548. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: Provided, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: Provided, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 549. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

EXCESS DEFENSE ARTICLES

SEC. 550. (a) During fiscal year 1997, the authority of section 519 of the Foreign Assistance Act of 1961, as amended, may be used to provide nonlethal excess defense articles to countries for which United States foreign assistance has been requested and for which receipt of such articles was separately justified for the fiscal year, without regard to the restrictions in subsection (a) of section 519.

(b) During fiscal year 1997, the authority of section 516 of the Foreign Assistance Act of 1961, as amended, may be used to provide defense articles to Jordan, Estonia, Latvia, Lithuania, and to countries eligible to participate in the Partnership for Peace and to receive assistance under Public Law 101–179.

(c) Section 516(f) of the Foreign Assistance Act of 1961, as amended, is repealed.

(d) Section 31(d) of the Arms Export Control Act is amended by deleting the words ''or pursuant to sales under this Act''.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 551. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress: Provided, That not to exceed $750,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

USE OF AMERICAN RESOURCES

SEC. 552. To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 553. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

CONSULTING SERVICES

SEC. 554. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 555. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 556. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after the date of enactment of this Act.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 557. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 558. None of the funds appropriated by this Act may be obligated for assistance for the

Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: Provided, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 559. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 1997 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

WAR CRIMES TRIBUNALS

SEC. 560. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the authority of section 552(c) of the Foreign Assistance Act of 1961, as amended, may be used to provide up to $25,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: Provided, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): Provided further, That 60 days after the date of enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information and intelligence regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia.

TRANSPORTATION OF EXCESS DEFENSE ARTICLES

SEC. 561. Notwithstanding section 519(f) of the Foreign Assistance Act of 1961, during fiscal year 1997, funds available to the Department of Defense may be expended for crating, packing, handling and transportation of excess defense articles transferred under the authority of sections 516 and 519 to countries eligible to participate in the Partnership for Peace and to receive assistance under Public Law 101–179.

LANDMINES

SEC. 562. Notwithstanding any other provision of law, demining equipment available to any department or agency and used in support of the clearing of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe: Provided, That section 1365(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 22 U.S.C., 2778 note) is amended by striking out ''During the five-year period beginning on October 23, 1992'' and inserting in lieu thereof ''During the eight-year period beginning on October 23, 1992''.

MORATORIUM ON USE OF ANTIPERSONNEL LANDMINES

SEC. 563. (a) UNITED STATES MORATORIUM.—Notwithstanding any other provision of law, for a period of one year beginning three years after the date of enactment of Public Law 104–107, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(b) DEFINITION AND EXEMPTIONS.—For the purposes of this section:

(1) ANTIPERSONNEL LANDMINE.—The term ''antipersonnel landmine'' means any munition placed under, on, or near the ground or other surface area, delivered by artillery, rocket, mortar, or similar means, or dropped from an aircraft and which is designed, constructed or adapted to be detonated or exploded by the presence, proximity, or contact of a person.

(2) EXEMPTIONS.—The term ''antipersonnel landmine'' does not include command detonated Claymore munitions.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 564. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: Provided, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: Provided further, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 565. None of the funds appropriated or otherwise made available by this Act under the heading ''INTERNATIONAL MILITARY EDUCATION AND TRAINING'' or ''FOREIGN MILITARY FINANCING PROGRAM'' for Informational Program activities may be obligated or expended to pay for—

(1) alcoholic beverages;

(2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

(3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

HUMANITARIAN ASSISTANCE

SEC. 566. The Foreign Assistance Act of 1961 is amended by adding immediately after section 620H the following new section:

''SEC. 620I. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT RESTRICT UNITED STATES HUMANITARIAN ASSISTANCE.—

''(a) IN GENERAL.—No assistance shall be furnished under this Act or the Arms Export Control Act to any country when it is made known to the President that the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance.

''(b) EXCEPTION.—Assistance may be furnished without regard to the restriction in subsection (a) if the President determines that to do so is in the national security interest of the United States.''.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 567. (a) SENSE OF CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

LIMITATION OF FUNDS FOR NORTH AMERICAN DEVELOPMENT BANK

SEC. 568. None of the funds appropriated in this Act under the heading ''North American Development Bank'' and made available for the Community Adjustment and Investment Program shall be used for purposes other than those set out in the binational agreement establishing the Bank.

LIMITATION ON FUNDS FOR BURMA

SEC. 569. Until such time as the President determines and certifies to the Committees on Appropriations that an elected government of Burma has been allowed to take office, the following sanctions shall be imposed on Burma:

(1) No national of the United States shall make any investment in Burma;

(2) United States assistance to Burma is prohibited;

(3) The Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of the respective bank to or for Burma; and

(4) Except as required by Treaty obligations, any Burmese national who formulates, implements, or benefits from policies which hinder the transition of Burma to a democratic country shall be ineligible to receive a visa and shall be excluded from admission to the United States.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 570. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961; or

(2) credits extended or guarantees issued under the Arms Export Control Act.

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as ''Paris Club Agreed Minutes''.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, fiscal years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt restructuring''.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 571. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President shall consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 572. (a) BILATERAL ASSISTANCE.—Funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act may not be provided for any country described in subsection (c).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

(c) SANCTIONED COUNTRIES.—A country described in this subsection is a country the government of which knowingly grants sanctuary to persons in its territory for the purpose of evading prosecution, where such persons—

(1) have been indicted by the International Criminal Tribunal for the former Yugoslavia, the International Criminal Tribunal for Rwanda, or any other international tribunal with similar standing under international law, or

(2) have been indicted for war crimes or crimes against humanity committed during the period beginning March 23, 1933 and ending on May 8, 1945 under the direction of, or in association with—

(A) the Nazi government of Germany;

(B) any government in any area occupied by the military forces of the Nazi government of Germany;

(C) any government which was established with the assistance or cooperation of the Nazi government; or

(D) any government which was an ally of the Nazi government of Germany.

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 573. (a) None of the funds appropriated or otherwise made available by this Act, may be provided to the Government of Haiti until the President reports to Congress that—

(1) the Government is conducting thorough investigations of extrajudicial and political killings; and

(2) the Government is cooperating with United States authorities in the investigations of political and extrajudicial killings.

(b) Nothing in this section shall be construed to restrict the provision of humanitarian, development or electoral assistance.

(c) The President may waive the requirements of this section if he determines and certifies to the appropriate committees of Congress that it is in the national interest of the United States or necessary to assure the safe and timely withdrawal of American forces from Haiti.

LIMITATION ON FUNDS TO THE TERRITORY OF THE BOSNIAC-CROAT FEDERATION

SEC. 574. Funds appropriated by this Act for activities in the internationally-recognized borders of Bosnia and Herzegovina (other than refugee and disaster assistance and assistance for restoration of infrastructure, to include power grids, water supplies and natural gas) may only be made available for activities in the territory of the Bosniac-Croat Federation.

UNITED STATES GOVERNMENT PUBLICATIONS

SEC. 575. Beginning in fiscal year 1997, all United States Government publications shall refer to the capital of Israel as Jerusalem.

EXTENSION OF CERTAIN ADJUDICATION PROVISIONS

SEC. 576. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101–167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking ''and 1996'' and inserting ''1996, and 1997''; and

(B) in subsection (e), by striking out ''October 1, 1996'' each place it appears and inserting ''October 1, 1997''; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking out ''September 30, 1996'' and inserting ''September 30, 1997''.

TRANSPARENCY OF BUDGETS

SEC. 577. (a) LIMITATION.—Beginning three years after the date of the enactment of this Act, the Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution to use the voice and vote of the United States to oppose any loan or other utilization of the funds of their respective institution, other than to address basic human needs, for the government of any country which the Secretary of the Treasury determines—

(1) does not have in place a functioning system for a civilian audit of all receipts and expenditures in the portions of its budget that fund activities of the armed forces and security forces;

(2) has not provided a summary of a current audit to the institution; and

(3) has not provided to the institution an accounting of the ownership and financial interest in revenue-generating enterprises of the armed forces and security forces.

(b) DEFINITION.—For purposes of this section, the term ''international financial institution'' shall include the institutions identified in section 535(b) of this Act.

PROMOTION OF HUMAN RIGHTS

SEC. 578. A senior official, or former senior official, of a government that receives funds appropriated by this Act, who applies for a visa to travel to the United States, shall be denied such visa if the Secretary of State has credible evidence that such official has committed, ordered or attempted to thwart the investigation of a gross violation of an internationally recognized human right: Provided, That for purposes of this section ''senior official'' includes an officer of the armed forces or security forces: Provided further, That the Secretary of State may waive the restrictions of this section on a case-by-case basis if he determines and reports to the Committees on Appropriations that to do so is important to the national interest of the United States.

GUARANTEES

SEC. 579. Section 251(b)(2)(G) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''fiscal year 1994 and 1995'' and inserting in lieu thereof ''fiscal years 1994, 1995, and 1997'' in both places that this appears.

This Act may be cited as the ''Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997''.

Mr. LOTT. Mr. President, the managers of the bill will do their opening statements now. I believe that they have some amendments that they can clear.

I yield to the chairman for any explanation of how they intend to proceed tonight, or the first thing in the morning.

Mr. MCCONNELL. I thank the leader.

In addition to doing our opening statements, Senator COVERDELL has an amendment which he is prepared to lay down and we could schedule a vote at whatever time you think appropriate.

Mr. LOTT. Mr. President, 9:30 in the morning would be the appropriate time. I believe that we can get the Members here and continue to have serious work and complete this very important bill very quickly; hopefully, tomorrow.

Mr. President, I have another unanimous-consent request then, unless there is something else to be said about the foreign ops appropriations bill.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar: No. 574 and No. 589.

I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

Nanette K. Laughrey, of Missouri, to be United States District Judge for the Eastern and Western Districts of Missouri.

Dean D. Pregerson, of California, to be United States District Judge for the Central District of California.

NOMINATION OF DEAN D. PREGERSON

Mrs. BOXER. Mr. President, I want to thank the majority and minority leaders as well as the Judiciary Committee chairman, ORRIN HATCH, and ranking member, Senator BIDEN, for moving an outstanding judicial nominee, Dean Douglas Pregerson, to the floor for confirmation to the United States District Court for the Central District of California.

The Central District of California includes the counties of Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara and Ventura.

Dean Pregerson has been a practicing attorney in California and in the Territory of Guam for the past 18 years. He has tremendous experience in a broad range of legal issues and a record of exceptional performance in many different aspects of the practice of law. He has been a public defender, a legal aid lawyer, and a litigator of a wide variety of civil and criminal matters in both State and Federal courts. He is currently a partner in the Los Angeles law firm of Pregerson, Richman and Luna, where he has personally litigated many issues, including contract and commercial actions, intellectual property matters, and personal injury disputes.

Mr. Pregerson has a long record of service to his community. For the past 5 years, he has been a board member of Bet Tzedek Legal Services, which provides free legal help to about 12,000 Los Angelenos a year. He is on the advisory board of the GSA/Salvation Army homeless shelter of Bell, CA, which provides food, housing, and other services to more than 200 men and women each day. He began his service for the Recreation and Parks Commission of Los Angeles in 1989, and served a term as its president. He has been a member of the Los Angeles Memorial Coliseum Commission.

Dean Pregerson has garnered high praise from many colleagues and associates. Los Angeles Mayor Richard Riordan, in a letter to Judiciary Committee Chairman HATCH in February of this year, said he, ''strongly supports Dean's nomination'' and believes that he will be a judge ''who combines legal talents with a firm commitment to uphold the traditional and proper role of the judiciary.'' Los Angeles Sheriff Sherman Block writes that Dean Pregerson will be ''tough, fair-minded, and committed to enforcing the law'' as a Federal judge and he conveys his strong support for his confirmation.

Again, I commend our leaders for bringing this nomination to the floor and confirming an individual who will be a great asset to the Federal bench and to the State of California.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

Mr. LOTT. I yield the floor, Mr. President.

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

The Senate continued with the consideration of the bill.

Mr. MCCONNELL. Mr. President, this year the foreign operations bill provides $12.246 billion to administer our foreign assistance programs. This slightly exceeds the bill signed into law last year but is more than $700 million below the administration's request. Although this is a substantial reduction, I believe we have crafted a bill which addresses congressional concerns about balancing the budget while continuing to serve vital U.S. national security priorities.

Let me briefly review both the funding levels and policy provisions which advance our common international interests.

In title I, we have provided $632 million for export promotion programs. The Trade Development Agency and the Overseas Private Investment Corporation are fully funded, and the Export-Import Bank is near the request level.

Virtually all of us have learned of the direct benefit these programs have had in securing new markets and opportunities for American business. While some people have expressed concern about our subsidizing American corporations, this support we offer in this bill is a reflection of how competitive the international market has become. I believe our export promotion programs are essential to our long-term economic security.

If you have any doubt about the significance of this funding, there is one statistic which makes clear how important our competition thinks these programs are. Last year the Export-Import Bank extended $2.9 billion in loans. Its Japanese counterpart provided $19.3 billion in support.

While I am a strong supporter of the Bank, I have been deeply concerned about recent management problems. Both the Office of Personnel Management and the General Accounting Office investigated the Bank's misuse of certain salary-related authorities. In a 1995 audit, OPM concluded that retention allowances have been granted to approximately 200 of the Bank's 450 employees ''contrary to law and regulation.'' Instead of meeting the legal requirement of establishing an employee's unique qualifications and intent to leave Government service, the current management at the Bank treated retention allowances as performance bonuses.

While the problem was drawn to White House attention, the acting Chairman's nomination pending before the Banking Committee was resubmitted as a recess appointment. This has prompted the committee to limit funding for the Chairman's salary until this matter can be fully reviewed in the context of a nomination hearing.

Let me now turn to title II. We have provided $1.7 billion in funding for development assistance, including child survival programs, and the Development Fund for Africa, the Inter-American Foundation and the African Development Foundation. This level is close to the administration's request and was a high priority of Senator LEAHY and a majority of the members of the committee.

Within the bilateral aid account there are a handful of earmarks including funds for Camp David Partners, Burma and Cyprus.

Given our strong interest in securing the transition of free market democracies, we have fully funded the administration's request for the New Independent States of the former Soviet Union. In addition to earmarking levels of support for Ukraine, Armenia, and Georgia, the bill provides funding for safety programs at nuclear reactors, small business development, strengthening agricultural productivity, and treatment for children who are victims of the Chernobyl disaster.

While not in statute, I want to take note of important report language regarding Russia.

President Yeltsin has made a lot of extravagant financial pledges on the campaign trail which must be reconsidered if the nation is to stay within IMF fiscal guidelines and sustain economic reforms. The committee points out that the outcome of the elections reflects U.S. assistance is less important

than the political and economic choices Russia's citizens and leaders will make in the coming months.

The report states that this is an important transition year for Russia. With over $10 billion in IMF loan commitments and $4.2 billion in United States bilateral support, it is the committee's expectation that most aid will be phased out and that Russia will graduate from our foreign operations programs in fiscal 1997.

Let me now address the independent agencies which are also funded in title II. Given the strong bipartisan support for the Peace Corps, we were able to come close to the administration's request and provide a total in resources of $217 million.

The International Narcotics and Law Enforcement Program has been increased substantially over last year's level from $115 million to $160 million. I continue to be deeply concerned that the administration made the decision to shift resources away from transit countries to source countries. Long-term, this approach may make sense, but the reductions in the transit country effort seem to have been made well before the source country strategy and programs had been put in place. Hopefully, the strong funding level will assure we can maintain an aggressive effort in both transit and source countries.

Mr. President, in consultation with the House, we have established a consolidated account which includes proliferation, demining and some of the related international organization programs. Within this account, we have provided funding to complete our commitment to Israel's counterterrorism effort.

This account also provides funding at last year's level for the Korea Peninsula Energy Development Organization also known as KEDO. As the report reflects, the committee supported the administration's request to leave the actual funding number out of last year's bill in order not to impede global fundraising efforts.

I thought we had a clear understanding as to precisely what level had been justified and was permissible. Unfortunately, the administration took advantage of our effort to help them and substantially exceeded justified levels of spending.

In documents submitted last year the administration suggested we planned to contribute 20 percent or $10 million toward the annual costs of 500,000 tons of heavy fuel oil. Subsequently, without submitting required reprogramming notifications, the White House announced it intended to provide $22 million to cover fuel oil. I think it is important that there is no further confusion on the burden the United States is willing to assume, so we have included a specific level of funding.

We have also included a requirement that oil may only be made available subject to confirmation that the North Koreans are not diverting it for military or other illegal uses. This is consistent with the Secretary of State's pledge to the subcommittee to assure compliance on oil use.

Turning now to our military assistance programs in title III, we have earmarked resources for the Camp David partners and provided sufficient funds to cover the transfer of F–16's to Jordan. In other areas, we have funded IMET at $40 million and provided $65 million for voluntary peacekeeping activities.

For several years, the subcommittee has been supportive of programs under the Partnership for Peace and Warsaw Initiative. This year we moved forward and consistent with the NATO Participation Act and subsequent similar legislation, the bill designates Poland, Hungary, and the Czech Republic eligible for NATO admission. The committee has made $20 million in loans and $30 million in grants available to these three nations to improve their military capabilities. This is an initiative crafted in conjunction with the former majority leader and in which there had been strong bipartisan interest.

Finally, with regard to title IV which funds the international financial institutions, we have done the best we could given the enormous size of the administration's request. In response to interest expressed by a majority of the committee, we have provided $295 million to cover our international organizations and programs. This will allow the administration to fully fund our pledge to UNICEF.

Our treatment of the International Development Association bears some explanation. For the first time in history, this administration agreed to vote for an arrangement which segregated $3.3 billion in contributions in a new interim trust fund to be managed by IDA. The ITF will allow only corporations and suppliers from those nations contributing to the fund to compete for contracts. Like many of my colleagues, I oppose the administration's decision to vote to exclude U.S. suppliers from competition for contracts. Thus, we have provided $626 million as a U.S. contribution to the interim trust fund. This assures American companies will continue to have access to resources we invest in the banks.

There is one further item worth drawing attention to. In the general provisions section of the bill we have included sanctions legislation regarding Burma. I recognize this is unusual in an appropriations bill and expect some debate here on the floor on that issue. However, it is my view, a view shared by the elected leader of Burma, Aung San Suu Kyi, that the time has come for the United States to exercise leadership on this issue.

That basically completes my summary of the bill.

I would like to hear from my friend and colleague Senator LEAHY. We will have a couple of amendments to lay down tonight, one of which we expect to be able to get a vote on at 9:30 in the morning.

With that overview, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I am prepared to go to third reading right now, if the distinguished chairman would want it, and save having to come in at 9:30 in the morning, but I suspect there are some who may disagree.

Mr. President, this is a balanced bill. It is a balanced bill only within an allocation which, frankly, does not meet our needs. Foreign aid would never win a popularity contest. In fact, we were able to pass foreign aid bills in the past because the funds in the bills were distributed among diverse constituencies. This year is no exception. It is fast becoming more difficult because there is less money to go around.

The bill is more than $700 million below the President's request. To put that in perspective, President Clinton has requested for foreign aid about 40 percent less than President Reagan used to request. It is not that somehow there is a Democrat foreign aid giveaway. This administration is requesting about 40 percent less than either the Reagan or Bush administrations did, but it is also $1.5 billion below the level for foreign operations in fiscal year 1995.

Each year, what we do is we take a larger and larger share of the overall pie and we earmark it for the Middle East. Unquestionably that is a major priority of the United States. But, of course, it does leave less and less for the United States to carry out any policies in other parts of the world.

We should ask what that means. For example, last week the Agency for International Development laid off 200 employees. Some of these were among the finest in or out of government, people who had a decade, sometimes even two decades, of exemplary experience, exemplary and loyal service to the United States. Some programs, including ones that everyone here strongly supports—in agriculture, in the environment, in education—they lost half their staff. A number of these programs directly or indirectly created jobs here in the United States through our export programs. They are gone—to say nothing of what it does to our security.

There is actually a crisis in our foreign aid programs that few people even know about. Senators on both sides of the aisle, Democrats and Republicans, need to understand this. Both Senator MCCONNELL and I had some very difficult choices to make. This bill represents a delicate compromise. Any attempt to alter that balance by shifting significant amounts of money from one account to another, I believe, would seriously threaten its prospects for passage.

We have worked with Republicans and Democrats across the political spectrum, in this body, to try to use what small allocations we had to make them work. In doing that, we have had

to basically rob from almost every single allocation except for one area. And now if we try to change those, a lot of the support this bill has disappears.

Senator MCCONNELL has made clear what his priorities are and what the priorities of the Republican side are. Let me give one example. Despite a lower allocation than last year and cuts in many programs, funding for counternarcotics activities in this bill is increased. It is increased by $45 million. That is a 39-percent increase for the 1996 level.

I believe the evidence is indisputable that despite huge amounts of money over the past 6 years, over $1 billion, the program really has not reduced the flow of illegal drugs into this country. I know this is a priority of my friend from Kentucky and that we do need to support this effort, although other programs will have to be cut short to fund the increase. I would not want to see them cut further.

There are many, some on the other side, who would like to cut further our support for international development programs. Now we shift to a priority on this side of the aisle. In fact, it is not only a priority of mine, but a priority of Senators on both sides. Some of these programs were cut by as much as half this year.

So there is a balance. I want to preserve that balance. I know Senator MCCONNELL would want to.

Basically, what we have been told to do by the Senate is to take an allocation which is way below what is necessary, but within the realities it is the only allocation we could have, take a foreign aid program which is about 40 percent less than what we had in the past two Republican administrations, and make it work. We have done the best we can. I hope Senators on both sides of the aisle will refrain from taking apart that balance.

The statement of administration policy in this bill is relative to what I have just said. The White House said they can live with most of the budgetary levels in the bill as Senator MCCONNELL and I presented it. If a couple of problems are solved, the President's advisers will recommend he signs the bill even though it is funded far below his request levels. They know the allocation left us no alternative.

But understand the reality: The bill does not meet our international needs and responsibilities. That is not the fault of the managers of this bill. We did the best we could with too little money. We face enormous challenges and opportunities in a dangerous and competitive world.

Our foreign policy has suffered from a lack of strategic thinking since the cold war. We seem to lurch from crisis to crisis without a clear sense of where we are going or how to get there. It is a concern of mine and should be a concern of every Member of the Senate of either party.

We are now the most powerful democracy history has ever known. Much of the rest of the world looks to us for direction and guidance, but we seem to determine our direction and our guidance based on what is on the evening news. We must have a clear policy. We must have a clear policy of our foreign policy, our foreign aid, our foreign involvement as we go into the next century.

Certainly, every other country does. Japan does. Japan spends more money in this area than we do but creates more jobs as a result of it. They know where they are going. A lot of other countries do. We have the world's largest economy, but our future hinges on building foreign markets in supporting democracy. If we want to create jobs for Americans, export jobs in other countries, we have to help create those jobs. They are not going to happen all by themselves. That is why Japan and the Netherlands and all these other countries go out and create the jobs. We cut back the money so we don't do it.

If we don't want to find ourselves caught up in wars around the world, we should be supporting democracies. That is what less powerful nations do. Yet, we cut back. We spend less than 1 percent of our budget on foreign aid, and we continue to cut it. Other countries see an opening. Japan and others spend a lot more.

In fact, a dozen or more countries spend more, a higher percentage of their budget than we do on foreign aid. Several spend more money in actual dollars. Why? Because they figure if the United States does not want to go after those jobs, if the United States does not want to go after the influence in other parts of the world, they will. So they spend the money, their products get sold, jobs in their countries are created, we lose the jobs, they create the expertise in foreign policy, we fire and get rid of the people having the expertise in this country, and they get the influence.

There are several things in this bill that concern me. None of us are going to get everything we want. Some things will be revisited in conference. I do want to mention one item. The bill caps the United States contribution to the Korea Economic Development Corporation at $12 million below the President's request.

The administration said this could undermine our nuclear agreement with North Korea. I would not want to see that agreement unravel. It is in our national security interest, it is in our regional interest in that part of the world that that agreement go through. I hope that we will resolve this, but I also compliment Senator MCCONNELL and his staff for the way they have worked with us on this bill, and I hope perhaps before the end of this week, we can have this bill finished.

I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, it is my understanding Senator MCCAIN and Senator COVERDELL both have amendments to lay down. The McCain amendment is the one we will be able to schedule a vote on at 9:30 in the morning. It is my understanding the distinguished Senator from Arizona would like to proceed first.

Mr. MCCAIN. If that is agreeable with the distinguished managers of the bill.

AMENDMENT NO. 5017

(Purpose: To require information on cooperation with United States anti-terrorism efforts in the annual country reports on terrorism)

Mr. MCCAIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. COATS, Mr. CRAIG, Mr. D'AMATO, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAMS, Mr. INHOFE, Mr. LEVIN, Mr. LOTT, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 5017.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. LEAHY. Reserving the right to object, and I will not object, I would like to see, however, a copy of it.

The PRESIDING OFFICER. Is there objection? Does the Senator from Vermont still reserve the right to object?

Mr. LEAHY. I have no objection. I understand a copy is on its way.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 198, between lines 17 and 18, insert the following:

INFORMATION ON COOPERATION WITH UNITED STATES ANTI-TERRORISM EFFORTS IN ANNUAL COUNTRY REPORTS ON TERRORISM

SEC. 580. Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f) is amended—

(1) in subsection (a)—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following:

''(3) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the investigation or prosecution of an act of international terrorism against United States citizens or interests, the certification of the Secretary—

''(A) whether or not the government of the foreign country is cooperating fully with the United States Government in apprehending, convicting, and punishing the individual or individuals responsible for the act; and

''(B) whether or not the government of the foreign country is cooperating fully with the United States Government in preventing further acts of terrorism against United States citizens in the foreign country; and

''(4) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the prevention of an act of international terrorism against such citizens or interests, the certification of the Secretary described in paragraph (3)(B).''; and

(2) in subsection (c)—

(A) by striking ''The report'' and inserting ''(1) Except as provided in paragraph (2), the report'';

(B) by indenting the margin of paragraph (1), as so designated, 2 ems; and

(C) by adding at the end the following:

''(2) If the Secretary determines that the transmittal of a certification with respect to a foreign country under paragraph (3) or (4) of subsection (a) in classified form would make more likely the cooperation of the government of the foreign country as specified in such paragraph, the Secretary may transmit the certification under such paragraph in classified form.''.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, it is my understanding, if it is agreeable with the distinguished managers of the bill, that we will debate this in the morning at about 9 or 9:15, whatever is agreeable to the managers of the bill.

Mr. MCCONNELL. Mr. President, I say to my friend from Arizona, the leader was hoping to schedule a vote at 9:30. You graciously agreed to let it be on this amendment. As to when the debate occurs, we can accommodate the Senator from Arizona on that.

Mr. MCCAIN. I ask both the Senator from Kentucky and the Senator from Vermont, if it is agreeable, I don't need more than 10 minutes. We could start, say, at 9:10 with the amendment, if the leader insists on a vote at 9:30, if that is agreeable.

Mr. MCCONNELL. Mr. President, let me suggest we have the vote at 9:45 and start at 9:30.

Mr. LEAHY. Mr. President, I would like to see the amendment. I hate to agree to a time, and I am sorry to upset the clerk by saying that, but it is a little bit difficult to get the exact time when we might vote. I am not sure exactly what the amendment is. I hate to cut off other people.

Why don't we agree on an hour evenly divided? The amendment I now have in my hand ends ''this transmits certification such paragraph in.''

Mr. MCCAIN. I have a better copy for the Senator.

Mr. LEAHY. I thank the Senator. The Senator from Arizona has given me another copy. He may want to send that one to the desk. I believe the one at the desk may have had a typo. I certainly have no objection to having him substitute.

Mr. MCCAIN. Mr. President, I ask unanimous consent to send a revised version of the amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is revised.

Mr. LEAHY. Mr. President, if this is agreeable with the distinguished Senator from Kentucky, why don't we have the vote, say, at 9:45, either a vote on it or a vote on tabling. I expect it will be a vote up or down. I just don't want to give up that right. I am sure the Senator from Arizona can understand that. And maybe have, prior to the vote, 20 minutes on each side. Will that be agreeable?

Mr. MCCAIN. That is certainly agreeable. I only need 10 minutes on this side.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, the Senator from Arizona and the distinguished Senator from Vermont are going to discuss the amendment that is currently at the desk. What we would like to do at this point is to have an opening statement from Senator COVERDELL on the amendment that he is going to be offering, which will be laid aside and will be taken up subsequent to the vote on the McCain amendment.

So, Mr. President, the order will be, we will hopefully vote on the McCain amendment sometime as early as possible in the morning and then go to the Coverdell amendment which Senator COVERDELL is now prepared to discuss. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I wonder if the Senator from Kentucky would yield for a moment. Would it be appropriate to go ahead and lay the amendment down, and then I would make an opening statement? At the time they resolve that, you can set mine aside and proceed with the other amendment.

Mr. MCCONNELL. I suggest to my friend from Georgia, go on and make the statement. By the time you finish, it will probably be ready to be laid down.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, at the appropriate time, I will be sending to the desk an amendment that deals with international narcotics and law enforcement.

As you know, Mr. President, the President of the United States and this Senator have been in extended disagreement about drug policy in the United States. I have been exceedingly critical of the reduction of an investment in drug interdiction. I have been critical of the reduction of our resources available for international narcotics law enforcement. I have been critical of the fact that the drug czar's office was virtually closed. I have been critical of the fact that the message coming from the White House has been less than clear to the young people of our country on how dangerous drugs are to them.

I find myself tonight in the unusual circumstance of defending President Clinton's policy for his 1997 budget request for international narcotics and law enforcement.

Mr. President, President Clinton requested that $213 million be appropriated for international narcotics and law enforcement. That figure is only half what the investment in this arena was in 1992, which is just another example of the downsizing of the drug role. But unfortunately, the House bill only appropriates $150 million in international narcotics and law enforcement, and the Senate, as we have it before the floor, is $160 million.

The purpose of my amendment will be to restore the President's request, to honor the President's request. He has requested $213 million. I think it should be more, but it certainly, in my judgment, should not be less.

My amendment restores $53 million to this effort. Where does it come from? Mr. President, the Senate's position that is before us assigns $356 million to international operations and programs, a significant program. That is $31 million higher than the President's request, $31 million more than the President requested for international operations and programs.

So my proposal would take $28 million from this proposal and shift it to international narcotics and law enforcement. In other words, we are taking money from an account for which the President requested less, but we would put in more and shift it over to where he requested more but got less. Second, we take $25 million from development assistance, that is AID, which is requiring only a 2 percent reduction in the Senate-proposed appropriations, which is $1.929 billion. Having accomplished these two shifts, $28 million from international operations programs, $25 million from AID or development assistance, we would have the effect at the end of the day of having restored—restored—this very important function, international narcotics and law enforcement.

Mr. President, in the last 3 years, as an underpinning for my amendment and for the President's request, which I am trying to fulfill, we have created in the United States a full-fledged drug epidemic. Until I had seen the figures I could not believe it. From 1980 to 1992, drug use among our teenagers was cut in half. In the last 36 months it has doubled. Every statistic—marijuana use, heroin use—we are seeing a war flash across our country. In fact, Mr. President, if the casualties we are taking were from people in uniform, we would have declared war in our hemisphere by what is happening across the board.

What am I talking about, Mr. President? What I am talking about is that 2 million—2 million—more teenagers are into drugs tonight than there were 3 years ago—2 million. That is as large as the city of Atlanta, the host of the 1996 Olympics. Two million sisters, brothers, fathers, mothers, 2 million friends, associates, folks who live next door, somebody in the workplace, whose lives are stunted, tragically altered, and the line is going straight up.

The drug war was shut off. It needs to be turned back on. We need to be concerned about what is happening to children in our own country. Mr. President, this is the first war that has been waged against children. In the 1960's and 1970's, the target audience was 17 to 21 years old. Today the drug war is waged against kids who are 8 to 13 years of age. It is a tragedy occurring right before our eyes.

The President has appointed a new drug czar. He has called for new international narcotics money. While we may disagree on the policies that got us here, I agree with his effort to get the war back on.

Mr. President, I yield for a moment. Apparently the Senator from Arizona and the Senator from Vermont have worked out their differences. I will yield and return and submit my amendment officially after they have concluded their work.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 5017

Mr. MCCAIN. Mr. President, I understand the managers have agreed to a unanimous consent that we have a vote at 10 tomorrow with one-half hour equally divided.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the agreement was—I understand that the Republican leader has a scheduling concern—that we would go to the amendment of the distinguished Senator from Arizona at 9:30 in the morning, that we would have one-half hour equally divided in the usual form, but obviously we could yield that back. I mean, technically we could be on the vote at 9:31.

I say that only because I do not want the two leaders, my distinguished friends from Mississippi and South Dakota, to suddenly have to hear from Members, why are we having a vote at 9:30, not 10? But my understanding is that the distinguished chairman will soon ask unanimous consent on behalf of the distinguished majority leader that we would be on the McCain amendment at 9:30, one-half hour equally divided, though we can yield back.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, in fairness to the Members, I think it is better to have a time certain for the first vote.

Mr. President, I ask unanimous consent that that vote occur on or in relation to the McCain amendment no later than 10 a.m., Thursday, and that the time between 9:30 and 10 a.m., be equally divided in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Mr. President, I understand that would be a McCain amendment, and that there would be no second-degrees in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, I also ask, if I could have unanimous consent, that a modification would be in order tomorrow morning, as we are still in negotiations with the Senator from Vermont concerning, perhaps, modifications for the amendment.

I ask unanimous consent I be allowed to modify the amendment tomorrow morning in agreement with the Senator from Vermont.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, I ask unanimous consent the McCain amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 5018

(Purpose: To increase the amount of funds available for international narcotics control programs, offset by reductions in other appropriations)

Mr. COVERDELL. Mr. President, I send an amendment to the desk that amends the bill in more than one place, and I ask unanimous consent that it be immediately considered, and no second-degree amendments be in order.

Mr. LEAHY. Mr. President, reserving the right to object, I did not hear.

Mr. MCCONNELL. Let me say that the amendment of the Senator from Georgia will be laid aside after he finishes his discussion.

We will vote first in the morning on the amendment of the Senator from Arizona, Senator MCCAIN, and no time agreement will be entered into tonight for a time certain on a vote on the Coverdell amendment.

I yield the floor.

The PRESIDING OFFICER. Without objection, the request of the Senator from Georgia is agreed to.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for himself, Mr. LOTT, Mr. HELMS, and Mr. GRASSLEY, proposes an amendment numbered 5018.

The amendment is as follows:

On page 104, line 19, strike ''$1,290,000,000'' and insert ''$1,262,000,000''.

On page 124, line 20, strike ''$160,000,000'' and insert ''$213,000,000''.

On page 138, line 5, strike ''$295,000,000'' and insert ''$270,000,000''.

Mr. COVERDELL. Mr. President, I have basically concluded my opening statement on the proposal, and explained that we are restoring funding to the President's request in the arena of international narcotics.

I did misspeak when I said we were taking $28 million, the figure is $25 million for international narcotics; and I said $25 million from development and assistance, and it is $28 million. I got them reversed.

Just to reiterate, we are in the midst of a drug epidemic. This is not a time to undercut the Presidential request for direct funding to the war on narcotics and the war on 8- to 13-year-olds in America—8 to 13 years of age. They are the target. The havoc that we would pay for this is immeasurable and indescribable.

I yield the floor.

Mr. MCCONNELL. I commend the Senator from Georgia for his amendment. I support it.

As far as I know, there is no further business to be conducted this evening, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

FOREIGN OIL CONSUMED BY THE UNITED STATES? HERE'S WEEKLY BOX SCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending July 19, the United States imported 7,800,000 barrels of oil each day, 1,100,000 barrels more than the 6,700,000 barrels imported during the same week a year ago.

Americans relied on foreign oil for 54.9 percent of their needs last week, and there are no signs that this upward spiral will abate. Before the Persian Gulf war, the United States obtained about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,800,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, too many Americans have not the foggiest notion about the enormity of the Federal

debt. Every so often, I ask various groups, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them not even close.

They are stunned when they learn the facts, such as the case today. To be exact, as of the close of business yesterday, July 23, the total Federal debt—down to the penny—stood at $5,171,664,148,836.91.

Another astonishing statistic is that on a per capita basis, every man, woman, and child in America owes $19,489.11.

As for how many millions of dollars there are in a trillion, there are a million in a trillion, which means that the Federal Government owes more than $5 million million.

TRIBUTE TO E.R. ''BOB'' MORRISSETTE, JR.

Mr. HEFLIN. Mr. President, people all over my State of Alabama are deeply saddened by the death of E.R. ''Bob'' Morrissette, Jr., who passed away on Sunday, July 21 in Mobile. Bob, who had served for many years on my State staff working out of the Mobile office, was a trusted friend, loyal ally, and close adviser. He was the kind of dedicated public servant who was a natural at the art of forging agreement and building bridges. He truly loved people and prided himself on being able to get along with just about anyone with whom he came in contact. People responded and warmed up to him because of his gentlemanly manner, his humor, and his genuineness. Two of his great passions were people and politics. He enjoyed politics in any shape or form.

Another of his passions was the newspaper business. Before joining my staff, he spent over 3 decades covering the news as a reporter, editor, and publisher. After serving in the Army during World War II, Bob earned a journalism degree at the University of Alabama. This is where I first met and became close friends with him some 50 years ago. After college, he embarked on a career in journalism at the Baldwin Times paper in Bay Minette, AL. He took over the Atmore Advance in Atmore, a small town in South Alabama, in 1959, serving there as owner, editor, and publisher of the paper for the next 20 years. He plunged into civic life, always wanting to do his very best for the community he served. Bob always considered himself a newspaper man in the traditional sense and saw to it that he knew everything and everybody in his community.

In 1976, Bob received the Distinguished Alumnus in Journalism Award from the University of Alabama. Two years later, he was named president of the Alabama Press Association. Shortly after I came to the Senate, he sold the Advance and I persuaded him to accept a position as my executive assistant for southwestern Alabama, heading up my Mobile office. He was an indispensable and energetic member of my staff who represented me at various meetings and events and handled many projects over the years. He served right up until the time of his death. I will always fondly remember the many barnstorming trips we went on together in Mobile and surrounding counties.

The importance of family and relationships was something he understood fully. I was present at Bob and Joyce Henley Morrissette's wedding many years ago. They loved each other intensely and constantly. They were so close they knew intuitively the thoughts of the other; they could communicate without speaking. Each brought out the best in the other. They were spouses, best friends, superb parents, and tireless workers for the public good.

Unfortunately, Joyce became ill and was not able to continue doing so many of the things she loved and enjoyed. But Bob was always devoted to her and cared for her in many different ways. His devotion to Joyce never wavered. His loyalty to her reminds me of a line from Elizabeth Barrett Browning's ''Love Song from the Portuguese'': ''Chance cannot change my love nor time impair.''

Bob was an outstanding family man. He had an unqualified love for all of his family and a reverence for his roots. Not only did he show this by his love for Joyce and his two daughters, Martha and Lulie, but he loved to talk about his relatives—close and distant. He loved to tell stories about members of his family. I believe he had more cousins than any one man in all of Alabama. He was extremely proud of his heritage. From my perspective as an office seeker, I could not have hoped for a better friend and campaign worker who could persuade so many kissing cousins.

Bob Morrissette had an enormous number of friends across the State and his familiar presence will be sorely missed. His life was a testament to the very best qualities to be found in the journalism business and in government. He proved that people can be involved in these fields and be highly successful while still maintaining a level of civility, friendliness, integrity, decorum, and respect that is often absent from the public sphere today.

He derived a great deal of satisfaction from helping others. He was an optimist by nature, always believing we can find the way to a better world and that each of us can be a valuable participant in the process. I cannot begin to list the ways that Bob improved the lives of others or to discuss the numerous people he touched and how he promoted the public good. Only those of us fortunate to have been the closest to him can begin to appreciate the thoughtfulness and kindness he displayed on a daily basis for so many people. He touched an infinite number of lives through his words, whether they were delivered over the phone, in writing, or in person. He had a rich and colorful south Alabama accent that had a way of putting people at ease and even disarming those who were upset or angry about something. Happiness was an integral part of his life because he was always doing things for other people. He knew that one does not become happy by pursuing happiness for its own sake. Bob understood that genuine happiness is a byproduct of living a meaningful and productive life. He was a genuinely happy man who used his talents fully and wisely and shared them generously.

I extend my sincerest condolences to Joyce Morrissette and her entire family in the wake of this tremendous loss. This is not only a loss for his family, but for his community, State, and Nation as well. We are all infinitely better off for having had his service, his friendship, his dedication, and his spirit over the course of these many years.

PIONEER DAY

Mr. HATCH. Mr. President, today is July 24—an ordinary day to millions of Americans and 98 percent of this body.

But to Utahns, July 24, Pioneer Day, is a big State celebration. Offices and businesses are closed; there are parades and pageants in most Utah communities; and families gather for picnics and games.

Mr. President, July 24 was the day in 1847 when Brigham Young stood atop a rise in Emigration Canyon, gazed at the Salt Lake valley below, and announced to the Mormon pioneers who had followed him across the Plains and across the Rocky Mountains that ''This is the Place.''

Today is the 149th anniversary of Pioneer Day. It is a day Utahns celebrate so enthusiastically because it commemorates the determination and faith that brought our ancestors into the place Mormons call Zion.

It commemorates the triumph over the hardships inherent in such a journey. It commemorates the sense of community that kept them together as a people.

And, it commemorates the fact that the religious persecution suffered by my Mormon ancestors did not achieve its purpose. Prejudice and bigotry may have forced the early members of the Church of Jesus Christ of Latter-day Saints out of the Midwest, but the faith could not be killed.

Today, Utah stands as a shining example of commerce, the arts, science, and education. It is an example of solid work ethic, sound management, and good stewardship in both public and private arenas. It is also a model of tolerance. All of these blessings and present-day values are manifestations of the character and achievements of the Utah pioneers.

That is why today Utah celebrates the ''Days of '47.'' I ask my colleagues to join me and Senator BENNETT in observing this seminal event in Utah history.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF U.S. PARTICIPATION IN THE UNITED NATIONS FOR CALENDAR YEAR 1995—MESSAGE FROM THE PRESIDENT—PM 165

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies during calendar year 1995. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress; 22 U.S.C. 287b).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 24, 1996.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:15 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3107. An act to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

At 11:58 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2779. An act to provide for appropriate implementation of the Metric Conversion Act of 1975 in Federal construction projects, and for other purposes.

H.R. 3564. An act to amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of emerging democracies in Central and Eastern Europe.

The message also announced that pursuant to the provisions of section 801(c)(1) of Public Law 104Y132, the Speaker appoints as a member from private life on the part of the House to the National Commission on the Advancement of Federal Law Enforcement Ms. Victoria Toensig of Washington, DC.

MEASURES PLACED ON THE CALENDAR

The following measures were read the first and second times by unanimous consent and placed on the calendar:

H.R. 3564. An act to amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of emerging democracies in Central and Eastern Europe.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3519. A communication from the General Counsel of the Department of Transportation transmitting, pursuant to law, the report of four rules entitled ''Excess Flow Valve Customer,'' (RIN2137–AB97, 2137–AC55, 2137–AC25, 2137–AR38) received on July 22, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3520. A communication from the General Counsel of the Department of Transportation transmitting, pursuant to law, the report of seven rules entitled ''Airworthiness Directives,'' (RIN2120–A64, 2120–AA66, 2120–AA65) received on July 22, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3521. A communication from the Assistant Secretary of Policy, Management and Budget, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Administrative and Audit Requirements and Cost Principles for Assistance Programs,'' (RIN1090–AA58) received on July 22, 1996; to the Committee on Energy and Natural Resources.

EC–3522. A communication from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a final rule entitled ''Reporting of Interest From Zero Coupon Bonds,'' (RIN0938–AH11) received on July 19, 1996; to the Committee on Finance.

EC–3523. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to the rule entitled ''Revenue Ruling 96–37,'' received on July 22, 1996; to the Committee on Finance.

EC–3524. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to the rule entitled ''Revenue Ruling RR–237026–95,'' received on July 22, 1996; to the Committee on Finance.

EC–3525. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to the rule entitled ''Revenue Ruling 96–36,'' received on July 22, 1996; to the Committee on Finance.

EC–3526. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to the rule entitled ''Revenue Ruling 96–41,'' received on July 19, 1996; to the Committee on Finance.

EC–3527. A communication from the Chief of the Regulations Branch, Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Centralized Examination Stations,'' received on July 22, 1996; to the Committee on Finance.

EC–3528. A communication from the Administrator, Small Business Administration, transmitting, pursuant to law, a report relative to minority small business and capital ownership development; to the Committee on Small Business.

EC–3529. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–300 adopted by the Council on July 3, 1996; to the Committee on Governmental Affairs.

EC–3530. A communication from the Deputy Associate Administrator for Acquisition Policy, Office of Policy, Planning and Evaluation, General Services Administration, transmitting, pursuant to law, the report of a rule entitled ''Amendment of FIRMR Provisions Relating to GSA's Role in Screening Excess and Exchange/Sale Federal Information Processing Equipment,'' (RIN3090–AF32) received on July 22, 1996; to the Committee on Governmental Affairs.

EC–3531. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–298 adopted by the Council on July 3, 1996; to the Committee on Governmental Affairs.

EC–3532. A communication from the Deputy Associate Administrator for Acquisition Policy, Office of Policy, Planning and Evaluation, General Services Administration, transmitting, pursuant to law, the report of a rule entitled ''General Services Administration Acquisition Regulation,'' (RIN3090–AF97) received on July 22, 1996; to the Committee on Governmental Affairs.

EC–3533. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3534. A communication from the Director of the Office of Regulatory Management and Information, transmitting, pursuant to law, the report of three rules including a rule entitled ''Approval and Promulgation of Implementation Plans,'' (FRL5539–1, 5541–3, 5527–6) received on July 19, 1996; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1645. A bill to regulate United States scientific and tourist activities in Antarctica, to conserve Antarctic resources, and for other purposes (Rept. No. 104–332).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 2909. A bill to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that Act only by donation or exchange, or otherwise with the consent of the owner of the lands.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 270. A resolution urging continued and increased United States support for the efforts of the International Criminal Tribunal for the former Yugoslavia to bring to justice the perpetrators of gross violations of international law in the former Yugoslavia.

By Mr. HELMS, from the Committee on Foreign Relations, with an amendment and with a preamble:

S. Res. 275. A resolution to express the sense of the Senate concerning Afghanistan.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 276. A resolution congratulating the people of Mongolia on embracing democracy in Mongolia through their participation in the parliamentary elections held on June 30, 1996.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

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

S. 1984. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to require a 10 percent reduction in certain assistance to a State under such title unless public safety officers who retire as a result of injuries sustained in the line of duty continue to receive health insurance benefits; to the Committee on the Judiciary.

By Mrs. FEINSTEIN (for herself and Mrs. HUTCHISON):

S. 1985. A bill to increase penalties for sex offenses against children; to the Committee on the Judiciary.

By Mr. HATFIELD:

S. 1986. A bill to provide for the completion of the Umatilla Basin Project, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. FAIRCLOTH:

S. 1987. A bill to amend titles II and XVIII of the Social Security Act to prohibit the use of social security and medicare trust funds for certain expenditures relating to union representatives at the Social Security Administration and the Department of Health and Human Services; to the Committee on Finance.

By Mr. MACK (for himself, Mr. LIEBERMAN, Mr. ABRAHAM, Mr. LOTT, Mr. HATCH, and Mr. BENNETT):

S. 1988. A bill to amend the Internal Revenue Code of 1986 to provide for individuals who are residents of the District of Columbia a maximum rate of tax of 15 percent on income from sources within the District of Columbia, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. BRADLEY (for himself, Mr. SPECTER, Mr. WELLSTONE, Mr. FRIST, Mr. LEVIN, Ms. SNOWE, Mr. AKAKA, Mr. DEWINE, Mrs. BOXER, Mr. THURMOND, Mr. MOYNIHAN, Mr. BIDEN, Mrs. MURRAY, Mr. GLENN, Mr. REID, Mr. SIMON, Mr. KOHL, Mr. LAUTENBERG, Mr. DODD, Mr. CHAFEE, Mr. BENNETT, Mr. MCCAIN, Mr. COATS, Mr. D'AMATO, Mr. BROWN, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. INOUYE, Mr. BURNS, Mr. GRAHAM, Mr. NICKLES, Mr. CONRAD, Mr. ROTH, Mr. DORGAN, Mrs. HUTCHISON, Mr. PRYOR, Mr. SIMPSON, Mr. LIEBERMAN, Mr. FAIRCLOTH, Mr. BUMPERS, Mr. MCCONNELL, Mr. ROCKEFELLER, Mr. THOMPSON, Mr. KERRY, Mr. COHEN, Mr. JOHNSTON, Mr. GORTON, Mr. KENNEDY, Mr. CRAIG, Mr. ROBB, Mr. KEMPTHORNE, Ms. MOSELEY-BRAUN, Mr. MACK, Mr. WYDEN, Mr. GRAMS, Mr. HOLLINGS, Mr. JEFFORDS, Mr. DASCHLE, Mr. CAMPBELL, Ms. MIKULSKI, Mr. COCHRAN, Mr. HEFLIN, Mrs. FRAHM, Mr. EXON, Mr. ABRAHAM, Mr. FORD, Mr. ASHCROFT, Mr. BYRD, Mr. GREGG, Mr. SARBANES, Mr. HATFIELD, Mrs. FEINSTEIN, Mr. LUGAR, Mr. KERREY, Mr. SANTORUM, Mr. NUNN, Mr. THOMAS, Mr. BINGAMAN, Mr. WARNER, Mr. LEAHY, Mr. HELMS, Mr. BREAUX, Mr. BRYAN, and Mr. PELL):

S. Res. 282. A resolution to designate October 10, 1996, as the ''Day of National Concern About Young People and Gun Violence''; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

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

S. 1984. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to require a 10 percent reduction in certain assistance to a State under such title unless public safety officers who retire as a result of injuries sustained in the line of duty continue to receive health insurance benefits; to the Committee on the Judiciary.

THE ALU-O'HARA PUBLIC SAFETY OFFICERS HEALTH BENEFITS ACT

● Mr. GRAHAM. Mr. President, almost 1 year ago today, Officer Joseph Alu and Detective James O'Hara responded to an emergency hostage situation.

When the officers had arrived at the scene—they found that the assailant had cordoned himself off in a bedroom of a house and had taken two teenaged girls for hostages.

The officers broke down the bedroom door, only to discover that the assailant had doused himself, the hostages, and the entire house in gasoline.

At that moment, the assailant dropped a lighter on the floor, setting the room ablaze, killing himself and the two hostages. Officers Alu and O'Hara were critically wounded—receiving severe burns over most of their bodies.

Both officers remained in the hospital for the better part of a year fighting for their lives.

Officer O'Hara was so badly burned that while he struggled for his life in the intensive care unit for over 6 months, his wife was told to expect and prepare for his imminent death.

Miraculously, Officer Alu and Officer O'Hara survived. But, while still in the hospital, the city of Plantation Police Department notified the officers that since they would not be physically able to return to work—they and their families would lose their health insurance benefits.

Imagine fighting for your life in a hospital, in excruciating pain, knowing that your family is going to be left unprotected.

When these heroes returned home—that is exactly what they found: no job, disability payments of approximately $1,200 a month, prohibitively expensive COBRA insurance which would run out in 18 months, and no private health insurance for them and their families.

For over 5 months, Officer Alu's wife, Sheila, stayed home to care for her husband during his rehabilitation—herself unable to work to bring in badly needed extra income.

Further complicating their situation was their 5-year-old daughter Christina, who was battling chronic asthma without health insurance.

Detective O'Hara's family was in a similar situation. In fact, his wife still must care for his everyday needs almost 1 year later.

But instead of giving up hope, officers Alu and O'Hara fought hard. They brought their case to the Florida Legislature—and won.

The legislature, with a Republican Senate and a Democratic House, unanimously passed this legislation at the State level—requiring that localities continue whatever health insurance benefits the officer had prior to the injury.

Mr. President, although they have won personal victories, officers Alu and O'Hara have continued their fight—taking their case to Congress—asking us to make sure that other officers not go through the same pain, uncertainty, and feelings of shame as they did when they were unable to provide for their families.

Across the Nation, unlike veterans who have risked their lives to protect our national security, those who protect our homes and streets have their insurance canceled by municipalities or States when they can no longer do the job.

Mr. President, my legislation, endorsed by all major police and firefighter organizations, would create a safety net for injured officers by requiring municipalities that receive Federal crime dollars to continue to maintain the same level of benefits that an officer had prior to being injured in the line of duty.

If a locality chooses not to offer health insurance to these public safety officers, it would only be able to receive 90 percent of its full complement of community-oriented policing services funding.

Mr. President, the scope of this bill is extremely narrow. It would apply only to a handful of public safety officers, estimated at approximately 100 nationwide per year.

And it is not costly. CBO has already stated that this bill is not an unfunded mandate.

But its message is unmistakeably clear.

We need laws which protect our valiant men and women on the front lines. When they go down in the line of duty protecting us, we have a corresponding duty to care for them.

Mr. President, this bill would provide only the most basic package of benefits. It does not grant any enhanced or increased benefits over what the officer had at the time of the injury.

The bill requires State and local governments to offer only the minimum level of health insurance necessary to maintain the health coverage the officer had prior to the disabling injury.

For instance, if an officer or firefighter did not have family coverage prior to the injury, he would not be entitled to family coverage after the injury.

Mr. President, I am proud of my State of Florida. But it should not take a terrible incident like this to make sure that our public safety officers are protected.

We can prevent this situation from ever happening to officers like Alu and O'Hara by passing this legislation this year, in a bipartisan fashion.

Mr. President, allow me to conclude by commending both Officer Alu and Detective O'Hara and their families for their bravery, sacrifice, and dedication to public service.

Without their perseverance we would not be here today discussing this most critical issue.

I know that police officers and firefighters across the Nation share my gratitude for their courage and selflessness.

Mr. President, in passing this bill, we will honor our commitment to all of our public safety officers: to protect and care for them after they have done so much to protect and care for us.●

By Mrs. FEINSTEIN (for herself and Mrs. HUTCHISON):

S. 1985. A bill to increase penalties for sex offenses against children; to the Committee on the Judiciary.

THE AMBER HAGERMAN CHILD PROTECTION ACT OF 1996

Mrs. FEINSTEIN. Mr. President, I rise today for two reasons. First, I want to talk about two little girls whose short lives have had an impact far beyond their youthful imaginings. Unlike their families and friends, we do not know them for the love they gave, nor do we know of them for their academic ability or artistic talents. Sadly, unlike their families and friends, we did not know them while they were alive—we know them only because of their tragic deaths.

The second reason I rise today is to introduce legislation with Senator HUTCHISON which is designed to prevent other children from suffering their fate, the Amber Hagerman Child Protection Act of 1996. I ask that a copy of the bill be printed in full following my remarks. An earlier version of this bill was introduced in the House by Representative MARTIN FROST of Texas.

The first little girl I want to tell you about is Polly Klaas. Many people throughout our Nation have come to know about this 12-year-old girl from Petaluma, CA, a small, close-knit community north of San Francisco, and the tragic circumstances of her death.

Polly was kidnaped from her bedroom on October 1, 1993, by a bearded, knife-wielding man who tied her up and threatened to slit her friends' throats as her mother slept in a nearby room. Polly and her friends—who were over for a slumber party—were playing a board game at the time of the abduction.

Immediately after the assailant had fled with Polly, her two friends awakened her mother, Eve Nichols, and she called 911: ''Apparently, a man just broke into our house,'' she said, her voice rising in panic, ''and they say he took my daughter.''

Richard Allen Davis, a 41-year old parolee with two previous kidnaping convictions and a history of psychotic behavior, was arrested on November 30, 1993, and 4 days later, police say, he led them to her body, dumped beside a highway. Next to Polly's body, police found a specialty condom identical to one Davis had bought at the adult novelty store Seductions a day or two before the kidnapping, according to the store's former owner. Polly's clothes were pushed up to her waist.

At Davis' trial, prosecutors presented expert testimony that Davis' abduction of Polly was motivated by a desire to gratify his sexual tastes for bondage.

Last month, Davis was convicted of all ten counts against him, including attempting a lewd act with a minor.

The second little girl I want to tell you about, Amber Hagerman, was visiting her grandparents on January 13 of this year, the day she was kidnaped. An eyewitness later told police that he saw a white or Hispanic man pull the child from her pink tricycle and drag her into a black pickup truck.

She was found dead 4 days later—her clothes stolen from her lifeless little body—in a creek behind an apartment complex. Police have made no arrests for the murder of Amber Hagerman, but are continuing to follow every lead.

Amber's killer is still free and her family continues to feel the pain caused by the loss of their beloved daughter. Just a few weeks ago, Amber's grief stricken mother, Donna Whitson, released an open letter to her daughter's unknown assailant. In it, she said:

> [I]t has now been 122 days since I last saw my daughter alive. One hundred twenty-two days since I felt her happiness in my life. One hundred and twenty-two days ago, you tore my baby girl from her family's love * * * [Y]ou destroyed forever the happiness, harmony and dreams that my children and I had been working so hard to bring to fruition. Our plans for the future altered because of you.''

Imagine if you can, trying to comprehend what your own child's last moments of life were like, or trying to fathom the pain and fear felt by your own flesh and blood as they lived them. Donna Whitson has probably done so every day since the loss of her daughter. In her open letter, she asked her daughter's killer:

> At what point between the time you stole my baby and the time she was returned did you murder my child? Why had you drained the life from her body? How could you steal the clothes from her lifeless body and dump her like trash thrown along the wayside?

Mr. President, it is for these two children and their families that we must join with Donna Whitson to say loud and clear that the abduction of children and child sexual abuse will not be tolerated by this society.

THE CRIME BILL

Two years ago, Congress acknowledged that action must be taken to stop child sexual abuse when it passed the President's crime bill.

The Violent Crime Control Act contained several tough provisions to combat child sexual abuse. More specifically, the crime bill:

Established guidelines for State programs that require persons convicted of crimes against children, including sexual misconduct with a minor, to register their addresses with an appropriate State law enforcement agency for 10 years after their release from prison;

Sexually violent predators must remain registered until a court determines that they no longer suffer from a mental abnormality that would make a predatory sexually violent offense likely.

The crime bill also doubled the maximum prison term for offenders who commit a sexual abuse or sexual contact offense under Federal law after one or more prior convictions for a Federal or State sexual abuse or sexual contact offense.

I strongly believe that this landmark legislation will go a long way toward protecting our Nation's children.

Earlier this year, the President signed Megan's Law, which requires that State law enforcement agencies release information that is necessary to protect the public from convicted sex offenders in their midst. This change in the law was part of the Amber Hagerman Child Protection Act as it was introduced in the House.

Yet, much more needs to be done.

THE AMBER HAGERMAN CHILD PROTECTION ACT

Clearly, too many children suffer the physical and emotional impact of kidnaping and it must be stopped before more kids like Polly Klaas and Amber Hagerman fall victim to its tragic effects.

Child sexual abuse must be stopped by taking sexual predators off our streets. Swift, sure action must be taken to stop child sexual abuse, and penalties must be increased for those who commit this heinous crime.

The Amber Hagerman Child Protection Act will help accomplish this goal in several ways:

The heart of the bill is a tough ''two strikes and you're out'' provision for child sex offenders. First, the bill adds life imprisonment for a second offense where the second offense is a Federal one. Second, this legislation also reduces Byrne grant funding by 10 percent to States which do not pass a similar two strikes provision to ensure that all States take this important step to help save our children from sexual abuse.

This legislation expands Federal child sexual abuse statutes to cover instances when the perpetrator crosses State lines with the intent to commit the offense, or commits the offense in interstate or foreign commerce.

Lastly, the bill establishes a national database for sex offenders and child kidnappers to be maintained by the FBI; and makes that database accessible to appropriate State law enforcement officials.

The bill that we are introducing today differs from the House bill in two ways. First, because enhanced community notification has, fortunately, been enacted into law as Megan's Law, that provision is no longer necessary. Second, the House bill contains an explicit death penalty for killing a child in the course of a Federal sex offense. I agree that such an evil and perverted act deserves the death penalty; however, I believe that the death penalty which already exists in Federal law, and which would apply to this heinous act under our bill, is preferable, as it is slightly broader than the penalty in the House bill.

CONCLUSION

Mr. President, the sick, tragic deaths of Polly Klaas and Amber Hagerman serve as stark reminders that from tragedy and grief can come constructive action and effective solutions, such as the crime bill's three strikes initiative to incarcerate for life the most dangerous criminals in our society.

We have much work to do to ensure the safety of our children from abduction and sexual abuse; passing this bipartisan legislation is a vital part of that effort. As a banner across the building in which the Polly Klaas Foundation is headquartered says: ''We ache. We grieve. We're angry. We're not done.''

I urge all of my colleagues to give their support to the Amber Hagerman Child Protection Act.

Mr. President, on behalf of Senator HUTCHISON and myself, I send the bill to the desk.

The PRESIDING OFFICER. The bill will be received and referred to the appropriate committee.

Mrs. FEINSTEIN. Mr. President, on behalf of Senator HUTCHISON and myself, I have just sent to the desk the Amber Hagerman Child Protection Act. The purpose is to try to provide a Federal response to those who molest children.

Recently, a study showed about 40 percent of the child molesters are recidivists. I, frankly, think that could well be even higher than that.

In virtually every community throughout the United States, there is a story to tell. Senator HUTCHISON will speak in a moment about a story from Texas. I can speak about a story from California. I can speak of Polly Klaas, and the person who was just convicted of abducting, kidnaping, raping and killing her had a prior record.

The bill we are proposing today attacks the problem of sex offenders on both the State and Federal level. The purpose of the bill is to require life imprisonment for a repeat, two-time child sex offender and to provide an opportunity for the second offense to be heard in a Federal court.

The purpose of this bill is that if an individual is convicted of child molestation and repeats that felony, either on Federal land or in the crossing of State lines, that it will become a Federal offense and subject to life imprisonment.

This is a harsh bill. It is a tough bill. It has been introduced in the House by Representative FROST. It is my hope, and I believe Senator HUTCHISON's hope, that tomorrow in the Judiciary Committee I will offer it as an amendment to the child pornography bill. If it fails there, we will try at a later time to offer it as an amendment on the floor to a bill.

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. 1985

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 ''Amber Hagerman Child Protection Act of 1996''.

SEC. 2. INCREASED PENALTIES FOR FEDERAL SEX OFFENSES AGAINST CHILDREN.

(a) AGGRAVATED SEXUAL ABUSE OF A MINOR.—Section 2241(c) of title 18, United States Code, is amended—

(1) by inserting ''whoever in interstate or foreign commerce or'' before ''in the special'';

(2) by inserting ''crosses a State line with intent to engage in a sexual act with a person who has not attained the age of 12 years, or'' after ''Whoever''; and

(3) by adding at the end the following: ''If the defendant has previously been convicted of another Federal offense under this subsection or under section 2243(a), or of a State offense that would have been an offense under either such provision had the offense occurred in a Federal prison, unless the death penalty is imposed, the defendant shall be sentenced to life in prison.''.

(b) SEXUAL ABUSE OF A MINOR.—Section 2243(a) of title 18, United States Code, is amended—

(1) by inserting ''whoever in interstate or foreign commerce or'' before ''in the special'';

(2) by inserting ''crosses a State line with intent to engage in a sexual act with a person who, or'' after ''Whoever''; and

(3) by adding at the end the following: ''If the defendant has previously been convicted of another Federal offense under this subsection or under section 2241(c), or of a State offense that would have been an offense under either such provision had the offense occurred in a Federal prison, unless the death penalty is imposed, the defendant shall be sentenced to life in prison.''.

SEC. 3. CONDITION FOR BYRNE GRANTS.

Section 170101(f) of the Violent Crime Control and Law Enforcement Act of 1994 is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) inserting after subparagraph (A) the following:

''(B) In order not to reduce the funds available under part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 by 10 percent, a State shall, on the first day of each fiscal year beginning 2 years after the date of the enactment of the Amber Hagerman Child Protection Act of 1996, have in effect throughout the State in such fiscal year a law which requires a court to sentence a defendant in a State prosecution who is convicted of an offense that would have been an offense if such offense occurred in a Federal prison under section 2241(c) or 2243(a) of title 18, United States Code, and who has previously been convicted for such an offense to life in prison without the possibility of parole.''.

SEC. 4. RELEASE OF REGISTRATION INFORMATION.

Section 170101 of the Violent Crime Control and Law Enforcement Act of 1994 is amended by adding at the end the following:

''(g) SEPARATE DATA BASE.—The Federal Bureau of Investigation shall maintain a separate data base for information submitted to the Bureau under this section and make that data base accessible to appropriate State law enforcement officials. The Bureau shall inform appropriate local law enforcement officials on each occasion that a person registered under this section changes registration to that locality.''.

Mrs. FEINSTEIN. I yield to my colleague, the distinguished Senator from Texas.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I thank Senator FEINSTEIN for working on this bill, for putting it together, for carrying it through the Judiciary Committee on which she serves, because this is something that we can truly do in a bipartisan fashion.

I know that when our Dear Colleague letter goes out to all of the Senators that we will have probably 75 or 80 cosponsors, because this is a bill that I think everyone will see the need for and want to support.

In fact, as Senator FEINSTEIN mentioned, this bill is named for the 9-year-old victim of a tragic killing that was so unnecessary and, unfortunately, is still unsolved. Nine-year-old Amber Hagerman was abducted while riding her bicycle outside her grandparents' home in Arlington, TX, earlier this year. She was kept alive for at least 48 hours before being murdered. Her nude, slashed body was found in a creek bed behind an Arlington apartment complex on January 17, 4 days after she was snatched away from her friends and family by a man driving a truck.

The killer of this much-beloved and innocent child has never been identified. Her family and friends still are not comprehending why this could have happened to such a child. The entire community remains stunned, saddened and enraged. They have the chilling certainty that there is a child killer on the loose in their community, in our State, in our country.

Although we do not know the name of this monster who kidnaped, molested, and murdered this 9-year-old child, we do know several unpleasant

facts about sexual predators who prey on children, like Amber, in communities across this country.

Twenty percent of those in State prisons convicted of violent crimes—65,000 people—report having victimized a child. More than half of these victims were 12 years old or younger, 75 percent of them were female.

Thirty percent of these sexual predators report having committed their crimes against multiple victims. Sixty-six percent of prisoners convicted of sexual assaults committed their crime against a child.

The repeat crime rate for sex offenders is estimated to be as much as 10 times higher than the recidivism rate of other criminals.

Mr. President, we know that more than 40 percent of convicted sex offenders will repeat their crimes. We must begin to act on the information that we have. The revolving doors of our criminal justice system have to stop sending violent criminals out on the streets and back into our neighborhoods to prey on those least able to take care of themselves—our children.

Justice must be made to serve the young and most vulnerable among us, as well as those who repeatedly violate the law. So it is in Amber Hagerman's memory that I am cosponsoring Senator FEINSTEIN's legislation today to protect this Nation's children from sex offenders.

As Senator FEINSTEIN said, the purpose of the bill is tough. It is to require life imprisonment for two-time child sex offenders when their cases are heard in Federal court, and it encourages States to do likewise.

It provides for a nationwide system of tracking sex offenders to be administered by the FBI.

This legislation would establish new Federal jurisdiction over sexual offenses against children when a person commits a crime after crossing State lines with the intent of committing a sex offense.

So, Mr. President, I think Senator FEINSTEIN told us what is in the bill. I will not go into it any further. But I do want to say that it is a primary responsibility of our Government to protect our citizens, and especially the youngest and most vulnerable citizens.

We are going to send a message today to the monsters in our society who would murder children that there is going to be a price to pay. Hopefully, we will get these people off the streets, out of our neighborhoods, out of our parks and begin to get serious about personal security in this country, especially for our children. Thank you.

I thank Senator FEINSTEIN for working on this bill and for allowing me to be the cosponsor of it in honor and memory of my constituent, 9-year-old Amber Hagerman, so that her legacy will be that she will be a part of protecting children like her from meeting her fate. Thank you, Mr. President. I thank Senator FEINSTEIN. I yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from California.

Mrs. FEINSTEIN. Mr. President, if I may, I thank the distinguished Senator from Texas. It is a great pleasure to work with her. I hope we have success in this measure. Thank you, Mr. President. I yield the floor.

By Mr. HATFIELD:

S. 1986. A bill to provide for the completion of the Umatilla Basin project, and for other purposes; to the Committee on Energy and Natural Resources.

THE UMATILLA BASIN PROJECT COMPLETION ACT

● Mr. HATFIELD. Mr. President, almost 20 years ago, I traveled to Pendleton, OR, to hold a hearing on longstanding water disputes in the Umatilla River Basin. These disputes were somewhat typical of other water conflicts throughout the western United States, in that, I was lucky to get out of that hearing room alive. The tension between all sides at that 1977 hearing was so high, I was almost certain that a small war would break out right there in the room. Fortunately, that meeting was the low point in the effort to resolve water conflicts in that northeast Oregon river basin. Since that time, we have experienced many high points.

In the ensuing 11 years since that fateful meeting of 1977, local leaders were successful in bringing irrigators, Indian tribes, environmentalists, elected officials and government bureaucrats together on one of the most successful fishery restoration projects this Nation has ever seen, the Umatilla Basin project. In 1988, Congress enacted the Umatilla Basin Project Act in an effort to develop a pragmatic, least-cost approach to meeting the Federal Government's treaty obligations in the basin without devastating the area's valuable agricultural economy. This project has truly been a model of cooperation between those seeking to utilize water for agricultural purposes and those whose historical way of life and culture hinged on the restoration of healthy fish runs in the Umatilla River.

The Umatilla Basin project has been a product of years of debate and grassroots consensus building. Its two main purposes have been to restore a healthy anadromous fishery to the Umatilla River and to provide irrigated agriculture with a predictable water supply. On both counts, the project has been a tremendous success.

Under the 1988 act, new pumping facilities were authorized to allow three irrigation districts, which previously withdrew their water from the Umatilla River, to leave the water instream for fish. In exchange, the irrigation districts received an equal volume of water from the adjacent Columbia River to irrigate their crop lands. The project has had no impact on Columbia River flows and has restored strong, healthy fish runs to the Umatilla River for the first time in decades. In fact, in the first 6 months of 1996 already, over 4,000 fish have returned to a river that in the 1960's lost its native salmon. In fact, prior to the authorization of the Umatilla Basin project, irrigation withdrawals from the Umatilla River literally dried the river up during the summer months.

While the Umatilla Basin project has been a huge success for all parties involved, the 1988 act provided Columbia River exchanges for only half of the Umatilla River irrigation withdrawals. In order to make the project whole and satisfy the Federal Government's treaty fishery obligations to the Umatilla Tribes, the remainder of the project must be built. Today, I am introducing legislation which achieves this goal, while at the same time, resolves a longstanding dispute regarding the delivery of water to lands not officially within Bureau of Reclamation project boundaries.

The bill I am introducing today, entitled the ''Umatilla Basin Project Completion Act,'' incorporates the key components of a general agreement reached last April in meetings between the Confederated Tribes of the Umatilla, irrigation districts, State water resources department, locally elected officials and Federal agencies. My bill has three major provisions. First, it calls for the construction of the third and final phase of the Umatilla project, which will exchange Columbia River water for an equivalent amount of irrigation water now taken out of the Umatilla River. This final phase, known as phase 3, will cost $71 million and will fully satisfy all obligations of the Federal Government to provide the Confederated Tribes of the Umatilla Indian Reservation with water for fishery needs in the Umatilla River below the mouth of McKay Creek, as recognized by their 1855 treaty with the United States. The 1988 Umatilla Basin Project Act authorized the construction of phases 1 and 2. Phase 3 alone will provide almost as much water to the fishery resources of the Umatilla River as did the previous two phases.

Second, my bill adjusts the boundaries of three of the four irrigation districts in the Umatilla project to include lands irrigated with project water prior to 1988. The three districts for which these boundary adjustments will be legislatively granted, are already exchanging Umatilla River for Columbia River water, as authorized under phases 1 and 2. The fourth district, Westland Irrigation District, was not included in phases 1 and 2 of the 1988 Act and is still withdrawing water from the Umatilla River. My bill does not grant a boundary adjustment for Westland until the phase 3 Columbia River water exchange is fully up and running.

Finally, my legislation calls for the preparation of a comprehensive water management plan for the Umatilla River Basin. As a followup to last

April's meetings, all of the affected parties—the State, Federal and local Governments, the tribes, and the irrigation districts—agreed to cooperate in preparing a comprehensive water management plan for the Umatilla Basin. The Plan would serve as a guide in allocating water to maximize the fishery benefits while recognizing valid existing uses. My bill authorizes $500,000 to assist this most promising and valuable effort.

It should be noted at this time that not all of the items identified in last April's consensus process were included in my legislation. While I felt that each of these items had merit, fiscal realities and the short time frame remaining prior to sine die adjournment of the 104th Congress precluded me from including them in this bill.

Mr. President, I recognize that large authorizations for new construction projects are not particularly popular at this time. This bill, however, is far preferable to the traditional mode of meeting our Nation's treaty fishery obligations to Indian tribes. To date, the standard mode of operation has been protracted litigation and adjudication of rights, followed by construction of costly projects. In the Yakima River Basin, for example, the Federal Government and irrigators spent nearly 20 years and $50 million just adjudicating the tribe's treaty fishery rights. During that time, the Yakima River salmon runs continued to decline, and Congress passed legislation authorizing another $150 million to restore the Yakima River fishery. Unfortunately, similar sad tales reverberate throughout the Pacific Northwest. Our experience in the Umatilla River Basin, to date, has been more positive and successful.

The bill I am introducing today reflects the general consensus reached by Tribes, irrigation districts, local communities, environmentalists, and State, local, and Federal governments. These groups came together in the same cooperative spirit that characterized the 1988 Umatilla Basin Project Act to reach agreement that the final phase of the Umatilla Basin Project should be completed and that, once and for all, the longstanding debate over authorized water deliveries for irrigation purposes should be resolved. I am proud of the work these groups have done and look forward to working with them to resolve their remaining issues and concerns with this legislation.

I ask unanimous consent that a copy 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. 1986

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

SECTION 1. This Act may be referred to as the ''Umatilla Basin Project Completion Act.''

SEC. 2. Title II of Public Law 100–557 is amended by adding at the end thereof:

''SEC. 214. AUTHORIZATION OF PROJECT COMPLETION.

''For purposes of completing the Columbia River water exchanges and other mitigation efforts necessary to restore the Umatilla River Basin fishery, and to provide for the expansion of Umatilla Basin Project district boundaries, the Secretary of the Interior (hereinafter referred to as the Secretary), acting pursuant to the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof and supplementary thereto), is authorized to complete construction and to operate and maintain the integrated Umatilla River Basin Project, including pump exchange projects known as Phases I, II, and III.

''SEC. 215. UMATILLA RIVER PHASE III EXCHANGE

''(a)(1) The Secretary is hereby authorized to construct a third and final phase of the Umatilla River Basin Project to provide additional flows in the Umatilla River for anadromous fish through a water exchange with Westland Irrigation District.

''(2) Prior to construction, the Secretary shall complete a feasibility study to identify alternatives within the authorized ceiling to provide Westland Irrigation District exchange flows of approximately 220 cubic feet per second, or greater.

''(3) The feasibility study for the Phase III exchange facilities shall include an analysis of inclusion of other irrigators in the exchange, appropriate backup systems, water conservation opportunities, and such other analyses as the Secretary may deem appropriate to improve the exchange project for fishery restoration purposes.

''(4) Prior to completion of Phase III facilities, the Secretary shall negotiate and execute an exchange agreement with the Westland Irrigation District and any other participating irrigators to allow the use of Columbia River water in exchange for an equal amount of Umatilla River or Mckay Reservoir water: *Provided*, that the irrigation districts shall continue to be eligible to receive the same volume of water as they received under their respective contracts with the Bureau of Reclamation dated July 6, 1954 for Hermiston Irrigation District, November 18, 1949 for Stanfield Irrigation District, July 6, 1954 for West Extension Irrigation District, and November 18, 1949 for Westland Irrigation District.

''(5) Phase III facilities may pump Columbia River water for exchange purposes only, and not for conjunctive use.

''(b) OPERATION OF MCKAY RESERVOIR.—The Secretary shall operate Mckay Reservoir in accordance with Federal and State law and water rights filed pursuant to State law. The Secretary is authorized to continue to designate and deliver Mckay Reservoir water for Umatilla River fishery purposes. This Title shall not alter any party's rights or obligations under existing contracts for Mckay Reservoir water.

''(c) Operation and Maintenance Costs.—All exchange system operation and maintenance costs and any increased operation and maintenance costs to the Project caused by the Phase III Exchange shall be the responsibility of the Federal Government and shall be non-reimbursable.

''(d) POWER FOR PROJECT PUMPING.—The Administrator of the Bonneville Power Administration, consistent with provisions of the Columbia River Basin Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697), shall provide for project power needed to effect the Phase III water exchange for purposes of mitigating anadromous fishery resources. The cost of power shall be credited to fishery restoration goals of the Columbia River Basin Fish and Wildlife Program.

''SEC. 216. UMATILLA BASIN PROJECT BOUNDARY ADJUSTMENT.

''(a) Upon enactment of the Umatilla Basin Project Completion Act, the boundaries of the three irrigation districts with functioning Columbia River water exchange facilities are adjusted by operation of law as follows:

''(1) Hermiston Irrigation District's boundaries are adjusted to include the 1,091 acres identified in its 1993 request to the Bureau of Reclamation;

''(2) Stanfield Irrigation District's boundaries are adjusted to include the 230.99 acres receiving water under 1995 and 1996 temporary contracts with the Bureau of Reclamation; and

''(3) West Extension Irrigation District's boundaries are adjusted to include the 2,436.8 acres identified in its 1993 request to the Bureau of Reclamation and are classified as irrigable in the Bureau of Reclamation's Land Classification Report.

''(b)(1) When the Umatilla Basin Project's Phase III Exchange is completed and fully functional, the Westland Irrigation District's boundaries shall be adjusted to include the 7,023 acres receiving water under 1995 and 1996 temporary contracts with the Bureau of Reclamation: *Provided*, That any analysis required by the National Environmental Policy Act of 1969 on the boundary expansion request shall be accomplished in conjunction with similar analysis on the Phase III exchange facilities. The Westland Irrigation District shall pay analysis costs associated with boundary adjustment, not to exceed $300,000, and any additional costs shall be non-reimbursable.

''(2) The Westland Irrigation District's temporary contract with the Bureau of Reclamation is hereby extended for an additional ten-year period. All other terms of the temporary contract, including the payment, water delivery, and mitigation provisions, shall remain the same. A riparian project, as described in the 1996 temporary contract, will be designed and completed by the Westland Irrigation District. If Phase III is not fully functional when this temporary contract, as extended, expires, the Secretary is authorized to enter into additional extensions on such terms and conditions as may be mutually agreeable.

''(c) Notwithstanding any other provision of this title, no parcel may receive Project water unless it has a valid existing State water right and is classified as irrigable in the Bureau of Reclamation's Land Classification Report.

''(d) Upon approval of each irrigation district's boundary adjustment request and adjustment of the boundary, a legal description of the new district boundaries, including land classification and project boundary maps, shall be provided as an attachment to all four Irrigation District's existing contracts.

''(e) No alteration in the ability to pay determination for the Umatilla River Basin Project districts may be made as a result of the Project boundary expansions authorized by this Title.

''SEC. 217. TREATY OBLIGATIONS.

''The Federal Government and the Confederated Tribes of the Umatilla Indian Reservation jointly recognize that completion of Phase III and perpetual operation of the integrated Project, including Phases I, II, and III, meets all obligations of the Federal Government to provide the Confederated Tribes of the Umatilla Indian Reservation with water for fishery needs in the Umatilla River below the mouth of McKay Creek, as recognized by their 1855 Treaty with the United States.

''SEC. 218. WATER PROTECTION AND MANAGEMENT.

''(a) The Secretary shall continue working in cooperation with the State of Oregon, the

Confederated Tribes of the Umatilla Indian Reservation, the irrigation districts, and the affected public toward developing a Comprehensive Water Management Plan to assist in restoring the Umatilla River Basin's anadromous fishery. The Secretary shall develop an integrated groundwater/surface water model of the Upper Umatilla River Basin for use in developing the Comprehensive Water Management Plan.

''(b) Project facilities and features authorized by this title shall be integrated and coordinated, from an operational standpoint, into existing features of the Umatilla Basin Project.

''(c) The Secretary shall enter into appropriate agreements with the State of Oregon, the relevant irrigation districts, and the Confederated Tribes of the Umatilla Indian Reservation, as appropriate, to provide funding for monitoring and administration, including regulation, of project-related water supplies for the purposes herein identified.

''SEC. 219. AUTHORIZATION FOR APPROPRIATION.

''(a) There is authorized to be appropriated to the Secretary, plus or minus such amounts as may be justified by reason of ordinary fluctuations of applicable cost indexes, the following sums, without fiscal year limitation:

''(1) not to exceed $71,000,000 for feasibility studies, environmental studies, and construction of the Phase III Exchange: *Provided*, That all costs of Phase III planning and construction, including operation and maintenance costs allocated to the mitigation of anadromous fish species and the study authorized in Section 215 of this Act, shall be non-reimbursable, *Provided further*, That not less than 80 per centum of such funds shall be used for actual construction;

''(2) not to exceed $500,000 for the development of a Comprehensive Water Management Plan and integrated groundwater/surface water model, as provided for in §218(a) of this title; and

''(3) not to exceed $400,000 annually for enforcement and protection of Phases I, II, and III exchange water for instream uses, as provided for in §218(c) of this title.''

SEC. 3. WATER RIGHTS.

Nothing in this Act shall:

(a) Impair the validity of or preempt any provision of State law with respect to water or water rights, or of any interstate compact governing water or water rights;

(b) Create a right to the diversion or use of water other than as established pursuant to the substantive and procedural requirements of State law and as recognized under State law;

(c) Impair or affect any valid water right; or

(d) Establish or create any water rights for any party, nor may any provision be construed to create directly or indirectly an express or implied federal reserved water right for any purpose.●

By Mr. MACK (for himself, Mr. LIEBERMAN, Mr. ABRAHAM, Mr. LOTT, Mr. HATCH, and Mr. BENNETT):

S. 1988. A bill to amend the Internal Revenue Code of 1986 to provide for individuals who are residents of the District of Columbia a maximum rate of tax of 15 percent on income from sources within the District of Columbia, and for other purposes; to the Committee on Finance.

THE DISTRICT OF COLUMBIA ECONOMIC RECOVERY ACT

Mr. MACK. Mr. President, I am pleased to introduce with my colleagues Senators LIEBERMAN, ABRAHAM, LOTT, and HATCH the District of Columbia Economic Recovery Act. The social, administrative, and fiscal problems of our Nation's Capital are well documented: High crime rates, poor schools, deteriorating infrastructure, and inadequate delivery of basic public services, just to name a few. The District of Columbia is facing its greatest economic crisis since it was established in 1790. Congress has taken major steps, including the creation of a financial control board, to assist the city during this current financial crisis. But despite these efforts, the city has a long way to go to achieve economic self-sufficiency.

The root of the District's problems is an ever-eroding middle class. Since 1950, Washington's population has declined by nearly 250,000 residents: In fact, 68,000 people left between 1988 and 1993 alone. The vast majority were middle-class families whose taxes funded the city's operations. So far, D.C.'s response to this decline has been misguided: even-higher taxes. But this has only led to even more residents leaving the city in search of lower tax rates, better schools, and safer streets.

We believe that the best way to help the District is to promote economic growth, and the best way to promote economic growth is to significantly reduce the tax burden on its residents. Economic growth will mean more jobs, more opportunity, greater private sector investment, and ultimately a better quality of life in the Nation's Capital.

There is a large and growing consensus that our current income tax system has become a tremendous obstacle to economic growth and an improved standard of living. After eight decades of misuse by lawmakers, lobbyists, and special interests, today's tax system is unfair, complex, costly, and punishes work, savings, and investment.

Therefore, we as a nation need to fundamentally rethink the manner in which income is taxed in order to construct a system that is equitable, efficient, and can support economic growth. This effort, which perhaps appropriately begins in the Nation's Capital, is an important first step.

In order to achieve genuine tax reform, we must take the blinkers off, special interests must give way to the overriding national concerns, partisan class warfare must end, and the defenders of the status quo must step aside to make way for positive change. Mere tinkering with the Tax Code, or simply reshuffling the existing tax burden is not genuine tax reform. We must create a new tax structure that allows everyone to benefit from economic growth. The flat tax encompasses this new thinking and fundamental change needed to create a fair, simple, and progrowth tax system.

The D.C. Economic Recovery Act is an important step in luring middle-class taxpayers back to the District of Columbia. It provides tax incentives, including a 15-percent flat income tax rate for all District residents and deductions of $15,000 for individual filers; $25,000 for head of household filers; and $30,000 for married filers.

This will benefit everyone, especially the poor and middle class. Our bill includes a $5,000 first-time home buyers provision designed to assist middle-class families in purchasing homes within the District of Columbia. Second, we have established a zero capital gains tax rate on investments within the District, to help spur investment in the District, so middle-class residents won't be hurt by onerous capital gains taxes when they decide to sell their homes. In addition to these incentives, we have included a brown-fields provision that is sure to improve the city's quality of life by encouraging companies to clean up environmentally damaged District land.

This bill also provides the opportunity for all Americans to participate in the economic revitalization of the District of Columbia by extending to everyone a zero capital gains rate for all investments made within the District. We believe the American people want to take pride in this city, and want it to represent all the best this Nation has to offer. For too long, the city's economy has been locked into the growth and declines of the Federal Government. Our bill offers the chance to spur nongovernmental economic investment in the District of Columbia.

The District of Columbia is not only home to the people who live here, it is truly the Nation's city. Historically, Congress has recognized this fact, and assured the financial integrity of the District. However, we now realize that simply throwing money at the problem is not the answer. We must find a way to fundamentally improve the city without demanding additional financial commitments from American taxpayers.

We believe that these incentives, along with responsible and sensible financial management, are just what the District needs to become self-sufficient.

Mr. LIEBERMAN. Mr. President, I am delighted to join with Senator MACK as an original cosponsor of this important legislation, the District of Columbia Economic Recovery Act of 1996 [DCERA].

The District of Columbia belongs to each and every one of us. As citizens of the United States, we have a stake in the successes, and a stake in the failures, of Washington, DC. It is America's city.

For a variety of reasons, not all of them easily explained, Washington is in desperate financial straits. The here and now financial prospects are grim for the city and the future gets grimmer. This is largely because middle-class families, the backbone of any successful community, are fleeing the District in alarming numbers.

The legislation we are introducing today would instantly transform our

Nation's capital, making it a more appealing place to live, to invest, to build, to buy, and to work. This bill is designed to reverse the flow of middle-class residents and businesses, who are currently fleeing the city for the suburbs. Those still in the District would have new incentives to stay. And many others now living elsewhere would have a very strong incentive to move into the District with their families and with their businesses.

We cannot make the schools better in the District overnight. We cannot promise crime-free streets overnight. What we can do is provide middle-class tax relief in the District, as a way to lure these middle-class taxpayers to the District as a way to reestablish a tax base in the District. And once we bring these people back, safer streets and better schools can follow.

Surely we can wait. We can wait until the situation in the district is so dire, when nearly all of the tax base in the District has fled and we will be asked to take over the city altogether. Waiting strikes me as penny wise and pound foolish.

Instead of waiting, we should consider the merits of the DCERA which we are introducing today. This legislation is modeled on legislation which has been introduced in the House with broad, bipartisan support, by Representative ELEANOR HOLMES NORTON. Both the House and the Senate version of the DCERA establish a maximum Federal tax rate of 15 percent. Both bills double the personal exemption which would eliminate Federal income taxes for single residents who make up to $15,000 a year and married couples filing jointly who make up to $30,000 a year. At the same time, the bill retains the mortgage and charitable deductions and would allow a taxpayer to file under the old system, if preferred.

In contrast to Representative NORTON's bill, our legislation establishes a zero capital gains rate for D.C. investments held by D.C. or non-D.C. residents for 3 years. Representative NORTON's bill restricts this capital gains treatment to investments held by D.C. residents only. In crafting our version of this legislation, we were concerned this would limit potential investment in the District. For this reason, the Senate treatment is broader.

Also in contrast to the House DCERA, our bill includes a $5,000 credit for first time District home purchases and includes a provision to clean-up abandoned brownfields within the District. Members of Congress not representing the District could not take advantage of the tax incentives in the bill and we are working toward an explicit understanding that the District would not take advantage of the Federal tax incentives in this bill by raising local taxes.

I very much see this bill as a first step. Some of the urban problems Washington faces are unique to Washington because Washington has no State, no broader tax base, to draw on. At the same time, many of Washington's problems are problems that are faced by cities all across this country. If this approach works in Washington, I hope we can try it in Bridgeport, New Haven, and Hartford as well.

I should note that, unlike some proponents of this legislation, I am at best an agnostic on a flat tax. I believe progressivity in our tax rates is inherently fair and am pleased that the legislation we are introducing today has elements of that progressivity by providing such a generous personal exemption. At the same time, a good number of our cities are facing the loss of their middle-class population and the only way to rebuild that base may be through bold measures like a flat tax which has clear and compelling benefits for the middle class. The people we are really anxious to bring back to our cities are the 28 percenters. Under the current Tax Code a typical family in the 28-percent bracket would be a couple with two children who make roughly between $39,000 and $95,000 after deductions. Our bill would create a very favorable tax incentive for these people to stay in, or move to, the District.

Mr. President, the most important thing there is to say about urban policy in this country is that we really do not have an urban policy. We know what has not worked; today we are introducing legislation that we believe will work and there is no better place to start than in Washington, DC, a city that belongs to all Americans.

I urge my colleagues to join us in cosponsoring this important legislation.

Mr. HATCH. Mr. President, I rise today to join Senators MACK and LIEBERMAN in sponsoring legislation designed to spur economic growth in the District of Columbia. The economic circumstances in the District have eroded so significantly that they can no longer be casually dismissed. Failure to act now with investment incentives would cost the District even more in lost financial opportunities—financial opportunities the District, and indeed our entire Nation, cannot afford to miss.

Opponents of this legislation may be critical of the special treatment given to the District of Columbia as opposed to other areas of the country. Yet, this should be the greatest city in the world—east of Salt Lake City.

In all seriousness, however, I believe that it is imperative that the Capital of our Nation stand for democracy, economic development, and security. It is difficult for the District of Columbia to represent these qualities when it has become nearly unmanageable and is on the brink of financial ruin. Something must be done to breathe new life into Washington, DC. Otherwise, I've got some ghost towns in Utah I can show you.

And, I want to emphasize that we are not talking about an infusion of Federal funds. We are talking about encouraging private sector investment in the city. We are talking about incentives for people to live here. This legislation provides a way to bring both the capital and stability needed to start the healing process.

The components included in this bill are specifically designed to revitalize our Nation's Capital. First, the bill would tax all D.C. residents at a flat rate of 15 percent and significantly increase their standard deductions, yet retain both the charitable contribution deduction and the home mortgage deduction. This provision would give the middle class who left because of rising taxes a new incentive to return to the District and once again call it home. In fact, this recovery plan also establishes a $5,000 tax credit for first-time home buyers for residences purchased within the District of Columbia. These types of incentives would have a real and immediate impact on the District and would help replace the middle-class base that has slowly been eroding.

In addition to these provisions, Mr. President, this legislation eliminates the capital gains tax on any investment made within the District of Columbia by residents and greatly reduces it for nonresidents. This part of the bill provides the District access to a tremendous source of capital, otherwise unavailable.

Not only would this proposal begin to restore the financial viability of our Nation's capital city, it would also provide a testing ground for studying the effects of the basic principles of fundamental tax reform. Our current system of taxation has been much criticized over the past year and a half, and I agree that steps should be taken toward a fairer, simpler, and more efficient tax system. However, while change may be necessary, it must also be done carefully and deliberately. Initiating a flat tax system in the District of Columbia could give legislators much-needed insight into tax reform on a national scale. Success in the District would result in ideas that could be applied nationwide. Thus, this legislation would benefit the District of Columbia, as well as every citizen of America.

Mr. President, this bill is far from perfect. It is a bold idea designed to reverse the fall of a once-great city. Legitimate concerns about the impact of this bill have been raised in recent days by members of the House Ways and Means Committee and other. For one thing, skeptics of this idea worry that the provisions of this bill would give current residents of the District of Columbia a windfall. Other concerns that have been expressed include taxpayers moving into the District for only a short period to take advantage of the benefits of this proposal, then moving out again. Other critics contend that the root of the District's problems is not the lack of money, but poor management of the resources already present and that therefore, an infusion of new money and new residents would not change things significantly.

I agree that the bill we are sponsoring today will not, by itself, solve all of

the problems of the District of Columbia. I also agree that much work needs to be done in further crafting this bill as it goes through the legislative process to ensure that concerns about loopholes and unintended benefits are met. And, I also completely agree that the citizens of the District of Columbia must hold its elected leaders accountable for waste and mismanagement.

It is important, however, that the general concepts of this bill are put before the Congress. This bill is certainly not set in stone, and I would anticipate that many Members of Congress and outside groups will have a number of good ideas on how it can be improved. My goal is that Congress start taking a serious look at ways to solve the problems of our Nation's capital. One of these ways must include expanding the local economy and, therefore, the local tax base. And, serious problems often require bold solutions.

Washington, DC is the capital of the United States of America. Every day there are buses of people who come to view the monuments, study the historical treasures, and participate in their Federal Government. Every day there are people from foreign nations who may get their first and, in some cases, only taste of America from visiting our capital. Unfortunately, a city rife with pot holes, dilapidated police cars, and drug dealers and prostitutes openly offering their wares is not the impression of our country most Americans wish to leave with visitors from foreign countries, let alone tolerate themselves.

I quote Washington Post columnist James Glassman when I say that it is time to act courageously and adopt a proposal that could help save this city. I urge my colleagues to become actively involved in the debate and in searching for ways to revitalize and reinvigorate a city that is as important to Floridians as it is to Utahns, as important to Californians as to Pennsylvanians.

I urge my colleagues to join us in this bold effort to jump start both the economy and civic pride of the District of Columbia.

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the names of the Senator from Utah [Mr. BENNETT] and the Senator from Georgia [Mr. NUNN] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 864

At the request of Mr. GRASSLEY, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 864, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1675

At the request of Mr. BIDEN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1675, a bill to provide for the nationwide tracking of convicted sexual predators, and for other purposes.

S. 1965

At the request of Mr. BIDEN, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1965, a bill to prevent the illegal manufacturing and use of methamphetamine.

SENATE RESOLUTION 282 RELATIVE TO THE DAY OF NATIONAL CONCERN ABOUT YOUNG PEOPLE AND GUN VIOLENCE

Mr. BRADLEY (for himself, Mr. SPECTER, Mr. WELLSTONE, Mr. FRIST, Mr. LEVIN, Ms. SNOWE, Mr. AKAKA, Mr. DEWINE, Mrs. BOXER, Mr. THURMOND, Mr. MOYNIHAN, Mr. BIDEN, Mrs. MURRAY, Mr. GLENN, Mr. REID, Mr. SIMON, Mr. KOHL, Mr. LAUTENBERG, Mr. DODD, Mr. CHAFEE, Mr. BENNETT, Mr. MCCAIN, Mr. COATS, Mr. D'AMATO, Mr. BROWN, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. INOUYE, Mr. BURNS, Mr. GRAHAM, Mr. NICKLES, Mr. CONRAD, Mr. ROTH, Mr. DORGAN, Mrs. HUTCHISON, Mr. PRYOR, Mr. SIMPSON, Mr. LIEBERMAN, Mr. FAIRCLOTH, Mr. BUMPERS, Mr. MCCONNELL, Mr. ROCKEFELLER, Mr. THOMPSON, Mr. KERRY, Mr. COHEN, Mr. JOHNSTON, Mr. GORTON, Mr. KENNEDY, Mr. CRAIG, Mr. ROBB, Mr. KEMPTHORNE, Ms. MOSELEY-BRAUN, Mr. MACK, Mr. WYDEN, Mr. GRAMS, Mr. HOLLINGS, Mr. JEFFORDS, Mr. DASCHLE, Mr. CAMPBELL, Ms. MIKULSKI, Mr. COCHRAN, Mr. HEFLIN, Mrs. FRAHM, Mr. EXON, Mr. ABRAHAM, Mr. FORD, Mr. ASHCROFT, Mr. BYRD, Mr. GREGG, Mr. SARBANES, Mr. HATFIELD, Mrs. FEINSTEIN, Mr. LUGAR, Mr. KERREY, Mr. SANTORUM, Mr. NUNN, Mr. THOMAS, Mr. BINGAMAN, Mr. WARNER, Mr. LEAHY, Mr. HELMS, Mr. BREAUX, Mr. BRYAN, and Mr. PELL) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 282

Whereas violent crime among juveniles in American society has dramatically escalated in recent years;

Whereas between 1989 and 1994, juvenile arrest rates for murder in this country skyrocketed 42 percent;

Whereas in 1993, more than 10 children were murdered each day in America;

Whereas America's young people are this country's most important resource, and Americans have a vested interest in helping children survive, free from fear and violence, to become healthy adults;

Whereas America's young people can, by taking individual and collective responsibility for their own decisions and actions, help chart a new and less violent direction for the entire country;

Whereas American school children will be invited to participate in a national observance involving millions of their fellow students and will thereby be empowered to see themselves as the agents of positive social change; and

Whereas this observance will give American school children the opportunity to make a solemn decision about their future and control their destiny by voluntarily signing a pledge promising that they will never take a gun to school, will never use a gun to resolve a dispute, and will use their influence to prevent friends from using guns to settle disputes: Now, therefore, be it

Resolved, That the Senate designates October 10, 1996, as the ''Day of National Concern About Young People and Gun Violence''. The President is authorized and requested to issue a proclamation calling upon the school children of the United States to observe such day with appropriate activities.

Mr. BRADLEY. Mr. President, I rise today, along with my colleagues, Senator SPECTER and Senator WELLSTONE, who initially joined me to serve as original cosponsors, to submit a resolution designating October 10, 1996, as a day of national concern about young people and gun violence.

This resolution has enjoyed broad bipartisan support over the last several days. I have been asking other Members of the Senate if they would like to join as original cosponsors of this resolution. As of today, the date of its introduction, there are 81 additional cosponsors of this resolution to declare October 10 as a national day of concern about young people and gun violence.

Mr. President, we are in a crisis in this country. America is losing a generation of young people to crime and violence. Last July, Cindy Villalba, a 20-year-old Rutgers University student, was slain in Paterson, NJ, when a bullet from a .25-caliber semiautomatic pistol careened into her chest. The assailant, Corie Miller, was 17 years old.

The murder was a senseless tragedy. Ms. Villalba was sitting in a car talking to a friend, Julissa Vargas. Miller, along with two other teenagers, aged 19 and 18, approached the vehicle and demanded money. When the two women insisted they did not have any money and began screaming, Miller cocked the pistol and struck Vargas in the back of the head. The pistol then discharged, and a bullet struck Villalba in the chest, killing her instantly. Villalba, a catechism teacher at St. John the Baptist Cathedral, had just returned from Costa Rica, where she was teaching English to schoolchildren as a part of a Rutgers University program.

A few months after the murder of Ms. Villalba, Desmond Carberry, then 12 years old, took a loaded gun and pointed it at his 10-year-old neighborhood playmate's head. He squeezed the trigger, killing Noel DaRoja. The children were playing unsupervised with a .22-caliber handgun at a third friend's house in Berkeley Township, NJ, on a day when school was let out early because of teacher conferences. They had

a dispute, and use of the gun resulted from the dispute.

Mr. President, the common theme in the murders of Cindy Villalba and Noel DaRoja is that children are killing and being killed at an alarming rate in this country. The number of juveniles murdered in 1994 was 47 percent greater than the number in 1980.

Mr. President, juvenile homicides involving firearms tripled from 1980 to 1994. Ask any police chief of any major city in this country, and they will tell you the problem in violence is that now the weapons are more powerful and they are used more frequently.

Teenage violence is skyrocketing. In 1994, one in five murdered juveniles were known to be killed by a juvenile offender. Juveniles were responsible for 14 percent of all violent crimes cleared in 1994, and young people were 17 percent of all persons arrested for murder that same year. Among young African-American males, murder is the No. 1 cause of death.

Mr. President, young people in this country are understandably frightened. In 1993, 42 percent of students in grades 6 to 12 reported knowing of weapons in their school. That same year, nearly 75 percent of students were aware of incidents of physical attack, robbery or bullying. Almost one-third of the students had witnessed such attacks, and at least one-fourth were worried about being the victims of such attacks.

Mr. President, this is not simply an urban problem. It is a national problem. During the 3-month period between December 1995 and February of this year, 31 teenagers were murdered in the largely suburban New Jersey counties of Monmouth, Ocean, Middlesex, Somerset and Union.

In January, 18-year-old Torrance Turner of suburban Lakewood, NJ, died after being shot in the face after a confrontation outside an apartment complex.

In September 1994, 20-year-old George Corbett biked to a park in suburban Old Bridge with a .22-caliber rifle swung over his shoulder. Once at the park, he shot 14-year-old Christopher Shrimpton in the head, killing him instantly. This deadly confrontation resulted from a dispute between the boys after the Old Bridge police caught them trying to break into a car the summer before the shooting.

Mr. President, the epidemic of violence is ensnaring our children at an alarming rate. I could go on and I could go on and on with story after heartbreaking story about kids killing kids and being killed. It is time to reverse this deadly trend because, if we do not, the future of America will perish before our eyes.

It is time to make it unfashionable to carry a gun to school. It is time to make it unacceptable to resolve a dispute with a gun. It is time to give young people in this country a chance to stand up and retake their schools and their neighborhoods.

Mr. President, the resolution that I am introducing today is designed to give American young people a chance to stop the carnage that is taking place on the streets that they often frequent. The resolution designates October 10, 1996, as a day of national concern about young people and gun violence.

October 10 will mark a national observance, giving young people throughout the country the chance to sign a voluntary pledge. On this day young people will be asked to sign the pledge. Across this country, they will be asked to raise their hand in urban centers and small towns alike. They will be asked to raise their hand and say, ''I pledge that I will never bring a gun to school; that I will never use a gun to settle a dispute; and that I will use my influence with my friends to keep them from using guns to settle disputes.''

That is the pledge.

Mr. President, by taking individual and collective responsibility for their decisions and actions, American young people can help chart a less violent future. Through the power of their collective voices, young people can demonstrate that the country, through their initiative and resolve, has come to terms with a crisis.

A couple of years ago there was something called Hands Across America, where on one day, at one time, literally millions of Americans joined hands to make a very important point. It is my hope that every local television station, that local radio stations, that local institutions on that day, October 10, will cover young people in schools, raising their hand, and take this pledge.

Mr. President, the distribution of the national pledge will give local communities and residents of those communities the power to control their own destiny. Instead of looking to Washington to stop the scourge of violence, young people will take the pledge, and they themselves, by their action, will stop the violence.

Mr. President, this resolution does not concern the issue of gun control. It does not prevent someone from becoming a police officer, joining a State patrol, using a gun in hunting. It is designed simply for one purpose, and one purpose only. That is to curb the epidemic of gun violence and its deadly consequences for America's young people.

This bipartisan resolution is supported by the American Federation of Teachers, who frequently are the targets of some of this gun touting, the National Education Association, the Council of Great City Schools, the National League of Women Voters, Mothers Against Violence in America, the National Parent Teachers Association, Physicians for Social Responsibility, the National Association of Secondary School Principals, the American Association of School Administrators, the Presbyterian Church of the USA, United Church of Christ Office for Church in Society, the National School Board Association, the United Methodist Church and the General Board of Church and Society.

Mr. President, young people are our most important resource. As a society, we have a vested interest in helping people survive, free from fear and violence, and survive into healthy adulthood. It is my hope, my sincere hope that all 84 Senators who have supported this resolution and cosponsored it, will share in their communities and States on this day of October 10, 1996, and oversee and participate with young people taking this pledge.

Some people say, well, what is a little resolution, a little resolution designating a day? It is a focus, that is what it is. It is a focus. It is a focus that allows young people, wherever they are, to take some control over their school, to give those who want it to be a safer place a chance to organize around an action, a simple pledge. ''I pledge never to tell a lie''—we have all heard that before. It has some impact when it is taken seriously. ''I pledge never to take a gun to school, never to use a gun to resolve a dispute, and to use my influence to keep my friends from using a gun to resolve a dispute.'' A very simple idea. If adhered to, a very positive and successful idea.

Mr. WELLSTONE. Mr. President, we are here today simply to ask students to sign a pledge declaring that they will never bring a weapon to school, they will not use a weapon to settle disputes, and they will use their influence to prevent their friends from using weapons to settle disputes.

Mr. President, I am deeply disturbed that homicides and suicides are the leading causes of death for young people in Minnesota's largest county, Hennepin County. For teenagers between the ages of 15 and 19, 77 percent of the homicides involve guns.

I am deeply disturbed that juvenile aggravated assaults tripled in Minnesota in the 10 years between 1980 and 1990. Half of these crimes involve guns. I was horrified to find out that, of the 105 school-associated deaths between 1992 and 1994, 75 percent were committed with guns, according to the National School Safety Center.

Mr. President, I was dismayed to read in the Minneapolis Star Tribune, ''More children in Minnesota are going to school angry and armed.'' More than 3,700 students reported carrying a gun to school at least once during the month the survey was taken by the Department of Children, Families and Learning. One Minnesota official said that they are ''swimming upstream when it comes to growing violence among young people.''

Every State in the Nation, every school district whether rural, suburban or urban has these kinds of stories, these kinds of statistics. That's why we have got to urge students to sign a pledge declaring that they will never bring a weapon to school, they will not use a weapon to settle disputes, and they will use their influence to prevent their friends from using weapons to settle disputes.

Clearly, the pledge is only a small step in preventing gun violence. But we

have got to start with changing children's perceptions and helping them avoid crime and violence. If kids are using guns, if kids are bringing guns to school, those are signs of much deeper crises we have got to work hard to address.

One effort we have tried with great success is the Safe and Drug Free Schools initiative. This helps schools become safer, more disciplined and drug-free. Parents, teachers, and law enforcement officials tell us it is one of the most effective programs they have seen.

However, the extremist Republicans in the House want to spend $99 million less in 1997 nationwide, and $1.08 million less in Minnesota alone, than the President wants to spend to keep schools safe and drug free.

Earlier in June, I met with Chuck Anderson. He is a violence intervention trainer at Black Hawk Middle School in Eagan, MN. He has taught since 1970. The program that he coordinates, which is funded under Safe and Drug Free Schools, trains both teachers and students to effectively resolve conflicts in the school as an alternative to disciplinary policy. This program Mr. Anderson directs provides appropriate proactive plans for students to learn means by which to avoid violence and fighting through peaceful intervention. Along with this gun pledge, we have got to support teachers like Chuck Anderson if we truly want to reduce violence in our schools and our society.

AMENDMENTS SUBMITTED

THE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

BROWN AMENDMENT NO. 5002

Mr. BROWN proposed an amendment to the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1997, and for other purposes; as follows:

At the appropriate place in the bill, insert the following new section:

"SEC. . INTERIM MORATORIUM ON BYPASS FLOWS.

''(a) MORATORIUM.—Section 389(a) of P.L. 104–127 is amended by striking ''an 18-month'' after the word ''be'' and inserting ''a 20-month''.

''(b) REPORT.—Section 389(d)(4) of P.L. 104–127 is amended by striking ''1 year'' after the word ''than'' and inserting ''14-months''.

''(c) EXTENSION FOR DELAY.—Section 389 of P.L. 104–127 is amended by adding at the end the following new subsection:

'''(e) EXTENSION FOR DELAY.—There shall be a day-for-day extension to the 20-month moratorium required by subsection (a) and a day-for-day extension to the report required by subsection (d)(4)—

'''(1) for every day of delay in implementing or establishing the Water Rights Task Force caused by a failure to nominate Task Force members by the Administration or by the Congress; or

'''(2) for every day of delay caused by a failure by the Secretary of Agriculture to identify adequate resources to carry out this section.'''

KENNEDY AMENDMENT NO. 5003

Mr. KENNEDY proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 59, line 6, after ''consumers).'' insert:

''(b) GOALS.—Goals consistent with the proposed rule described in subsection (a) are the distribution of useful written information to 75% of individuals receiving new prescriptions by the year 2000 and to 95% by the year 2006.''

On page 59, line 16 insert the following ''(4) contain elements necessary to ensure the transmittal of useful information to the consuming public, including being scientifically accurate, non-promotional in tone and content, sufficiently specific and comprehensive as to adequately inform consumers about the use of the product, and in an understandable, legible format that is readily comprehensible and not confusing to consumers expected to use the product.''

On page 60, line 5, insert after the word ''if'' the following: ''(1)''.

On page 60, line 8, strike the words ''and begin to implement'' and insert the following: ''and submit to the Secretary for Health and Human Services''.

On page 60, line 10, strike the words ''regarding the provision of oral and written prescription information.'' and insert the following: ''which shall be acceptable to the Secretary of Health and Human Services; (2) the aforementioned plan is submitted to the Secretary of Health and Human Services for review and acceptance (provided that the Secretary shall give due consideration to the submitted plan and that any such acceptance shall not be arbitrarily withheld); and (3) the implementation of (a) a plan accepted by the Secretary commences within 30 days of the Secretary's acceptance of such plan, or (b) the plan submitted to the Secretary commences within 60 days of the submission of such plan if the Secretary fails to take any action on the plan within 30 days of the submission of the plan. The Secretary shall accept, reject or suggest modifications to the plan submitted within 30 days of its submission. The Secretary may confer with and assist private parties in the development of the plan described in sub-sections (a) and (b).''

On page 60, line 20 through line 22, strike ''The Secretary shall not delegate such review authority to the Commissioner of the Food and Drug Administration.''

On page 59, line 7, re-letter sub-section (b) to sub-section (c), and on page 59, line 16, re-number subparagraph (4) to subparagraph (5), and on page 59, line 21, re-number subparagraph (5) to subparagraph (6), and on page 59, line 23, re-letter sub-section (c) to sub-section (d), and on page 60, line 12, re-letter subsection (d) to sub-section (e).

BURNS (AND OTHERS) AMENDMENT NO. 5004

Mr. BURNS (for himself, Mr. BAUCUS, and Mr. CRAIG) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill, add the following new section.

SEC. . BARLEY PAYMENTS.

Section 113 of Public Law 104–127 is amended by inserting a new subsection (g) that reads:

''(g) ADJUSTMENT IN BARLEY ALLOCATION.—In addition to the adjustments required under subsection (c), the amount allocated under subsection (b) for barley contract payments shall be increased by $20,000,000 in fiscal year 1998, and shall be reduced by $5,000,000 in each of fiscal years 1999–2002.''

SIMPSON AMENDMENT NO. 5005

Mr. COCHRAN (for Mr. SIMPSON) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . EASEMENTS ON INVENTORIED PROPERTY

None of the funds appropriated or otherwise made available by this Act may be used by the Secretary of Agriculture to establish a wetland conservation easement under section 335(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(g)) on an inventoried property that was used for farming (including haying and grazing) at any time during the period beginning on the date 5 years before the property entered the inventory of the Secretary and ending on the date the property entered the inventory of the Secretary. To the extent that land would otherwise be eligible for one easement haying and grazing must be done according to a plan approved by the Natural Resources Conservation Service.

HATFIELD AMENDMENT NO. 5006

Mr. COCHRAN (for Mr. HATFIELD) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 42, line 26 before the colon, insert the following: '': *Provided further,* That of the total amount appropriated, not less than $2 million shall be available for grants in accordance with section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f))''

KEMPTHORNE AMENDMENT NO. 5007

Mr. COCHRAN (for Mr. KEMPTHORNE) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill, add the following:

SEC. . GRANTS FOR PRECISION AGRICULTURAL TECHNOLOGIES.

Section 793(c)(2)(A) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(2)(A)) is amended—

(1) in clause (vii), by striking ''and'' at the end;

(2) in clause (viii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(ix) develop and apply precision agricultural technologies.''.

SHELBY AMENDMENT NO. 5008

Mr. COCHRAN (for Mr. SHELBY) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill, add the following:

TITLE VIII—SUPPLEMENTAL APPROPRIATIONS AND RESCISSION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1996

DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

Salaries and Expenses

For an additional amount for ''Salaries and Expenses,'' to be used in connection with investigations of arson or violence against

religious institutions, $12,011,000, to remain available until expended.

INTERNAL REVENUE SERVICE

Information Systems

(Rescission)

Of the funds made available under this heading in Public Law 104–52, $16,500,000 are rescinded.

DOMENICI (AND OTHERS) AMENDMENT NO. 5009

Mr. COCHRAN (for Mr. DOMENICI, for himself, Mr. HELMS, Mr. THURMOND, Mr. FAIRCLOTH, and Mr. BINGAMAN) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill, insert the following:

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

For an additional amount for the Agricultural Credit Insurance Fund Program Account for the additional cost of emergency insured loans authorized by 7 U.S.C. 1928–1929, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, resulting from droughts in the western United States, Hurricane Bertha, and other natural disasters, to remain available until expended, $25,000,000: *Provided*, That these funds are available to subsidize additional gross obligations for the principal amount of direct loans of $85,208,000: *Provided further*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the amount shall be available to the extent that the President notifies Congress of his designation of any or all of these amounts as an emergency requirement under section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

KERREY AMENDMENT NO. 5010

Mr. BUMPERS (for Mr. KERREY) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 23, line 8, strike ''$22,728,000'' and insert ''$23,928,000''.

On page 46, line 14, strike ''$657,942,000'' and insert ''$656,742,000''.

DORGAN (AND CONRAD) AMENDMENT NO. 5011

Mr. BUMPERS (for Mr. DORGAN, for himself and Mr. CONRAD) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . SENSE OF SENSE ON CANADIAN WHEAT AND BARLEY EXPORTS.

It is the sense of the Senate that—

(1) the United States Trade Representative should continue to carefully monitor the export of wheat and barley from western Canada to the United States;

(2) the bilateral Memorandum of Understanding with Canada clearly states that the United States—

(A) will not accept market disruptions from imports of Canadian grains; and

(B) will use its trade laws if it appears likely that market disruptions will occur;

(3) the United States Trade Representative should monitor any policy changes by the Canadian Government, acting through the Canadian Wheat Board, that have the potential for increasing the exports of Canadian grains to the United States;

(4) family farmers of the United States should not be subjected to increases in the 1-way channel of Canadian grain exports to the United States that unfairly disrupt the grain transportation systems and depress the prices received by farmers; and

(5) the United States Trade Representative should be prepared to support the use of antidumping laws, countervailing duty laws, section 301 of the Trade Act of 1974 (19 U.S.C. 2411), and other United States laws consistent with the international obligations of the United States, if—

(A) the Canadian Government implements the changes described in paragraph (3) without a resolution of the underlying cross-border grain trading issues between the United States and Canada; and

(B) the changes lead to unfair and injurious exports of Canadian grain to the United States.

MIKULSKI AMENDMENT NO. 5012

Mr. BUMPERS (for Ms. MIKULSKI) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place insert the following:

Not later than 180 days after enactment of this Act, the Administrator of the Food and Drug Administration, in consultation with the States and other appropriate Federal agencies shall report to the Chairman and Ranking Member of the Committee on Appropriations of the House and Senate on the feasibility of applying DNA testing or other testing procedures to determine the adulteration, blending, mixing or substitution of crab meat other than Callinectes Sapidus offered for sale in the United States. The Administrator also shall report on the feasibility of developing a database of imported crab meat shipments from port of entry to final wholesaler to be made available to State agencies to aid enforcement and public health protection.

LEAHY AMENDMENT NO. 5013

Mr. BUMPERS (for Mr. LEAHY) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place insert the following:

''No funds appropriated or otherwise made available to the Secretary of Agriculture may be used to administer Section 118(b)(2)(A) of the Agricultural Marketing Transition Act unless the planting of a fruit or vegetable on contract acreage, if planted subsequent to the failure of a contract commodity on the same acreage within the same crop year is permitted on contract acreage: Provided, That this provision shall take effect upon the date of enactment of this Act into law.''

WELLSTONE (AND GRAMS) AMENDMENT NO. 5014

Mr. BUMPERS (for Mr. WELLSTONE, for himself and Mr. GRAMS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . PLANTING OF WILD RICE ON CONTRACT ACREAGE.

None of the funds appropriated in this Act may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

THE NUCLEAR WASTE POLICY ACT OF 1996

MURKOWSKI AMENDMENTS NOS. 5015–5016

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted two amendments intended to be proposed by him to the bill (S. 1936) to amend the Nuclear Waste Policy Act of 1982; as follows:

AMENDMENT NO. 5015

Beginning on page 1, line 3, strike ''Nuclear'' and all that follows, and insert in lieu thereof the following: ''Nuclear Waste Policy Act of 1982 is amended to read as follows:

''SECTION 1. SHORT TITLE AND TABLE OF CONTENTS''

''(a) SHORT TITLE.—This Act may be cited as the 'Nuclear Waste Policy Act of 1996'.

''(b) TABLE OF CONTENTS.—

''SEC. 2. DEFINITIONS.

''For purposes of this Act:

''(1) ACCEPT, ACCEPTANCE.—The terms 'accept' and 'acceptance' mean the Secretary's act of taking possession of spent nuclear fuel or high-level radioactive waste.

''(2) AFFECTED INDIAN TRIBE.—The term 'affected Indian tribe' means any Indian tribe—

''(A) whose reservation is surrounded by or borders an affected unit of local government, or

''(B) whose federally defined possessory or usage rights to other lands outside of the reservation's boundaries arising out of congressionally ratified treaties may be substantially and adversely affected by the locating of an interim storage facility or a repository if the Secretary of the Interior finds, upon the petition of the appropriate governmental officials of the tribe, that such effects are both substantial and adverse to the tribe.

''(3) AFFECTED UNIT OF LOCAL GOVERNMENT.—The term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository or interim storage facility. Such term may, at the discretion of the Secretary, include other units of local government that are contiguous with such unit.

''(4) ATOMIC ENERGY DEFENSE ACTIVITY.—The term 'atomic energy defense activity' means any activity of the Secretary performed in whole or in part in carrying out any of the following functions:

''(A) Naval reactors development.

''(B) Weapons activities including defense inertial confinement fusion.

''(C) Verification and control technology.

''(D) Defense nuclear materials production.

''(E) Defense nuclear waste and materials byproducts management.

''(F) Defense nuclear materials security and safeguards and security investigations.

''(G) Defense research and development.

''(5) CIVILIAN NUCLEAR POWER REACTOR.—The term 'civilian nuclear power reactor' means a civilian nuclear power plant required to be licensed under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)).

''(6) COMMISSION.—The term 'Commission' means the Nuclear Regulatory Commission.

''(7) CONTRACTS.—The term 'contracts' means the contracts, executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, under section 302(a) of the Nuclear Waste Policy Act of 1982, by the Secretary and any person who generates or holds title to spent nuclear fuel or high-level radioactive waste of domestic origin for acceptance of such waste or fuel by the Secretary and the payment of fees to offset the Secretary's expenditures, and any subsequent contracts executed by the Secretary pursuant to section 401(a) of this Act.''

''(8) CONTRACT HOLDERS.—The term 'contract holders' means parties (other than the Secretary) to contracts.

''(9) DEPARTMENT.—The term 'Department' means the Department of Energy.

''(10) DISPOSAL.—The term 'disposal' means the emplacement in a repository of spent nuclear fuel, high-level radioactive waste, or other highly radioactive material with no foreseeable intent of recovery, whether or not such emplacement permits recovery of such material for any future purpose.

''(11) DISPOSAL SYSTEM.—The term 'disposal system' means all natural barriers and engineered barriers, and engineered systems and components, that prevent the release of radionuclides from the repository.

''(12) EMPLACEMENT SCHEDULE.—The term 'emplacement schedule' means the schedule established by the Secretary in accordance with section 507(a) for emplacement of spent nuclear fuel and high-level radioactive waste at the interim storage facility.

''(13) ENGINEERED BARRIERS AND ENGINEERED SYSTEMS AND COMPONENTS.—The terms 'engineered barriers' and 'engineered systems and components,' mean man-made components of a disposal sytem. These terms include the spent nuclear fuel or high-level radioactive waste form, spent nuclear fuel package or high-level radioactive waste package, and other materials placed over and around such packages.

''(14) HIGH-LEVEL RADIOACTIVE WASTE.—The term 'high-level radioactive waste' means—

''(A) the highly radioactive material resulting from the reprocessing of spent nuclear fuel, including liquid waste produced directly in reprocessing and any solid material derived from such liquid waste that contains fission products in sufficient concentrations; and

''(B) other highly radioactive material that the Commission, consistent with existing law, determines by rule requires permanent isolation, which includes any low-level radioactive waste with concentrations of radionuclides that exceed the limits established by the Commission for class C radioactive waste, as defined by section 61.55 of title 10, Code of Federal Regulations, as in effect on January 26, 1983.

''(15) FEDERAL AGENCY.—The term 'Federal agency' means any Executive agency, as defined in section 105 of title 5, United States Code.

''(16) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians including any Alaska Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).

''(17) INTEGRATED MANAGEMENT SYSTEM.—The term 'integrated management system' means the system developed by the Secretary for the acceptance, transportation, storage, and disposal of spent nuclear fuel and high-level radioactive waste under title II of this Act.

''(18) INTERIM STORAGE FACILITY.—The term 'interim storage facility' means a facility designed and constructed for the receipt, handling, possession, safeguarding, and storage of spent nuclear fuel and high-level radioactive waste in accordance with title II of this Act.

''(19) INTERIM STORAGE FACILITY SITE.—The term 'interim storage facility site' means the specific site within Area 25 of the Nevada Test Site that is designated by the Secretary and withdrawn and reserved in accordance with this Act for the location of the interim storage facility.

''(20) LOW-LEVEL RADIOACTIVE WASTE.—The term 'low-level radioactive waste' means radioactive material that—

''(A) is not spent nuclear fuel, high-level radioactive waste, transuranic waste, or by-product material as defined in section 11 e.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)); and

''(B) the Commission, consistent with existing law, classifies as low-level radioactive waste.

''(21) METRIC TONS URANIUM.—The terms 'metric tons uranium' and 'MTU' means the amount of uranium in the original unirradiated fuel element whether or not the spent nuclear fuel has been reprocessed.

''(22) NUCLEAR WASTE FUND.—The terms 'Nuclear Waste Fund' and 'waste fund' mean the nuclear waste fund established in the United States Treasury prior to the date of enactment of this Act under section 302(c) of the Nuclear Waste Policy Act of 1982.

''(23) OFFICE.—The term 'Office' means the Office of Civilian Radioactive Waste Management established within the Department prior to the date of enactment of this Act under the provisions of the Nuclear Waste Policy Act of 1982.

''(24) PROGRAM APPROACH.—The term 'program approach' means the Civilian Radioactive Waste Management Program Plan, dated May 6, 1996, as modified by this Act, and as amended from time to time by the Secretary in accordance with this Act.

''(25) REPOSITORY.—The term 'repository' means a system designed and constructed under title II of this Act for the geologic disposal of spent nuclear fuel and high-level radioactive waste, including both surface and subsurface areas at which spent nuclear fuel and high-level radioactive waste receipt, handling, possession, safeguarding, and storage are conducted.

''(26) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

''(27) SITE CHARACTERIZATION.—The term 'site characterization' means activities, whether in a laboratory or in the field, undertaken to establish the geologic condition and the ranges of the parameters of a candidate site relevant to the location of a repository, including borings, surface excavations, excavations of exploratory facilities, limited subsurface lateral excavations and borings, and in situ testing needed to evaluate the licensability of a candidate site for the location of a repository, but not including preliminary borings and geophysical testing needed to assess whether site characterization should be undertaken.

''(28) SPENT NUCLEAR FUEL.—The term 'spent nuclear fuel' means fuel that has been withdrawn from a nuclear reactor following irradiation, the constituent elements of which have not been separated by reprocessing.

''(29) STORAGE.—The term 'storage' means retention of spent nuclear fuel or high-level radioactive waste with the intent to recover such waste or fuel for subsequent use, processing, or disposal.

''(30) WITHDRAWAL.—The term 'withdrawal' has the same definition as that set forth in section 103(j) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)).

''(31) YUCCA MOUNTAIN SITE.—The term 'Yucca Mountain site' means the area in the State of Nevada that is withdrawn and reserved in accordance with this Act for the location of a repository.

''TITLE I—OBLIGATIONS

''SEC. 101. OBLIGATIONS OF THE SECRETARY OF ENERGY.

''(a) DISPOSAL.—The Secretary shall develop and operate an integrated management system for the storage and permanent disposal of spent nuclear fuel and high-level radioactive waste.

''(b) INTERIM STORAGE.—The Secretary shall store spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders at an interim storage facility pursuant to section 204 in accordance with the emplacement schedule, beginning not later than November 30, 1999.

''(c) TRANSPORTATION.—The Secretary shall provide for the transportation of spent nuclear fuel and high-level radioactive waste accepted by the Secretary. The Secretary shall procure all systems and components necessary to transport spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders to and among facilities comprising the Integrated Management System. Consistent with the Buy American Act (41 U.S.C. 10a–10c), unless the Secretary shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, all such systems and components procured by the Secretary shall be manufactured in the United States, with the exception of any transportable storage systems purchased by contract holders prior to the effective date of the Nuclear Waste Policy Act of 1996 and procured by the Secretary

from such contract holders for use in the integrated management system.

''(d) INTEGRATED MANAGEMENT SYSTEM.—The Secretary shall expeditiously pursue the development of each component of the integrated management system, and in so doing shall seek to utilize effective private sector management and contracting practices.

''(e) PRIVATE SECTOR PARTICIPATION.—In administering the Integrated Management System, the Secretary shall, to the maximum extent possible, utilize, employ, procure and contract with, the private sector to fulfill the Secretary's obligations and requirements under this Act.

''(f) PRE-EXISTING RIGHTS.—Nothing in this Act is intended to or shall be construed to modify—

''(1) any right of a contract holder under section 302(a) of the Nuclear Waste Policy Act of 1982, or under a contract executed prior to the date of enactment of this Act under that section; or

''(2) obligations imposed upon the federal government by the U.S. District Court of Idaho in an order entered on October 17, 1995 in *United States* v. *Batt* (No. 91–0054–S–EJL).

''(g) LIABILITY.—Subject to subsection (f), nothing in this Act shall be construed to subject the United States to financial liability for the Secretary's failure to meet any deadline for the acceptance or emplacement of spent nuclear fuel or high-level radioactive waste for storage or disposal under this Act.

''TITLE II—INTEGRATED MANAGEMENT SYSTEM

"SEC. 201. INTERMODAL TRANSFER.

''(a) ACCESS.—The Secretary shall utilize heavy-haul truck transport to move spent nuclear fuel and high-level radioactive waste from the mainline at Caliente, Nevada, to the interim storage facility site.

''(b) CAPABILITY DATE.—The Secretary shall develop the capacity to commence rail to truck intermodal transfer at Caliente, Nevada, no later than November 30, 1999. Intermodal transfer and related activities are incidental to the interstate transportation of spent nuclear fuel and high-level radioactive waste.

''(c) ACQUISITIONS.—The Secretary shall acquire lands and rights-of-way necessary to commence intermodal transfer at Caliente, Nevada.

''(d) REPLACEMENTS.—The Secretary shall acquire and develop on behalf of, and dedicate to, the City of Caliente, Nevada, parcels of land and right-of-way within Lincoln County, Nevada, as required to facilitate replacement of land and city wastewater disposal facilities necessary to commence intermodal transfer pursuant to this Act. Replacement of land and city wastewater disposal activities shall occur no later than November 30, 1999.

''(e) NOTICE AND MAP.—Within 6 months of the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

''(1) publish in the Federal Resister a notice containing a legal description of the sites and rights-of-way to be acquired under this subsection; and

''(2) file copies of a map of such sites and right-of-way with the Congress, the Secretary of the Interior, the State of Nevada, the Archivist of the United States, the Board of Lincoln County Commissioners, the Board of Nye County Commissioners, and the Caliente City Council. Such map and legal description shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors and legal descriptions and make minor adjustments in the boundaries.

''(f) IMPROVEMENTS.—The Secretary shall make improvements to existing roadways selected for heavy-haul truck transport between Caliente, Nevada, and the interim storage facility site as necessary to facilitate year-round safe transport of spent nuclear fuel and high-level radioactive waste.

''(g) LOCAL GOVERNMENT INVOLVEMENT.—The Commission shall enter into a Memorandum of Understanding with the City of Caliente and Lincoln County, Nevada, to provide advice to the Commission regarding intermodal transfer and to facilitate on-site representation. Reasonable expenses of such representation shall be paid by the Secretary.

''(h) BENEFITS AGREEMENT.—

''(1) IN GENERAL.—The Secretary shall offer to enter into an agreement with Lincoln County, Nevada concerning the integrated management system.

''(2) AGREEMENT CONTENT.—Any agreement shall contain such terms and conditions, including such financial and institutional arrangements, as the Secretary and agreement entity determine to be reasonable and appropriate and shall contain such provisions as are necessary to preserve any right to participation or compensation of Lincoln County, Nevada.

''(3) AMENDMENT.—An agreement entered into under this subsection may be amended only with the mutual consent of the parties to the amendment and terminated only in accordance with paragraph (4).

''(4) TERMINATION.—The Secretary shall terminate the agreement under this subsection if any major element of the integrated management system may not be completed.

''(5) LIMITATION.—Only 1 agreement may be in effect at any one time.

''(6) JUDICIAL REVIEW.—Decisions of the Secretary under this section are not subject to judicial review.

''(i) CONTENT OF AGREEMENT.—

''(1) SCHEDULE.—In addition to the benefits to which Lincoln County is entitled to under this title, the Secretary shall make payments under the benefits agreement in accordance with the following schedule:

BENEFITS SCHEDULE

[Amounts in millions]

Event	Payment
(A) Annual payments prior to first receipt of spent fuel	$2.5
(B) Annual payments beginning upon first spent fuel receipt	5
(C) Payment upon closure of the intermodal transfer facility	5

''(2) DEFINITIONS.—For purposes of this section, the term—

''(A) 'spent fuel' means high-level radioactive waste or spent nuclear fuel; and

''(B) 'first spent fuel receipt' does not include receipt of spent fuel or high-level radioactive waste for purposes of testing or operational demonstration.

''(3) ANNUAL PAYMENTS.—Annual payments prior to first spent fuel receipt under paragraph (1)(A) shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after the first spent fuel receipt until closure of the facility under paragraph (1)(C) shall be made on the anniversary date of such first spent fuel receipt.

''(4) REDUCTION.—If the first spent fuel payment under paragraph (1)(B) is made within 6 months after the last annual payment prior to the receipt of spent fuel under paragraph (1)(A), such first spent fuel payment under paragraph (1)(B) shall be reduced by an amount equal to 1/12 of such annual payment under paragraph (1)(A) for each full month less than 6 that has not elapsed since the last annual payment under paragraph (1)(A).

''(5) RESTRICTIONS.—The Secretary may not restrict the purposes for which the payments under this section may be used.

''(6) DISPUTE.—In the event of a dispute concerning such agreement, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

''(7) CONSTRUCTION.—The signature of the Secretary on a valid benefits agreement under this section shall constitute a commitment by the United States to make payments in accordance with such agreement under section 401(c)(2).

''(j) INITIAL LAND CONVEYANCES.—

''(1) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in paragraph (2), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Lincoln, Nevada, unless the county notifies the Secretary of Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Lincoln under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Lincoln County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

''(2) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, shall be conveyed under paragraph (1) to the County of Lincoln, Nevada;

Map 10: Lincoln County, Parcel M, Industrial Park Site

Map 11: Lincoln County, Parcel F, Mixed Use Industrial Site

Map 13: Lincoln County, Parcel J, Mixed Use, Alamo Community Expansion Area

Map 14: Lincoln County, Parcel E, Mixed Use, Pioche Community Expansion Area

Map 15: Lincoln County, Parcel B, Landfill Expansion Site.

''(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in paragraph (2) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

''(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Lincoln, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"SEC. 202. TRANSPORTATION PLANNING.

''(a) TRANSPORTATION READINESS.—The Secretary shall take those actions that are necessary and appropriate to ensure that the Secretary is able to transport safely spent nuclear fuel and high-level radioactive waste from sites designated by the contract holders to mainline transportation facilities, using routes that minimize, to the maximum practicable extent consistent with Federal requirements governing transportation of hazardous materials, transportation of spent nuclear fuel and high-level radioactive waste through populated areas, beginning not later than November 30, 1999, and, by that date, shall, in consultation with the Secretary of Transportation, develop and implement a comprehensive management plan that ensures that safe transportation of spent nuclear fuel and high-level radioactive waste

from the sites designated by the contract holders to the interim storage facility site beginning not later than November 30, 1999.

''(b) TRANSPORTATION PLANNING.—In conjunction with the development of the logistical plan in accordance with subsection (a), the Secretary shall update and modify, as necessary, the Secretary's transportation institutional plans to ensure that institutional issues are addressed and resolved on a schedule to support the commencement of transportation of spent nuclear fuel and high level radioactive waste to the interim storage facility no later than November 30, 1999. Among other things, such planning shall provide a schedule and process for addressing and implementing, as necessary, transportation routing plans, transportation contracting plans, transportation training in accordance with Section 203, and public education regarding transportation of spent nuclear fuel and high level radioactive waste; and transportation tracking programs.

"SEC. 203. TRANSPORTATION REQUIREMENTS.

''(a) PACKAGE CERTIFICATION.—No spent nuclear fuel or high-level radioactive waste may be transported by or for the Secretary under this Act except in packages that have been certified for such purposes by the Commission.

''(b) STATE NOTIFICATION.—The Secretary shall abide by regulations of the Commission regarding advance notification of State and local governments prior to transportation of spent nuclear fuel or high-level radioactive waste under this Act.

''(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and funds to States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste for training for public safety officials of appropriate units of local government. The Secretary shall also provide technical assistance and funds for training directly to national nonprofit employee organizations which demonstrate experience in implementing and operating worker health and safety training and education programs and demonstrate the ability to reach and involve in training programs target populations of workers who are or will be directly engaged in the transportation of spent nuclear fuel and high-level radioactive waste, or emergency response or post-emergency response with respect to such transportation. Training shall cover procedures required for safe routine transportation of these materials, as well as procedures for dealing with emergency response situations, and shall be consistent with any training standards established by the Secretary of Transportation in accordance with subsection (g). The Secretary's duty to provide technical and financial assistance under this subsection shall be limited to amounts specified in annual appropriations.

''(d) PUBLIC EDUCATION.—The Secretary shall conduct a program to educate the public regarding the transportation of spent nuclear fuel and high-level radioactive waste, with an emphasis upon those States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste.

''(e) COMPLIANCE WITH TRANSPORTATION REGULATIONS.—Any person that transports spent nuclear fuel or high-level radioactive waste under the Nuclear Waste Policy Act of 1986, pursuant to a contract with the Secretary, shall comply with all requirements governing such transportation issued by the federal, state and local governments, and Indian tribes, in the same way and to the same extent that any person engaging in that transportation that is in or affects interstate commerce must comply with such requirements, as required by 49 U.S.C. sec. 5126.

''(f) EMPLOYEE PROTECTION.—Any person engaged in the interstate commerce of spent nuclear fuel or high-level radioactive waste under contract to the Secretary pursuant to this Act shall be subject to and comply fully with the employee protection provisions of 49 U.S.C. 20109 and 49 U.S.C. 31105.

''(g) TRAINING STANDARD.—(1) No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary of Transportation, pursuant to authority under other provisions of law, in consultation with the Secretary of Labor and the Commission, shall promulgate a regulation establishing training standards applicable to workers directly involved in the removal and transportation of spent nuclear fuel and high-level radioactive waste. The regulation shall specify minimum training standards applicable to workers, including managerial personnel. The regulation shall require that evidence of satisfaction of the applicable training standard be provided to an employer before any individual may be employed in the removal and transportation of spent nuclear fuel and high-level radioactive waste.

''(2) If the Secretary of Transportation determines, in promulgating the regulation required by subparagraph (1), that regulations promulgated by the Commission establish adequate training standards for workers, then the Secretary of Transportation can refrain from promulgating additional regulations with respect to worker training in such activities. The Secretary of Transportation and the Commission shall work through their Memorandum of Understanding to ensure coordination of worker training standards and to avoid duplicative regulation.

''(3) The training standards required to be promulgated under subparagraph (1) shall, among other things deemed necessary and appropriate by the Secretary of Transportation, include the following provision—

''(A) a specified minimum number of hours of initial off site instruction and actual field experience under the direct supervision of a trained, experienced supervisor;

''(B) a requirement that onsite managerial personnel receive the same training as workers, and a minimum number of additional hours of specialized training pertinent to their managerial responsibilities; and

''(C) a training program applicable to persons responsible for responding to and cleaning up emergency situations occurring during the removal and transportation of spent nuclear fuel and high-level radioactive waste.

''(4) There is authorized to be appropriated to the Secretary of Transportation, from general revenues, such sums as may be necessary to perform his duties under this subsection.

"SEC. 204. INTERIM STORAGE.

''(a) AUTHORIZATION.—The Secretary shall design, construct, and operate a facility for the interim storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility site. The interim storage facility shall be subject to licensing pursuant to the Atomic Energy Act of 1954 in accordance with the Commission's regulations governing the licensing of independent spent fuel storage installations, which regulations shall be amended by the Commission as necessary to implement the provisions of this Act. The interim storage facility shall commence operation in phases in accordance with subsection (b).

''(b) SCHEDULE.—(1) The Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at the interim storage facility at the interim storage facility site by November 30, 1999, except that:

''(A) The Secretary shall not begin any construction activities at the interim storage facility site before December 31, 1998.

''(B) The Secretary shall cease all activities (except necessary termination activities) at the Yucca Mountain site if the President determines, in his discretion, on or before December 31, 1998, based on a preponderance of the information available at such time, that the Yucca Mountain site is unsuitable for development as a repository, including geologic and engineered barriers, because of a substantial likelihood that a repository of useful size cannot be designed, licensed, and constructed at the Yucca Mountain site.

''(C) No later than June 30, 1998, the Secretary shall provide to the President and to the Congress a viability assessment of the Yucca Mountain site. The viability assessment shall include—

''(i) the preliminary design concept for the critical elements of the repository and waste package,

''(ii) a total system performance assessment, based upon the design concept and the scientific data and analysis available by June 30, 1998, describing the probable behavior of the repository in the Yucca Mountain geologic setting relative to the overall system performance standard set forth in section 205(d) of this Act,

''(iii) a plan and cost estimate for the remaining work required to complete a license application, and

''(iv) an estimate of the costs to construct and operate the repository in accordance with the design concept.

''(D) Within 18 months of a determination by the President that the Yucca Mountain site is unsuitable for development as a repository under paragraph (B), the President shall designate a site for the construction of an interim storage facility. If the President does not designate a site for the construction of an interim storage facility, or the construction of an interim storage facility at the designated site is not approved by law within 24 months of the President's determination that the Yucca Mountain site is not suitable for development as a repository, the Secretary shall begin construction of an interim storage facility at the interim storage facility site as defined in section 2(19) of this Act. The interim storage facility site as defined in section 2(19) of this Act shall be deemed to be approved by law for purposes of this section.

''(2) Upon the designation of an interim storage facility site by the President under paragraph (1)(D), the Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at an interim storage facility at the designated site, except that the Secretary shall not begin any construction activities at the designated interim storage facility site before the designated interim storage facility site is approved by law.

''(c) DESIGN.—

''(1) The interim storage facility shall be designed in two phases in order to commence operations no later than November 30, 1999. the design of the interim storage facility shall provide for the use of storage technologies, licensed, approved, or certified by the Commission for use at the interim storage facility as necessary to ensure compatibility between the interim storage facility and contract holders' spent nuclear fuel and facilities, and to facilitate the Secretary's ability to meet the Secretary's obligations under this Act.

''(2) The Secretary shall consent to an amendment to the contracts to provide for reimbursement to contract holders for transportable storage systems purchased by contract holders if the Secretary determines that it is cost effective to use such transportable storage systems as part of the integrated management system, provided that the Secretary shall not be required to expend any funds to modify contract holders' storage or transport systems or to seek additional regulatory approvals in order to use such systems.

''(d) LICENSING.—

''(1) PHASES.—The interim storage facility shall be licensed by the Commission in two phases in order to commence operations no later than November 30, 1999.

''(2) FIRST PHASE.—No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the first phase of the interim storage facility. The Environmental Report and Safety Analysis Report submitted in support of such license application shall be consistent with the scope of authority requested in the license application. The license issued for the first phase of the interim storage facility shall have a term of 20 years. The interim storage facility licensed in the first phase shall have a capacity of not more than 15,000 MTU. The Commission shall issue a final decision granting or denying the application for the first phase license no later than 16 months from the date of the submittal of the application for such license.

''(3) SECOND PHASE.—No later than 30 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the second phase interim storage facility. The license for the second phase facility shall authorize a storage capacity of 40,000 MTU. If the Secretary does not submit the license application for construction of a repository by February 1, 2002, or does not begin full spent nuclear fuel receipt operations at a repository by January 17, 2010, the license shall authorize a storage capacity of 60,000 MTU. The license application shall be submitted such that the license can be issued to permit the second phase facility to begin full spent nuclear fuel receipt operations no later than December 31, 2002. The license for the second phase shall have an initial term of up to 100 years, and shall be renewable for additional terms upon application to the Secretary.

''(e) ADDITIONAL AUTHORITY.—

''(1) CONSTRUCTION.—For purposes of complying with this section, the Secretary may commence site preparation for the interim storage facility as soon as practicable after the date of enactment of the Nuclear Waste Policy Act of 1996 and shall commence construction of each phase of the interim storage facility subsequent to submittal of the license application for such phase except that the Commission shall issue an order suspending such construction at any time if the Commission determines that such construction poses an unreasonable risk to public health and safety or the environment. The Commission shall terminate all or part of such order upon a determination that the Secretary has taken appropriate action to climate such risk.

''(2) FACILITY USE.—Notwithstanding any otherwise applicable licensing requirement, the Secretary may utilize any facility owned by the Federal Government on the date of enactment of the Nuclear Waste Policy Act of 1996 within the boundaries of the interim storage facility site, in connection with an imminent and substantial endangerment to public health and safety at the interim storage facility prior to commencement of operations during the second phase.

''(3) EMPLACEMENT OF FUEL AND WASTE.—Subject to paragraph (i), once the Secretary has achieved the annual acceptance rate for spent nuclear fuel from civilian nuclear power reactors established pursuant to the contracts executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, as set forth in the Secretary's annual capacity report dated March, 1995 (DOE/RW–0457), the Secretary shall accept, in an amount not less than 25% of the difference between the contractual acceptance rate and the annual emplacement rate for spent nuclear fuel from civilian nuclear power reactors established under section 507(a), the following radioactive materials:

''(A) spent nuclear fuel or high-level radioactive waste of domestic origin from civilian nuclear power reactors that have permanently ceased operation on or before the date of enactment of the Nuclear Waste Policy Act of 1996;

''(B) spent nuclear fuel from foreign research reactors, as necessary to promote non-proliferation objectives; and

''(C) spent nuclear fuel, including spent nuclear fuel from naval reactors, and high-level radioactive waste from atomic energy defense activities.

''(f) NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—

''(1) PRELIMINARY DECISIONMAKING ACTIVITIES.—The Secretary's and President's activities under this section, including, but not limited to, the selection of a site for the interim storage facility, assessments, determinations and designations made under section 204(b), the preparation and submittal of a license application and supporting documentation, the construction of a facility under paragraph (e)(1) of this section, and facility use pursuant to paragraph (e)(2) of this section shall be considered preliminary decisionmaking activities for purposes of judicial review. The Secretary shall not prepare an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) or any environmental review under subparagraph (E) or (F) of such Act before conducting these activities.

''(2) ENVIRONMENTAL IMPACT STATEMENT.—

''(A) FINAL DECISION.—A final decision by the Commission to grant or deny a license application for the first or second phase of the interim storage facility shall be accompanied by an Environmental Impact Statement prepared under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). In preparing such Environmental Impact Statement, the Commission—

''(i) shall ensure that the scope of the Environmental Impact Statement is consistent with the scope of the licensing action; and

''(ii) shall analyze the impacts of the transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility in a generic manner.

''(B) CONSIDERATIONS.—Such Environmental Impact Statement shall not consider—

''(i) the need for the interim storage facility, including any individual component thereof;

''(ii) the time of the initial availability of the interim storage facility;

''(iii) any alternatives to the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility;

''(iv) any alternatives to the site of the facility as designated by the Secretary in accordance with subsection (a);

''(v) any alternatives to the design criteria for such facility or any individual component thereof, as specified by the Secretary in the license application; or

''(vi) the environmental impacts of the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility beyond the initial term of the license or the term of the renewal period for which a license renewal application is made.

''(g) JUDICIAL REVIEW.—Judicial review of the Commission's environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall be consolidated with judicial review of the Commission's licensing decision. No court shall have jurisdiction to enjoin the construction or operation of the interim storage facility prior to its final decision on review of the Commission's licensing action.

''(h) WASTE CONFIDENCE.—The Secretary's obligation to construct and operate the interim storage facility in accordance with this section and the Secretary's obligation to develop an integrated management system in accordance with the provisions of this Act, shall provide sufficient and independent grounds for any further findings by the Commission of reasonable assurance that spent nuclear fuel and high-level radioactive waste will be disposed of safely and on a timely basis for purposes of the Commission's decision to grant or amend any license to operate any civilian nuclear power reactor under the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.).

''(i) STORAGE OF OTHER SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE.—No later than 18 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Commission shall, by rule, establish criteria for the storage in the interim storage facility of fuel and waste listed in paragraph (e)(3) (A) through (C), to the extent such criteria are not included in regulations issued by the Commission and existing on the date of enactment of the Nuclear Waste Policy Act of 1996. Following establishment of such criteria, the Secretary shall seek authority, as necessary, to store fuel and waste listed in paragraph (e)(3) (A) through (C) at the interim storage facility. None of the activities carried out pursuant to this paragraph shall delay, or otherwise affect, the development, construction, licensing, or operation of the interim storage facility.

''(j) SAVINGS CLAUSE.—The Commission shall, by rule, establish procedures for the licensing of any technology for the dry storage of spent nuclear fuel by rule and without, to the maximum extent possible, the need for site-specific approvals by the Commission. Nothing in this Act shall affect any such procedures, or any licenses or approvals issued pursuant to such procedures in effect on the date of enactment.

''SEC. 205. PERMANENT REPOSITORY.

''(a) REPOSITORY CHARACTERIZATION.—

''(1) GUIDELINES.—The guidelines promulgated by the Secretary and published at 10 CFR part 960 are annulled and revoked and the Secretary shall make no assumptions or conclusions about the licensability of the Yucca Mountain site as a repository by reference to such guidelines.

''(2) SITE CHARACTERIZATION ACTIVITIES.—The Secretary shall carry out appropriate site characterization activities at the Yucca Mountain site in accordance with the Secretary's program approach to site characterization. The Secretary shall modify or eliminate those site characterization activities designed only to demonstrate the suitability of the site under the guidelines referenced in paragraph (1).

''(3) SCHEDULE DATE.—Consistent with the schedule set forth in the program approach, as modified to be consistent with the Nuclear Waste Policy Act of 1996, no later than February 1, 2002, the Secretary shall apply to the Commission for authorization to construct a repository. If, at any time prior to

the filing of such application, the Secretary determines that the Yucca Mountain site cannot satisfy the Commission's regulations applicable to the licensing of a geologic repository, the Secretary shall terminate site characterization activities at the site, notify Congress and the State of Nevada of the Secretary's determination and the reasons therefor, and recommend to Congress not later than 6 months after such determination further actions, including the enactment of legislation, that may be needed to manage the Nation's spent nuclear fuel and high-level radioactive waste.

''(4) MAXIMIZING CAPACITY.—In developing an application for authorization to construct the repository, the Secretary shall seek to maximize the capacity of the repository, in the most cost-effective manner, consistent with the need for disposal capacity.

''(b) REPOSITORY LICENSING.—Upon the completion of any licensing proceeding for the first phase of the interim storage facility, the Commission shall amend its regulations governing the disposal of spent nuclear fuel and high-level radioactive waste in geologic repositories to the extent necessary to comply with this Act. Subject to subsection (c), such regulations shall provide for the licensing of the repository according to the following procedures:

''(1) CONSTRUCTION AUTHORIZATION.—The Commission shall grant the Secretary a construction authorization for the repository upon determining that there is reasonable assurance that spent nuclear fuel and high-level radioactive waste can be disposed of in the repository—

''(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

''(B) without unreasonable risk to the health and safety of the public; and

''(C) consistent with the common defense and security.

''(2) LICENSE.—Following substantial completion of construction and the filing of any additional information needed to complete the license application, the Commission shall issue a license to dispose of spent nuclear fuel and high-level radioactive waste in the repository if the Commission determines that the repository has been constructed and will operate—

''(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

''(B) without unreasonable risk to the health and safety of the public; and

''(C) consistent with the common defense and security.

''(3) CLOSURE.—After emplacing spent nuclear fuel and high-level radioactive waste in the repository and collecting sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with the Commission's regulations applicable to the licensing of a repository, as modified in accordance with this Act, the Secretary shall apply to the Commission to amend the license to permit permanent closure of the repository. The Commission shall grant such license amendment upon finding that there is reasonable assurance that the repository can be permanently closed—

''(A) in conformity with the Secretary's application to amend the license, the provisions of this Act, and the regulations of the Commission;

''(B) without unreasonable risk to the health and safety of the public; and

''(C) consistent with the common defense and security.

''(4) POST-CLOSURE.—The Secretary shall take those actions necessary and appropriate at the Yucca Mountain site to prevent any activity at the site subsequent to repository closure that poses an unreasonable risk of—

''(A) breaching the repository's engineered or geologic barriers; or

''(B) increasing the exposure of individual members of the public to radiation beyond the release standard established in subsection (d)(1).

''(c) MODIFICATION OF REPOSITORY LICENSING PROCEDURE.—The Commission's regulations shall provide for the modification of the repository licensing procedure, as appropriate, in the event that the Secretary seeks a license to permit the emplacement in the repository, on a retrievable basis, of spent nuclear fuel or high-level radioactive waste as is necessary to provide the Secretary with sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with applicable regulations.

''(d) REPOSITORY LICENSING STANDARDS.—The Administrator of the Environmental Protection Agency shall, pursuant to authority under others provisions of law, issue generally applicable standards for the protection of the public from releases of radioactive materials or radioactivity from the repository. Such standards shall be consistent with the overall system performance standard established by this subsection unless the Administrator determines by rule that the overall system performance standard would constitute an unreasonable risk to health and safety. The Commission's repository licensing determinations for the protection of the public shall be based solely on a finding whether the repository can be operated in conformance with the overall system performance standard established in paragraph (1), applied in accordance with the provisions of paragraph (2), and the Administrator's radiation protection standards. The Commission shall amend its regulations in accordance with subsection (b) to incorporate each of the following licensing standards:

''(1) ESTABLISHMENT OF OVERALL SYSTEM PERFORMANCE STANDARD.—The standard for protection of the public from release of radioactive material or radioactivity from the repository shall prohibit releases that would expose an average member of the general population in the vicinity of the Yucca Mountain site to an annual dose in excess of 100 millirems unless the Commission determines by rule that such standard would constitute an unreasonable risk to health and safety and establishes by rule another standard which will protect health and safety. Such standard shall constitute an overall system performance standard.

''(2) APPLICATION OF OVERALL SYSTEM PERFORMANCE STANDARD.—The Commission shall issue the license if it finds reasonable assurance that for the first 1,000 years following the commencement of repository operations, the overall system performance standard will be met based on a probabilistic evaluation, as appropriate, of compliance with the overall system performance standard in paragraph (1).

''(3) FACTOR.—For purposes of making the finding in paragraph (2)—

''(A) the Commission shall not consider catastrophic events where the health consequences of individual events themselves can be reasonably assumed to exceed the health consequences due to the impact of the events on repository performance;

''(B) for the purpose of this section, an average member of the general population in the vicinity of the Yucca Mountain site means a person whose physiology, age, general health, agricultural practices, eating habits, and social behavior represent the average for persons living in the vicinity of the site. Extremes in social behavior, eating habits, or other relevant practices or characteristics shall not be considered; and

''(C) the Commission shall assume that, following repository closure, the inclusion of engineered barriers and the Secretary's post-closure actions at the Yucca Mountain site; in accordance with subsection (b)(4), shall be sufficient to—

''(i) prevent any human activity at the site that poses an unreasonable risk of breaching the repository's engineered or geologic barriers; and

''(ii) prevent any increase in the exposure of individual members of the public to radiation beyond the allowable limits specified in paragraph (1).

''(4) ADDITIONAL ANALYSIS.—The Commission shall analyze the overall system performance through the use of probabilistic evaluations that use best estimate assumptions, data, and methods for the period commencing after the first 1,000 years of operation of the repository and terminating at 10,000 years after the commencement of operation of the repository.

''(e) NATIONAL ENVIRONMENTAL POLICY ACT.—

''(1) SUBMISSION OF STATEMENT.—Construction and operation of the repository shall be considered a major Federal action significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The Secretary shall submit an environmental impact statement on the construction and operation of the repository to the Commission with the license application and shall supplement such environmental impact statement as appropriate.

''(2) CONSIDERATIONS.—For purposes of complying with the requirements of the National Environmental Policy Act of 1969 and this section, the Secretary shall not consider in the environmental impact statement the need for the repository, or alternative sites or designs for the repository.

''(3) ADOPTION BY COMMISSION.—The Secretary's environmental impact statement and any supplements thereto shall, to the extent practicable, be adopted by the Commission in connection with the issuance by the Commission of a construction authorization under subsection (b)(1), a license under subsection (b)(2), or a license amendment under subsection (b)(3). To the extent such statement or supplement is adopted by the Commission, such adoption shall be deemed to also satisfy the responsibilities of the Commission under the National Environmental Policy Act of 1969, and no further consideration shall be required, except that nothing in this subsection shall affect any independent responsibilities of the Commission to protect the public health and safety under the Atomic Energy Act of 1954. In any such statement or supplement prepared with respect to the repository, the Commission shall not consider the need for a repository, or alternate sites or designs for the repository.

''(f) JUDICIAL REVIEW.—No court shall have jurisdiction to enjoin issuance of the Commission repository licensing regulations prior to its final decision on review of such regulations.

''SEC. 206. LAND WITHDRAWAL.

''(a) WITHDRAWAL AND RESERVATION.—

''(1) WITHDRAWAL.—Subject to valid existing rights, the interim storage facility site and the Yucca Mountain site, as described in subsection (b), are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including the mineral leasing laws, the geothermal leasing laws, the material sale laws, and the mining laws.

''(2) JURISDICTION.—Jurisdiction of any land within the interim storage facility site and the Yucca Mountain site managed by the

Secretary of the Interior or any other Federal officer is transferred to the Secretary.

''(3) RESERVATION.—The interim storage facility site and the Yucca Mountain site are reserved for the use of the Secretary for the construction and operation, respectively, of the interim storage facility and the repository and activities associated with the purposes of this title.

''(b) LAND DESCRIPTION.—

''(1) BOUNDARIES.—The boundaries depicted on the map entitled ''Interim Storage Facility Site Withdrawal Map,'' dated March 13, 1996, and on file with the Secretary, are established as the boundaries of the Interim Storage Facility site.

''(2) BOUNDARIES.—The boundaries depicted on the map entitled 'Yucca Mountain Site Withdrawal Map,' dated July 9, 1996, and on file with the Secretary, are established as the boundaries of the Yucca Mountain site.

''(3) NOTICE AND MAPS.—Within 6 months of the date of the enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

''(A) publish in the Federal Register a notice containing a legal description of the interim storage facility site; and

''(B) file copies of the maps described in paragraph (1), and the legal description of the interim storage facility site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

''(4) NOTICE AND MAPS.—Concurrent with the Secretary's application to the Commission for authority to construct the repository, the Secretary shall—

''(A) publish in the Federal Register a notice containing a legal description of the Yucca Mountain site; and

''(B) file copies of the maps described in paragraph (2), and the legal description of the Yucca Mountain site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

''(5) CONSTRUCTION.—The maps and legal descriptions of the interim storage facility site and the Yucca Mountain site referred to in this subsection shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

''TITLE III—LOCAL RELATIONS

''SEC. 301. FINANCIAL ASSISTANCE.

''(a) GRANTS.—The Secretary is authorized to make grants to any affected Indian tribe or affected unit of local government for purposes of enabling the affected Indian tribe or affected unit of local government—

''(1) to review activities taken with respect to the Yucca Mountain site for purposes of determining any potential economic, social, public health and safety, and environmental impacts of the integrated management system on the affected Indian tribe or the affected unit of local government and its residents;

''(2) to develop a request for impact assistance under subsection (c);

''(3) to engage in any monitoring, testing, or evaluation activities with regard to such site;

''(4) to provide information to residents regarding any activities of the Secretary, or the Commission with respect to such site; and

''(5) to request information from, and make comments and recommendations to, the Secretary regarding any activities taken with respect to such site.

''(b) SALARY AND TRAVEL EXPENSES.—Any salary and travel expense that would ordinarily be incurred by any affected Indian tribe or affected unit of local government may not be considered eligible for funding under this section.

''(c) FINANCIAL AND TECHNICAL ASSISTANCE.—

''(1) ASSISTANCE REQUESTS.—The Secretary is authorized to offer to provide financial and technical assistance to any affected Indian tribe or affected unit of local government requesting such assistance. Such assistance shall be designed to mitigate the impact on the affected Indian tribe or affected unit of local government of the development of the integrated management system.

''(2) REPORT.—Any affected Indian tribe or affected unit of local government may request assistance under this section by preparing and submitting to the Secretary a report on the economic, social, public health and safety, and environmental impacts that are likely to result from activities of the integrated management system.

''(d) OTHER ASSISTANCE.—

''(1) TAXABLE AMOUNTS.—In addition to financial assistance provided under this subsection, the Secretary is authorized to grant to any affected Indian tribe or affected unit of local government an amount each fiscal year equal to the amount such affected Indian tribe or affected unit of local government, respectively, would receive if authorized to tax integrated management system activities, as such affected Indian tribe or affected unit of local government taxes the non-Federal real property and industrial activities occurring within such affected unit of local government.

''(2) TERMINATION.—Such grants shall continue until such time as all such activities, development, and operations are terminated at such site.

''(3) ASSISTANCE TO INDIAN TRIBES AND UNITS OF LOCAL GOVERNMENT.—

''(A) PERIOD.—Any affected Indian tribe or affected unit of local government may not receive any grant under paragraph (1) after the expiration of the 1-year period following the date on which the Secretary notifies the affected Indian tribe or affected unit of local government of the termination of the operation of the integrated management system.

''(B) ACTIVITIES.—Any affected Indian tribe or affected unit of local government may not receive any further assistance under this section if the integrated management system activities at such site are terminated by the Secretary or if such activities are permanently enjoined by any court.

''SEC. 302. ON-SITE REPRESENTATIVE.

''The Secretary shall offer to the unit of local government within whose jurisdiction a site for an interim storage facility or repository is located under this Act an opportunity to designate a representative to conduct on-site oversight activities at such site. The Secretary is authorized to pay the reasonable expenses of such representative.

''SEC. 303. ACCEPTANCE OF BENEFITS.

''(A) CONSENT.—The acceptance or use of any of the benefits provided under this title by any affected Indian tribe or affected unit of local government shall not be deemed to be an expression of consent, express, or implied, either under the Constitution of the State or any law thereof, to the siting of an interim storage facility or repository in the State of Nevada, any provision of such Constitution of laws to the contrary notwithstanding.

''(b) ARGUMENTS.—Neither the United States nor any other entity many assert any argument based on legal or equitable estoppel, or acquiescence, or waiver, or consensual involvement, in response to any decision by the State to oppose the siting in Nevada of an interim storage facility or repository premised upon or related to the acceptance or use of benefits under this title.

''(c) LIABILITY.—No liability of any nature shall accrue to be asserted against any official of any governmental unit of Nevada premised solely upon the acceptance or use of benefits under this title.

''SEC. 304. RESTRICTIONS ON USE OF FUNDS.

''None of the funding provided under this title may be used—

''(1) directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in section 1913 of title 18, United States Code;

''(2) for litigation purposes; and

''(3) to support multistate efforts or other coalition-building activities inconsistent with the purposes of this Act.

''SEC. 305. LAND CONVEYANCES.

''(a) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in subsection (b), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Nye, Nevada, unless the county notifies the Secretary of the Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Nye under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Nye County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

''(b) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, and on file with the Secretary shall be conveyed under subsection (a) to the County of Nye, Nevada:

''Map 1: Proposed Pahrump Industrial Park Site

''Map 2: Proposed Lathrop Wells (Gate 510) Industrial Park Site

''Map 3: Pahrump Landfill Sites

''Map 4: Amargosa Valley Regional Landfill Site

''Map 5: Amargosa Valley Municipal Landfill Site

''Map 6: Beatty Landfill/Transfer Station Site

''Map 7: Round Mountain Landfill Site

''Map 8: Tonopah Landfill Site

''Map 9: Gabbs Landfill Site.

''(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in subsection (b) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

''(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Nye, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

''TITLE IV—FUNDING AND ORGANIZATION

''SEC. 401. PROGRAM FUNDING.

''(a) CONTRACTS.—

''(1) AUTHORITY OF SECRETARY.—In the performance of the Secretary's functions under this Act, the Secretary is authorized to enter

into contracts with any person who generates or holds title to spent nuclear fuel or high level radioactive waste of domestic origin for the acceptance of title and possession, transportation, interim storage, and disposal of such waste or spent fuel. Such contracts shall provide for payment of annual fees to the Secretary in the amounts set by the Secretary pursuant to paragraphs (2) and (3). Except as provided in paragraph (3), fees assessed pursuant to this paragraph shall be paid to the Treasury of the United States and shall be available for use by the Secretary pursuant to this section until expended. Subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, the contracts executed under section 302(a) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act, provided that the Secretary shall consent to an amendment to such contracts as necessary to implement the provisions of this Act.

''(2) ANNUAL FEES.—

''(A) For electricity generated by civilian nuclear power reactors and sold between January 7, 1983, and September 30, 2002, the fee under paragraph (1) shall be equal to 1.0 mill per kilowatt hour generated and sold. For electricity generated by civilian nuclear power reactors and sold on or after October 1, 2002, the aggregate amount of fees collected during each fiscal year shall be no greater than the annual level of appropriations for expenditures on those activities consistent with subsection (d) for that fiscal year, minus—

''(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

''(ii) the percentage of such appropriation required to be funded by the Federal Government pursuant to section 403.

The Secretary shall determine the level of the annual fee for each civilian nuclear power reactor based on the amount of electricity generated and sold, except that the annual fee collected under this subparagraph shall not exceed 1.0 mill per kilowatt-hour generated and sold.

''(B) EXPENDITURES IF SHORTFALL.—If, during any fiscal year on or after October 1, 2002, the aggregate amount of fees assessed pursuant to subparagraph (A) is less than the annual level of appropriations for expenditures on those activities specified in subsection (d) for that fiscal year, minus—

''(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

''(ii) the percentage of such appropriations required to be funded by the Federal Government pursuant to section 403,

the Secretary may make expenditures from the Nuclear Waste Fund up to the level of the fees assessed.

''(C) RULES.—The Secretary shall, by rule, establish procedures necessary to implement this paragraph.

''(3) ONE-TIME FEE.—For spent nuclear fuel or solidified high-level radioactive waste derived from spent nuclear fuel, which fuel was used to generate electricity in a civilian nuclear power reactor prior to January 7, 1983, the fee shall be in an amount equivalent to an average charge of 1.0 mill per kilowatt-hour for electricity generated by such spent nuclear fuel, or such solidified high-level waste derived therefrom. Payment of such one-time fee prior to the date of enactment of the Nuclear Waste Policy Act of 1996 shall satisfy the obligation imposed under this paragraph. Any one-time fee paid and collected subsequent to the date of enactment of the Nuclear Waste Policy Act of 1966 pursuant to the contracts, including any interest due pursuant to such contracts, shall be paid to the Nuclear Waste Fund no later than September 30, 2002. The Commission shall suspend the license of any licensee who fails or refuses to pay the full amount of the fee referred to in this paragraph on or before September 30, 2002, and the license shall remain suspended until the full amount of the fee referred to in this paragraph is paid. The person paying the fee under this paragraph to the Secretary shall have no further financial obligation to the Federal Government for the long-term storage and permanent disposal of spend fuel or high-level radioactive waste derived from spent nuclear fuel used to generate electricity in a civilian power reactor prior to January 7, 1983.

''(4) ADJUSTMENTS TO FEE.—The Secretary shall annually review the amount of the fees established by paragraphs (2) and (3), together with the existing balance of the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996, to evaluate whether collection of the fee will provide sufficient revenues to offset the costs as defined in subsection (c)(2). In the event the Secretary determines that the revenues being collected are either insufficient or excessive to recover the costs incurred by the Federal Government that are specified in subsection (c)(2), the Secretary shall propose an adjustment to the fee in subsection (c)(2) to ensure full cost recovery. The Secretary shall immediately transmit the proposal for such an adjustment to both houses of Congress.

''(b) ADVANCE CONTRACTING REQUIREMENT.—

''(1) IN GENERAL.—

''(A) LICENSE ISSUANCE AND RENEWAL.—The Commission shall not issue or renew a license to any person to use a utilization or production facility under the authority of section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) unless—

''(i) such person has entered into a contract under subsection (a) with the Secretary; or

''(ii) the Secretary affirms in writing that such person is actively and in good faith negotiating with the Secretary for a contract under this section.

''(B) PRECONDITION.—The Commission, as it deems necessary or appropriate, may require as a precondition to the issuance or renewal of a license under section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) that the applicant for such license shall have entered into an agreement with the Secretary for the disposal of spent nuclear fuel and high-level radioactive waste that may result from the use of such license.

''(2) DISPOSAL IN REPOSITORY.—Except as provided in paragraph (1), no spent nuclear fuel or high-level radioactive waste generated or owned by any person (other than a department of the United States referred to in section 101 or 102 of title 5, United States Code) may be disposed of by the Secretary in the repository unless the generator or owner of such spent fuel or waste has entered into a contract under subsection (a) with the Secretary by not later than the date on which such generator or owner commences generation of, or takes title to, such spent fuel or waste.

''(3) ASSIGNMENT.—The rights and duties of contract holders are assignable.

''(c) NUCLEAR WASTE FUND.—

''(1) IN GENERAL.—The Nuclear Waste Fund established in the Treasury of the United States under section 302(c) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act and shall consist of—

''(A) the existing balance in the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996; and

''(B) all receipts, proceeds, and recoveries realized under subsections (a), and (c)(3) subsequent to the date of enactment of the Nuclear Policy Act of 1996, which shall be deposited in the Nuclear Waste Fund immediately upon their realization.

''(2) USE.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to subsections (d) and (e), only for purposes of the integrated management system.

''(3) ADMINISTRATION OF NUCLEAR WASTE FUND.—

''(A) IN GENERAL.—The Secretary of the Treasury shall hold the Nuclear Waste Fund and, after consultation with the Secretary, annually report to the Congress on the financial condition and operations of the Nuclear Waste Fund during the preceding fiscal year.

''(B) AMOUNTS IN EXCESS OF CURRENT NEEDS.—If the Secretary determines that the Nuclear Waste Fund contains at any time amounts in excess of current needs, the Secretary may request the Secretary of the Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

''(i) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Nuclear Waste Fund; and

''(ii) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such investments, except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

''(C) EXEMPTION.—Receipts, proceeds, and recoveries realized by the Secretary under this section, and expenditures of amounts from the Nuclear Waste Fund, shall be exempt from annual apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

''(d) BUDGET.—The Secretary shall submit the budget for implementation of the Secretary's responsibilities under this Act to the Office of Management and Budget annually along with the budget of the Department of Energy submitted at such time in accordance with chapter II of title 31, United States Code. The budget shall consist of the estimates made by the Secretary of expenditures under this Act and other relevant financial matters for the succeeding 3 fiscal years, and shall be included in the budget of the United States Government.

''(e) APPROPRIATIONS.—The Secretary may make expenditures from the new Nuclear Waste Fund, subject to appropriations, which shall remain available until expended.

''SEC. 402. OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT.

''(a) ESTABLISHMENT.—There hereby is established within the Department of Energy an Office of Civilian Radioactive Waste Management. The Office shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(b) FUNCTIONS OF DIRECTOR.—The Director of the Office shall be responsible for carrying out the functions of the Secretary under this Act, subject to the general supervision of the Secretary. The Director of the Office shall be directly responsible to the Secretary.

''SEC. 403. FEDERAL CONTRIBUTION.

''(a) ALLOCATION.—No later than one year from the date of enactment of the Nuclear Waste Policy Act of 1996, acting pursuant to section 553 of title 5, United States Code, the Secretary shall issue a final rule establishing the appropriate portion of the costs of

managing spent nuclear fuel and high-level radioactive waste under this Act allocable to the interim storage or permanent disposal of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors. The share of costs allocable to the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors shall include,

''(1) an appropriate portion of the costs associated with research and development activities with respect to development of an interim storage facility and repository; and

''(2) as appropriate, interest on the principal amounts due calculated by reference to the appropriate Treasury bill rate as if the payments were made at a point in time consistent with the payment dates for spent nuclear fuel and high-level radioactive waste under the contracts.

''(b) APPROPRIATION REQUEST.—In addition to any request for an appropriation from the Nuclear Waste Fund, the Secretary shall request annual appropriations from general revenues in amounts sufficient to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

''(c) REPORT.—In conjunction with the annual report submitted to Congress under Section 702, the Secretary shall advise the Congress annually of the amount of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, requiring management in the integrated management system.

''(d) AUTHORIZATION.—There is authorized to be appropriated to the Secretary, from general revenues, for carrying out the purposes of this Act, such sums as may be necessary to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

''TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

''SEC. 501. COMPLIANCE WITH OTHER LAWS.

''If the requirements of any Federal, State, or local law (including a requirement imposed by regulation or by any other means under such a law) are inconsistent with or duplicative of the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) or of this Act, the Secretary shall comply only with the requirements of the Atomic Energy Act of 1954 and of this Act in implementing the integrated management system.

''SEC. 502. JUDICIAL REVIEW OF AGENCY ACTIONS.

''(a) JURISDICTION OF THE UNITED STATES COURTS OF APPEALS.—

''(1) ORIGINAL AND EXCLUSIVE JURISDICTION.—Except for review in the Supreme Court of the United States, and except as otherwise provided in this Act, the United States courts of appeals shall have original and exclusive jurisdiction over any civil action—

''(A) for review of any final decision or action of the Secretary, the President, or the Commission under this Act;

''(B) alleging the failure of the Secretary, the President, or the Commission to make any decision, or take any action, required under this Act;

''(C) challenging the constitutionality of any decision made, or action taken, under any provision of this Act; or

''(D) for review of any environmental impact statement prepared or environmental assessment pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any action under this Act or alleging a failure to prepare such statement with respect to any such action.

''(2) VENUE.—The venue of any proceeding under this section shall be in the judicial circuit in which the petitioner involved resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit.

''(b) DEADLINE FOR COMMENCING ACTION.—A civil action for judicial review described under subsection (a)(1) may be brought no later than 180 days after the date of the decision or action or failure to act involved, as the case may be, except that if a party shows that he did not know of the decision or action complained of (or of the failure to act), and that a reasonable person acting under the circumstances would not have known, such party may bring a civil action no later than 180 days after the date such party acquired actual or constructive knowledge or such decision, action, or failure to act.

''(c) APPLICATION OF OTHER LAW.—The provisions of this section relating to any matter shall apply in lieu of the provisions of any other Act relating to the same matter.

''SEC. 503. LICENSING OF FACILITY EXPANSIONS AND TRANSSHIPMENTS.

''(a) ORAL ARGUMENT.—In any Commission hearing under section 189 of the Atomic Energy Act of 1954 (42 U.S.C. 2239) on an application for a license, or for an amendment to an existing license, filed after January 7, 1983, to expand the spent nuclear fuel storage capacity at the site of a civilian nuclear power reactor, through the use of high-density fuel storage racks, fuel rod compaction, the transshipment of spent nuclear fuel to another civilian nuclear power reactor within the same utility system, the construction of additional spent nuclear fuel pool capacity or dry storage capacity, or by other means, the Commission shall, at the request of any party, provide an opportunity for oral argument with respect to any matter which the Commission determines to be in controversy among the parties. The oral argument shall be preceded by such discovery procedures as the rules of the Commission shall provide. The Commission shall require each party, including the Commission staff, to submit in written form, at the time of the oral argument, a summary of the facts, data, and arguments upon which such party proposes to rely that are known at such time to such party. Only facts and data in the form of sworn testimony or written submission may be relied upon by the parties during oral argument. Of the materials that may be submitted by the parties during oral argument, the Commission shall only consider those facts and data that are submitted in the form of sworn testimony or written submission.

''(b) ADJUDICATORY HEARING.—

''(1) DESIGNATION.—At the conclusion of any oral argument under subsection (a), the Commission shall designate any disputed question of fact, together with any remaining questions of law, for resolution in an adjudicatory hearing only if it determines that—

''(A) there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in an adjudicatory hearing; and

''(B) the decision of the Commission is likely to depend in whole or in part on the resolution of such dispute.

''(2) DETERMINATION.—In making a determination under this subsection, the Commission—

''(A) shall designate in writing the specific facts that are in genuine and substantial dispute, the reason why the decision of the agency is likely to depend on the resolution of such facts, and the reason why an adjudicatory hearing is likely to resolve the dispute; and

''(B) shall not consider—

''(i) any issue relating to the design, construction, or operation of any civilian nuclear power reactor already licensed to operate at such site, or any civilian nuclear power reactor to which a construction permit has been granted at such site, unless the Commission determines that any such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered; or

''(ii) any siting or design issue fully considered and decided by the Commission in connection with the issuance of a construction permit or operating license for a civilian nuclear power reactor at such site, unless

''(I) such issue results from any revision of siting or design criteria by the Commission following such decision; and

''(II) the Commission determines that such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered

''(3) APPLICATION.—The provisions of paragraph (2)(B) shall apply only with respect to licenses, authorizations, or amendments to licenses or authorizations, applied for under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) before December 31, 2005.

''(4) CONSTRUCTION.—The provisions of this section shall not apply to the first application for a license or license amendment received by the Commission to expand onsite spent fuel storage capacity by the use of a new technology not previously approved for use at any nuclear power plant by the Commission.

''(c) JUDICIAL REVIEW.—No court shall hold unlawful or set aside a decision of the Commission in any proceeding described in subsection (a) because of a failure by the Commission to use a particular procedure pursuant to this section unless—

''(1) an objection to the procedure used was presented to the Commission in a timely fashion or there are extraordinary circumstances that excuse the failure to present a timely objection; and

''(2) the court finds that such failure has precluded a fair consideration and informed resolution of a significant issue of the proceeding taken as a whole.

''SEC. 504. SITING A SECOND REPOSITORY.

''(a) CONGRESSIONAL ACTION REQUIRED.—The Secretary may not conduct site specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

''(b) REPORT.—The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

''SEC. 505. FINANCIAL ARRANGEMENTS FOR LOW-LEVEL RADIOACTIVE WASTE SITE CLOSURE.

''(a) FINANCIAL ARRANGEMENTS.—

''(1) STANDARDS AND INSTRUCTIONS).—The Commission shall establish by rule, regulation, or order, after public notice, and in accordance with section 181 of the Atomic Energy Act of 1954 (42 U.S.C. 2231), such standards and instructions as the Commission may deem necessary or desirable to ensure in the case of each license for the disposal of low-level radioactive waste that an adequate bond, surety, or other financial arrangement (as determined by the Commission) will be provided by a licensee to permit completion of all requirements established by the Commission for the decontamination, decommissioning, site closure, and reclamation of

sites, structures, and equipment used in conjunction with such low-level radioactive waste. Such financial arrangements shall be provided and approved by the Commission, or, in the case of sites within the boundaries of any agreement State under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021), by the appropriate State or State entity, prior to issuance of licenses for low-level radioactive waste disposal or, in the case of licenses in effect on January 7, 1983, prior to termination of such licenses.

''(2) BONDING, SURETY, OR OTHER FINANCIAL ARRANGEMENTS.—If the Commission determines that any long-term maintenance or monitoring, or both, will be necessary at a site described in paragraph (1), the Commission shall ensure before termination of the license involved that the licensee has made available such bonding, surety, or other financial arrangements as may be necessary to ensure that any necessary long-term maintenance or monitoring needed for such site will be carried out by the person having title and custody for such site following license termination.

''(b) TITLE AND CUSTODY.—

''(1) AUTHORITY OF SECRETARY.—The Secretary shall have authority to assume title and custody of low-level radioactive waste and the land on which such waste is disposed of, upon request of the owner of such waste and land and following termination of the license issued by the Commission for such disposal, if the Commission determines that—

''(A) the requirements of the Commission for site closure, decommissioning, and decontamination have been met by the licensee involved and that such licensee is in compliance with the provisions of subsection (a);

''(B) such title and custody will be transferred to the Secretary without cost to the Federal Government; and

''(C) Federal ownership and management of such site is necessary or desirable in order to protect the public health and safety, and the environment.

''(2) PROTECTION.—If the Secretary assumes title and custody of any such waste and land under this subsection, the Secretary shall maintain such waste and land in a manner that will protect the public health and safety, and the environment.

''(c) SPECIAL SITES.—If the low-level radioactive waste involved is the result of a licensed activity to recover zirconium, hafnium, and rare earths from source material, the Secretary, upon request of the owner of the site involved, shall assume title and custody of such waste and the land on which it is disposed when such site has been decontaminated and stabilized in accordance with the requirements established by the Commission and when such owner has made adequate financial arrangements approved by the Commission for the long-term maintenance and monitoring of such site.

"SEC. 506 NUCLEAR REGULATORY COMMISSION TRAINING AUTHORIZATION.

''The Commission is authorized and directed to promulgate regulations, or other appropriate regulatory guidance, for the training and qualifications of civilian nuclear power plant operators, supervisors, technicians, and other appropriate operating personnel. Such regulations or guidance shall establish simulator training requirements for applicants for civilian nuclear power plant operator licenses and for operator requalification programs; requirements governing Commission administration of requalification examinations; requirements for operating tests at civilian nuclear power plant simulators, and instructional requirements for civilian nuclear power plant licensee personnel training programs.

"SEC. 507. EMPLACEMENT SCHEDULE.

''(a) The emplacement schedule shall be implemented in accordance with the following:

''(1) Emplacement priority ranking shall be determined by the Department's annual 'Acceptance Priority Ranking' report.

''(2) The Secretary's spent fuel emplacement rate shall be no less than the following: 1,200 MTU in fiscal year 2000 and 1,200 MTU in fiscal year 2001; 2,000 MTU in fiscal year 2002 and 2000 MTU in fiscal year 2003; 2,700 MTU in fiscal year 2004; and 3,000 MTU annually thereafter.

''(b) If the Secretary is unable to begin emplacement by January 31, 1999 at the rates specified in subsection (a), or if the cumulative amount emplaced in any year thereafter is less than that which would have been accepted under the emplacement rate specified in subsection (a), the Secretary shall, as a mitigation measure, adjust the emplacement schedule upward such that within 5 years of the start of emplacement by the Secretary,

''(1) the total quantity accepted by the Secretary is consistent with the total quantity that the Secretary would have accepted if the Secretary had began emplacement in fiscal year 2000, and

''(2) thereafter the emplacement rate is equivalent to the rate that would be in place pursuant to paragraph (a) above if the Secretary had commenced emplacement in fiscal year 2000.

"SEC. 508. TRANSFER OF TITLE.

''(a) Acceptance by the Secretary of any spent nuclear fuel or high-level radioactive waste shall constitute a transfer of title to the Secretary.

''(b) No later than 6 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary is authorized to accept all spent nuclear fuel withdrawn from Dairyland Power Cooperative's La Crosse Reactor and, upon acceptance, shall provide Dairyland Power Cooperative with evidence of the title transfer. Immediately upon the Secretary's acceptance of such spent nuclear fuel, the Secretary shall assume all responsibility and liability for the interim storage and permanent disposal thereof and is authorized to compensate Dairyland Power Cooperative for any costs related to operating and maintaining facilities necessary for such storage from the date of acceptance until the Secretary removes the spent nuclear fuel from the La Crosse Reactor site.

"SEC. 509. DECOMMISSIONING PILOT PROGRAM.

''(a) AUTHORIZATION.—The Secretary is authorized to establish a Decommissioning Pilot Program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Arkansas.

''(b) FUNDING.—No funds from the Nuclear Waste Fund may be used for the Decommissioning Pilot Program.

"SEC. 510. WATER RIGHTS.

''(a) NO FEDERAL RESERVATION.—Nothing in this Act or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising under this Act.

''(b) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER NEVADA LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities under this Act pursuant to the substantive and procedural requirements of the State of Nevada. Nothing in this Act shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands.

''(c) EXERCISE OF WATER RIGHTS GENERALLY UNDER NEVADA LAWS.—Nothing in this Act shall be construed to limit the exercise of water rights as provided under Nevada State laws.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"SEC. 601. DEFINITIONS.

''For purposes of this title—

''(1) CHAIRMAN.—The term 'Chairman' means the Chairman of the Nuclear Waste Technical Review Board.

''(2) BOARD.—The term 'Board' means the Nuclear Waste Technical Review Board continued under section 602.

"SEC. 602. NUCLEAR WASTE TECHNICAL REVIEW BOARD.

''(a) CONTINUATION OF THE NUCLEAR WASTE TECHNICAL REVIEW BOARD.—The Nuclear Waste Technical Review Board, established under section 502(a) of the Nuclear Waste Policy Act of 1982 as constituted prior to the date of enactment of the Nuclear Waste Policy Act of 1996, shall continue in effect subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996.

''(b) MEMBERS.—

''(1) NUMBER.—The Board shall consist of 11 members who shall be appointed by the President not later than 90 days after December 22, 1987, from among persons nominated by the national Academy of Sciences in accordance with paragraph (3).

''(2) CHAIR.—The President shall designate a member of the Board to serve as Chairman.

''(3) NATIONAL ACADEMY OF SCIENCES.—

''(A) NOMINATIONS.—The National Academy of Sciences shall, not later than 90 days after December 22, 1987, nominate not less than 22 persons for appointment to the Board from among persons who meet the qualifications described in subparagraph (C).

''(B) VACANCIES.—The National Academy of Sciences shall nominate not less than 2 persons to fill any vacancy on the Board from among persons who meet the qualifications described in subparagraph (C).

''(C) NOMINEES.—

''(i) Each person nominated for appointment to the Board shall be—

''(I) eminent in a field of science or engineering, including environmental sciences; and

''(II) selected solely on the basis of established records of distinguished service.

''(ii) The membership of the Board shall be representatives of the broad range of scientific and engineering disciplines related to activities under this title.

''(iii) No person shall be nominated for appointment to the Board who is an employee of—

''(I) the Department of Energy;

''(II) a national laboratory under contract with Department of Energy; or

''(III) an entity performing spent nuclear fuel or high-level radioactive waste activities under contract with the Department of Energy.

''(4) VACANCIES.—Any vacancy on the Board shall be filed by the nomination and appointment process described in paragraphs (1) and (3).

''(5) TERMS.—Members of the Board shall be appointed for terms of 4 years, each such term to commence 120 days after December 22, 1987, except that of the 11 members first appointed to the Board, 5 shall serve for 2 years and 6 shall serve for 4 years, to be designated by the President at the time of appointment, except that a member of the Board whose term has expired may continue to serve as a member of the Board until such member's successor has taken office.

"SEC. 603. FUNCTIONS.

''The Board shall limit its evaluations to the technical and scientific validity solely of the following activities undertaken directly by the Secretary after December 22, 1987—

''(1) site characterization activities; and

''(2) activities of the Secretary relating to the packaging or transportation of spent nuclear fuel or high-level radioactive waste.

''SEC. 604. INVESTIGATORY POWERS.

''(a) HEARINGS.—Upon request of the Chairman or a majority of the members of the Board, the Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. The Secretary or the Secretary's designee or designees shall not be required to appear before the Board or any element of the Board for more than twelve working days per calendar year.

''(b) PRODUCTION OF DOCUMENTS.—

''(1) RESPONSE TO INQUIRIES.—Upon the request of the Chairman or a majority of the members of the Board, and subject to existing law, the Secretary (or any contractor of the Secretary) shall provide the Board with such records, files, papers, data, or information that is generally available to the public as may be necessary to respond to any inquiry of the Board under this title.

''(2) EXTENT.—Subject to existing law, information obtainable under paragraph (1) may include drafts of products and documentation of work in progress.

''SEC. 605. COMPENSATION OF MEMBERS.

''(A) IN GENERAL.—Each member of the Board shall be paid at the rate of pay payable for level III of the Executive Schedule for each day (including travel time) such member is engaged in the work of the Board.

''(b) TRAVEL EXPENSES.—Each member of the Board may receive travel expenses, including per diem in lieu of subsidence, in the same manner as is permitted under sections 5702 and 5703 of title 5, United States Code.

''SEC. 606. STAFF.

''(a) CLERICAL STAFF.—

''(1) AUTHORITY OF CHAIRMAN.—Subject to paragraph (2), the Chairman may appoint and fix the compensation of such clerical staff as may be necessary to discharge the responsibilities of the Board.

''(2) PROVISIONS OF TITLE 5.—Clerical staff shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 3 of such title relating to classification and General Schedule pay rates.

''(b) PROFESSIONAL STAFF.—

''(1) AUTHORITY OF CHAIRMAN.—Subject to paragraphs (2) and (3), the Chairman may appoint and fix the compensation of such professional staff as may be necessary to discharge the responsibilities of the Board.

''(2) NUMBER.—Not more than 10 professional staff members may be appointed under this subsection.

''(3) TITLE 5.—Professional staff members may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

''SEC. 607. SUPPORT SERVICES.

''GENERAL SERVICES.—To the extent permitted by law and requested by the Chairman, the Administrator of General Services shall provide the Board with necessary administrative services, facilities, and support on a reimbursable basis.

''(b) ACCOUNTING, RESEARCH, AND TECHNOLOGY ASSESSMENT SERVICES.—The Comptroller General and the Librarian of Congress shall, to the extent permitted by law and subject to the availability of funds, provide the Board with such facilities, support, funds and services, including staff, as may be necessary for the effective performance of the functions of the Board.

''(c) ADDITIONAL SUPPORT.—Upon the request of the Chairman, the Board may secure directly from the head of any department or agency of the United States information necessary to enable it to carry out this title.

''(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

''(e) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Board, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule.

''SEC. 608. REPORT.

''The Board shall report not less than 2 times per year to Congress and the Secretary its findings, conclusions, and recommendations.

''SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated for expenditures such sums as may be necessary to carry out the provisions of this title.

''SEC. 610. TERMINATION OF THE BOARD.

''The Board shall cease to exist not later than one year after the date on which the Secretary begins disposal of spent nuclear fuel or high-level radioactive waste in the repository.

''TITLE VII—MANAGEMENT REFORM

''SEC. 701. MANAGEMENT REFORM INITIATIVES.

''(a) IN GENERAL.—The Secretary is directed to take actions as necessary to improve the management of the civilian radioactive waste management program to ensure that the program is operated, to the maximum extent practicable, in like manner as a private business.

''(b) AUDITS.—

''(1) STANDARD.—The Office of Civilian Radioactive Waste Management, its contractors, and subcontractors at all tiers, shall conduct, or have conducted, audits and examinations of their operations in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects consistent with its role in the program.

''(2) TIME.—The management practices and performances of the Office of Civilian Radioactive Waste Management shall be audited every 5 years by an independent management consulting firm with significant experience in similar audits of private corporations engaged in large nuclear construction projects. The first such audit shall be conducted 5 years after the enactment of the Nuclear Waste Policy Act of 1996.

''(3) COMPTROLLER GENERAL.—The Comptroller General of the United States shall annually make an audit of the Office, in accordance with such regulations as the Comptroller General may prescribe. The Comptroller General shall have access to such books, records, accounts, and other materials of the Office as the Comptroller General determines to be necessary for the preparation of such audit. The Comptroller General shall submit to the Congress a report on the results of each audit conducted under this section.

''(4) TIME.—No audit contemplated by this subsection shall take longer than 30 days to conduct. An audit report shall be issued in final form no longer than 60 days after the audit is commenced.

''(5) PUBLIC DOCUMENTS.—All audit reports shall be public documents and available to any individual upon request.

''(d) VALUE ENGINEERING.—The Secretary shall create a value engineering function within the Office of Civilian Radioactive Waste Management that reports directly to the Director, which shall carry out value engineering functions in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects.

''(e) SITE CHARACTERIZATION.—The Secretary shall employ, on an on-going basis, integrated performance modeling to identify appropriate parameters for the remaining site characterization effort and to eliminate studies of parameters that are shown not to affect long-term repository performance.

''SEC. 702. REPORTING.

''(a) INITIAL REPORT.—Within 180 days of enactment of this section, the Secretary shall report to Congress on its planned actions for implementing the provisions of this Act, including the development of the Integrated Waste Management System. Such report shall include—

''(1) an analysis of the Secretary's progress in meeting its statutory and contractual obligation to accept title to, possession of, and delivery of spent nuclear fuel and high-level radioactive waste beginning no later than November 30, 1999, and in accordance with the acceptance schedule;

''(2) a detailed schedule and timeline showing each action that the Secretary intends to take to meet the Secretary's obligations under this Act and the contracts;

''(3) a detailed description of the Secretary's contingency plans in the event that the Secretary is unable to meet the planned schedule and timeline; and

''(4) an analysis by the Secretary of its funding needs for fiscal years 1997 through 2001.

''(b) ANNUAL REPORTS.—On each anniversary of the submittal of the report required by subsection (a), the Secretary shall make annual reports to the Congress for the purpose of updating the information contained in such report. The annual reports shall be brief and shall notify the Congress of:

''(1) any modifications to the Secretary's schedule and timeline for meeting its obligations under this Act.

''(2) the reasons for such modifications, and the status of the implementation of any of the Secretary's contingency plans; and

''(3) the Secretary's analysis of its funding needs for the ensuing 5 fis cal years.

''SEC. 703. EFFECTIVE DATE.

''This Act shall become effective two days after enactment.''.

AMENDMENT NO. 5016

Beginning on page 1, line 3, strike ''the Nuclear'' and all that follows and insert in lieu thereof the following: ''the Nuclear Waste Policy Act of 1982 is amended to read as follows:

''SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

''(a) SHORT TITLE—This Act may be cited as the 'Nuclear Waste Policy Act of 1996'.

''(b) TABLE OF CONTENTS.—

''SEC. 2. DEFINITIONS.

''For purposes of this Act:

''(1) ACCEPT, ACCEPTANCE.—The terms 'accept' and 'acceptance' mean the Secretary's act of taking possession of spent nuclear fuel or high-level radioactive waste.

''(2) AFFECTED INDIAN TRIBE.—The term 'affected Indian tribe' means any Indian tribe—

''(A) whose reservation is surrounded by or borders an affected unit of local government, or

''(B) whose federally defined possessory or usage rights to other lands outside of the reservation's boundaries arising out of congressionally ratified treaties may be substantially and adversely affected by the locating of an interim storage facility or a repository if the Secretary of the Interior finds, upon the petition of the appropriate governmental officials of the tribe, that such effects are both substantial and adverse to the tribe.

''(3) AFFECTED UNIT OF LOCAL GOVERNMENT.—The term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository or interim storage facility. Such term may, at the discretion of the Secretary, include other units of local government that are contiguous with such unit.

''(4) ATOMIC ENERGY DEFENSE ACTIVITY.—The term 'atomic energy defense activity' means any activity of the Secretary performed in whole or in part in carrying out any of the following functions:

''(A) Naval reactors development.

''(B) Weapons activities including defense inertial confinement fusion.

''(C) Verification and control technology.

''(D) Defense nuclear materials production.

''(E) Defense nuclear waste and materials byproducts management.

''(F) Defense nuclear materials security and safeguards and security investigations.

''(G) Defense research and development.

''(5) CIVILIAN NUCLEAR POWER REACTOR.—The term 'civilian nuclear power reactor' means a civilian nuclear power plant required to be licensed under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)).

''(6) COMMISSION.—The term 'Commission' means the Nuclear Regulatory Commission.

''(7) CONTRACTS.—The term 'contracts' means the contracts, executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, under section 302(a) of the Nuclear Waste Policy Act of 1982, by the Secretary and any person who generates or holds title to spent nuclear fuel or high-level radioactive waste of domestic origin for acceptance of such waste or fuel by the Secretary and the payment of fees to offset the Secretary's expenditures, and any subsequent contracts executed by the Secretary pursuant to section 401(a) of this Act.

''(8) CONTRACT HOLDERS.—The term 'contract holders' means parties (other than the Secretary) to contracts.

''(9) DEPARTMENT.—The term 'Department' means the Department of Energy.

''(10) DISPOSAL.—The term 'disposal' means the emplacement in a repository of spent nuclear fuel, high-level radioactive waste, or other highly radioactive material with no foreseeable intent of recovery, whether or not such emplacement permits recovery of such material for any future purpose.

''(11) DISPOSAL SYSTEM.—The term 'disposal system' means all natural barriers and engineered barriers, and engineered systems and components, that prevent the release of radionuclides from the repository.

''(12) EMPLACEMENT SCHEDULE.—The term 'emplacement schedule' means the schedule established by the Secretary in accordance with section 507(a) for emplacement of spent nuclear fuel and high-level radioactive waste at the interim storage facility.

''(13) ENGINEERED BARRIERS AND ENGINEERED SYSTEM AND COMPONENTS.—The term 'engineered barriers' and 'engineered systems and components,' mean man-made components of a disposal system. These terms include the spent nuclear fuel or high-level radioactive waste form, spent nuclear fuel package or high-level radioactive waste package, and other materials placed over and around such packages.

''(14) HIGH-LEVEL RADIOACTIVE WASTE.—The term 'high-level radioactive waste' means—

''(A) the highly radioactive material resulting from the reprocessing of spent nuclear fuel, including liquid waste produced directly in reprocessing and any solid material derived from such liquid waste that contains fission products in sufficient concentrations; and

''(B) other highly radioactive material that the Commission, consistent with existing law, determines by rule requires permanent isolation, which includes any low-level radioactive waste with concentrations of radionuclides that exceed the limits established by the Commission for class C radioactive waste, as defined by section 61.55 of title 10, Code of Federal Regulations, as in effect on January 26, 1983.

''(15) FEDERAL AGENCY.—The term 'Federal agency' means any Executive agency, as defined in section 105 of title 5, United States Code.

''(16) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians including any Alaska Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).

''(17) INTEGRATED MANAGEMENT SYSTEM.—The term 'integrated management system' means the system developed by the Secretary for the acceptance, transportation, storage, and disposal of spent nuclear fuel and high-level radioactive waste under title II of this Act.

''(18) INTERIM STORAGE FACILITY.—The term 'interim storage facility' means a facility designed and constructed for the receipt, handling, possession, safeguarding, and storage of spent nuclear fuel and high-level radioactive waste in accordance with title II of this Act.

''(19) INTERIM STORAGE FACILITY SITE.—The term 'interim storage facility site' means the specific site within Area 25 of the Nevada Test Site that is designated by the Secretary and withdrawn and reserved in accordance with this Act for this location of the interim storage facility.

''(20) LOW-LEVEL RADIOACTIVE WASTE.—The term 'low-level radioactive waste' means radioactive material that—

''(A) is not spent nuclear fuel, high-level radioactive waste, transuranic waste, or by-product material as defined in section 11 e.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)); and

''(B) the Commission, consistent with existing law, classifies as low-level radioactive waste.

''(21) METRIC TONS URANIUM.—The terms 'metric tons uranium' and 'MTU' means the amount of uranium in the original unirradiated fuel element whether or not the spent nuclear fuel has been reprocessed.

''(22) NUCLEAR WASTE FUND.—The terms 'Nuclear Waste Fund' and 'waste fund' means the nuclear waste fund established in the United States Treasury prior to the date of enactment of this Act under section 302(c) of the Nuclear Waste Policy Act of 1982.

''(23) OFFICE.—The term 'Office' means the Office of Civilian Radioactive Waste Management established within the Department prior to the date of enactment of this Act under the provisions of the Nuclear Waste Policy Act of 1982.

''(24) PROGRAM APPROACH.—The term 'program approach' means the Civilian Radioactive Waste Management Program Plan, dated May 6, 1996, as modified by this Act, and as amended from time to time by the Secretary in accordance with this Act.

''(25) REPOSITORY.—The term 'repository' means a system designed and constructed under title II of this Act for the geologic disposal of spent nuclear fuel and high-level radioactive waste, including both surface and subsurface areas at which spent nuclear fuel and high-level radioactive waste receipt, handling, possession, safeguarding, and storage are conducted.

''(26) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

''(27) SITE CHARACTERIZATION.—The term 'site characterization' means activities, whether in a laboratory or in the field, undertaken to establish the geologic condition and the ranges of the parameters of a candidate site relevant to the location of a repository, including borings, surface excavations, excavations of exploratory facilities, limited subsurface lateral excavations and borings, and in situ testing needed to evaluate the licensability of a candidate site for the location of a repository, but not including preliminary borings and geophysical testing needed to assess whether site characterization should be undertaken.

''(28) SPENT NUCLEAR FUEL.—The term 'spent nuclear fuel' means fuel that has been withdrawn from a nuclear reactor following irradiation, the constituent elements of which have not been separated by reprocessing.

''(29) STORAGE.—The term 'storage' means retention of spent nuclear fuel or high-level radioactive waste with the intent to recover such waste or fuel for subsequent use, processing, or disposal.

''(30) WITHDRAWAL.—The term 'withdrawal' has the same definition as that set forth in section 103(j) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)).

''(31) YUCCA MOUNTAIN SITE.—The term 'Yucca Mountain site' means the area in the State of Nevada that is withdrawn and reserved in accordance with this Act for the location of a repository.

''TITLE I—OBLIGATIONS

''SEC. 101. OBLIGATIONS OF THE SECRETARY OF ENERGY.

''(a) DISPOSAL.—The Secretary shall develop and operate an integrated management system for the storage and permanent disposal of spent nuclear fuel and high-level radioactive waste.

''(b) INTERIM STORAGE.—The Secretary shall store spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders at an interim storage facility pursuant to section 204 in accordance with the emplacement schedule, beginning not later than November 30, 1999.

''(c) TRANSPORTATION.—The Secretary shall provide for the transportation of spent nuclear fuel and high-level radioactive waste accepted by the Secretary. The Secretary shall procure all systems and components necessary to transport spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders to and among facilities comprising the Integrated Management System. Consistent with the Buy American Act (41 U.S.C. 10a–10c), unless the Secretary shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, all such systems and components procured by the Secretary shall be manufactured in the United States, with the exception of any transportable storage systems purchased by contract holders prior to the effective date of the Nuclear Waste Policy Act of 1996 and procured by the Secretary from such contract holders for use in the integrated management system.

''(d) INTEGRATED MANAGEMENT SYSTEM.—The Secretary shall expeditiously pursue the development of each component of the integrated management system, and in so doing shall seek to utilize effective private sector management and contracting practices.

''(e) PRIVATE SECTOR PARTICIPATION.—In administering the Integrated Management System, the Secretary shall, to the maximum extent possible, utilize, employ, procure and contract with, the private sector to fulfill the Secretary's obligations and requirements under this Act.

''(f) PRE-EXISTING RIGHTS.—Nothing in this Act is intended to or shall be construed to modify—

''(1) any right of a contract holder under section 302(a) of the Nuclear Waste Policy Act of 1982, or under a contract executed prior to the date of enactment of this Act under that section; or

''(2) obligations imposed upon the federal government by the U.S. District Court of Idaho in an order entered on October 17, 1995 in *United States* v. *Batt* (No. 91–0054–S–EJL).

''(g) LIABILITY.—Subject to subsection (f), nothing in this Act shall be construed to subject the United States to financial liability for the Secretary's failure to meet any deadline for the acceptance or emplacement of spent nuclear fuel or high-level radioactive waste for storage or disposal under this Act.

''TITLE II—INTEGRATED MANAGEMENT SYSTEM

''SEC. 201. INTERMODAL TRANSFER

''(a) ACCESS.—The Secretary shall utilize heavy-haul truck transport to move spent nuclear fuel and high-level radioactive waste from the mainline rail line at Caliente, Nevada, to the interim storage facility site.

''(b) CAPABILITY DATE.—The Secretary shall develop the capability to commence rail to truck intermodal transfer at Caliente, Nevada, no later than November 30, 1999. Intermodal transfer and related activities are incidental to the interstate transportation of spent nuclear fuel and high-level radioactive waste.

''(c) ACQUISITIONS.—The Secretary shall acquire lands and rights-of-way necessary to commence intermodal transfer at Caliente, Nevada.

''(d) REPLACEMENTS.—The Secretary shall acquire and develop on behalf of, and dedicate to, the City of Caliente, Nevada, parcels of land and right-of-way within Lincoln County, Nevada, as required to facilitate replacement of land and city wastewater disposal facilities necessary to commence intermodal transfer pursuant to this Act. Replacement of land and city wastewater disposal activities shall occur no later than November 30, 1999.

''(e) NOTICE AND MAP.—Within 6 months of the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

''(1) publish in the Federal Register a notice containing a legal description of the sites and rights-of-way to be acquired under this subsection; and

''(2) file copies of a map of such sites and rights-of-way with the Congress, the Secretary of the Interior, the State of Nevada, the Archivist of the United States, the Board of Lincoln County Commissioners, the Board of Nye County Commissioners, and the Caliente City Council. Such map and legal description shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors and legal descriptions and make minor adjustments in the boundaries.

''(f) IMPROVEMENTS.—The Secretary shall make improvements to existing roadways selected for heavy-haul truck transport between Caliente, Nevada, and the interim storage facility site as necessary to facilitate year-round safe transport and spent nuclear fuel and high-level radioactive waste.

''(g) LOCAL GOVERNMENT INVOLVEMENT.—The Commission shall enter into a Memorandum of Understanding with the City of Caliente and Lincoln County, Nevada, to provide advice to the Commission regarding intermodal transfer and to facilitate on-site representation. Reasonable expenses of such representation shall be paid by the Secretary.

''(h) BENEFITS AGREEMENT.—

''(1) IN GENERAL.—The Secretary shall offer to enter into an agreement with Lincoln County, Nevada concerning the integrated management system.

''(2) AGREEMENT CONTENT.—Any agreement shall contain such terms and conditions, including such financial and institutional arrangements, as the Secretary and agreement entity determine to be reasonable and appropriate and shall contain such provisions as are necessary to preserve any right to participation or compensation of Lincoln County, Nevada.

''(3) AMENDMENT.—An agreement entered into under this subsection may be amended only with the mutual consent of the parties to the amendment and terminated only in accordance with paragraph (4).

''(4) TERMINATION.—The Secretary shall terminate the agreement under this subsection if any major element of the integrated management system may not be completed.

''(5) LIMITATION.—Only 1 agreement may be in effect at any one time.

''(6) JUDICIAL REVIEW.—Decisions of the Secretary under this section are not subject to judicial review.

''(i) CONTENT OF AGREEMENT.—

''(1) SCHEDULE.—In addition to the benefits to which Lincoln County is entitled to under this title, the Secretary shall make payments under the benefits agreement in accordance with the following schedule:

BENEFITS SCHEDULE

[Amounts in millions]

Event	Payment
(A) Annual payments prior to first receipt of spent fuel	$2.5
(B) Annual payments beginning upon first spent fuel receipt	5
(C) Payment upon closure of the intermodal transfer facility	5

''(2) DEFINITIONS.—For purposes of this section, the term—

''(A) 'spent fuel' means high-level radioactive waste or spent nuclear fuel; and

''(B) 'first spent fuel receipt' does not include receipt of spent fuel or high-level radioactive waste for purposes of testing or operational demonstration.

''(3) ANNUAL PAYMENTS.—Annual payments prior to first spent fuel receipt under paragraph (1)(A) shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after the first spent fuel receipt until closure of the facility under paragraph (1)(C) shall be made on the anniversary date of such first spent fuel receipt.

''(4) REDUCTION.—If the first spent fuel payment under paragraph (1)(B) is made within 6 months after the last annual payment prior to the receipt of spent fuel under paragraph (1)(A), such first fuel payment under paragraph (1)(B) shall be reduced by an amount equal to 1/12 of such annual payment under paragraph (1)(A) for each full month less than 6 that has not elapsed since the last annual payment under paragraph (1)(A).

''(5) RESTRICTIONS.—The Secretary may not restrict the purposes for which the payments under this section may be used.

''(6) DISPUTE.—In the event of a dispute concerning such agreement, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

''(7) CONSTRUCTION.—The signature of the Secretary on a valid benefits agreement under this section shall constitute a commitment by the United States to make payments in accordance with such agreement under section 401(c)(2).

''(j) INITIAL LAND CONVEYANCES.—

''(1) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in paragraph (2), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Lincoln, Nevada, unless the county notifies the Secretary of the Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Lincoln under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal

agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Lincoln County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

''(2) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, shall be conveyed under paragraph (1) to the County of Lincoln, Nevada:

Map 10: Lincoln County, Parcel M, Industrial Park Site

Map 11: Lincoln County, Parcel F, Mixed Use Industrial Site

Map 13: Lincoln County, Parcel J, Mixed Use, Alamo Community Expansion Area

Map 14: Lincoln County, Parcel E, Mixed Use, Pioche Community Expansion Area

Map 15: Lincoln County, Parcel B, Landfill Expansion Site

''(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in paragraph (2) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

''(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Lincoln, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"SEC. 202. TRANSPORTATION PLANNING.

''(a) TRANSPORTATION READINESS.—The Secretary shall take those actions that are necessary and appropriate to ensure that the Secretary is able to transport safely spent nuclear fuel and high-level radioactive waste from sites designated by the contract holders to mainline transportation facilities, using routes that minimize, to the maximum practicable extent consistent with Federal requirements governing transportation of hazardous materials, transportation of spent nuclear fuel and high-level radioactive waste through populated areas, beginning not later than November 30, 1999, and, by that date, shall, in consultation with the Secretary of Transportation, develop and implement a comprehensive management plan that ensures that safe transportation of spent nuclear fuel and high-level radioactive waste from the sites designated by the contract holders to the interim storage facility site beginning not later than November 30, 1999.

''(b) TRANSPORTATION PLANNING.—In conjunction with the development of the logistical plan in accordance with subsection (a), the Secretary shall update and modify, as necessary, the Secretary's transportation institutional plans to ensure that institutional issues are addressed and resolved on a schedule to support the commencement of transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility no later than November 30, 1999. Among other things, such planning shall provide a schedule and process for addressing and implementing, as necessary, transportation routing plans, transportation contracting plans, transportation training in accordance with section 203, and public education regarding transportation of spent nuclear fuel and high level radioactive waste; and transportation tracking programs.

"SEC. 203. TRANSPORTATION REQUIREMENTS.

''(a) PACKAGE CERTIFICATION.—No spent nuclear fuel or high-level radioactive waste may be transported by or for the Secretary under this Act except in packages that have been certified for such purposes by the Commission.

''(b) STATE NOTIFICATION.—The Secretary shall abide by regulations of the Commission regarding advance notification of State and local governments prior to transportation of spent nuclear fuel or high-level radioactive waste under this Act.

''(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and funds to States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste for training for public safety officials of appropriate units of local government. The Secretary shall also provide technical assistance and funds for training directly to national nonprofit employee organizations which demonstrate experience in implementing and operating worker health and safety training and education programs and demonstrate the ability to reach and involve in training programs target populations of workers who are or will be directly engaged in the transportation of spent nuclear fuel and high-level radioactive waste, or emergency response or post-emergency response with respect to such transportation. Training shall cover procedures required for safe routine transportation of these materials, as well as procedures for dealing with emergency response situations, and shall be consistent with any training standards established by the Secretary of Transportation in accordance with subsection (g). The Secretary's duty to provide technical and financial assistance under this subsection shall be limited to amounts specified in annual appropriations.

''(d) PUBLIC EDUCATION.—The Secretary shall conduct a program to educate the public regarding the transportation of spent nuclear fuel and high-level radioactive waste, with an emphasis upon those States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste.

''(e) COMPLIANCE WITH TRANSPORTATION REGULATIONS.—Any person that transport spent nuclear fuel or high-level radioactive waste under the Nuclear Waste Policy Act of 1986, pursuant to a contract with the Secretary, shall comply with all requirements governing such transportation issued by the federal, state and local governments, and Indian tribes, in the same way and to the same extent that any person engaging in that transportation that is in or affects interstate commerce must comply with such requirements, as required by 49 U.S.C. sec. 5126.

''(f) EMPLOYEE PROTECTION.—Any person engaged in the interstate commerce of spent nuclear fuel or high-level radioactive waste under contract to the Secretary pursuant to this Act shall be subject to and comply fully with the employee protection provisions of 49 U.S.C. 20109 and 49 U.S.C. 31105.

''(g) TRAINING STANDARD.—(1) No later than 12 months after the date of enactment of the Nuclear Waste Policy of 1996, the Secretary of Transportation, pursuant to authority under other provisions of law, in consultation with the Secretary of Labor and the Commission, shall promulgate a regulation establishing training standards applicable to workers directly involved in the removal and transportation of spent nuclear fuel and high-level radioactive waste. The regulation shall specify minimum training standards applicable to workers, including managerial personnel. The regulation shall require that evidence of satisfaction of the applicable training standard be provided to an employer before any individual may be employed in the removal and transportation of spent nuclear fuel and high-level radioactive waste.

''(2) If the Secretary of Transportation determines, in promulgating the regulation required by subparagraph (1), that regulations promulgated by the Commission establish adequate training standards for workers, then the Secretary of Transportation can refrain from promulgating additional regulations with respect to worker training in such activities. The Secretary of Transportation and the Commission shall work through their Memorandum of Understanding to ensure coordination of worker training standards and to avoid duplicative regulation.

''(3) The training standards required to be promulgated under subparagraph (1) shall, among other things deemed necessary and appropriate by the Secretary of Transportation, include the following provisions—

''(A) a specified minimum number of hours of initial off site instruction and actual field experience under the direct supervision of a trained, experienced supervisor;

''(B) a requirement that onsite managerial personnel receive the same training as workers, and a minimum number of additional hours of specialized training pertinent to their managerial responsibilities; and

''(C) a training program applicable to persons responsible for responding to and cleaning up emergency situations occurring during the removal and transportation of spent nuclear fuel and high-level radioactive waste.

''(4) There is authorized to be appropriated to the Secretary of Transportation, from general revenues, such sums as may be necessary to perform his duties under this subsection.

"SEC. 204. INTERIM STORAGE.

''(a) AUTHORIZATION.—The Secretary shall design, construct, and operate a facility for the interim storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility site. The interim storage facility shall be subject to licensing pursuant to the Atomic Energy Act of 1954 in accordance with the Commission's regulations governing the licensing of independent spent fuel storage installations, which regulations shall be amended by the Commission as necessary to implement the provisions of this Act. The interim storage facility shall commence operation in phases in accordance with subsection (b).

''(b) SCHEDULE.—(1) The Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at the interim storage facility at the interim storage facility site by November 30, 1999, except that:

''(A) The Secretary shall not begin any construction activities at the interim storage facility site before December 31, 1998.

''(B) The Secretary shall cease all activities (except necessary termination activities) at the Yucca Mountain site if the President determines, in his discretion, on or before December 31, 1998, based on a preponderance of the information available at such time, that the Yucca Mountain site is unsuitable for development as a repository, including geologic and engineered barriers, because of a substantial likelihood that a repository of useful size cannot be designed, licensed, and constructed at the Yucca Mountain site.

''(C) No later than June 30, 1998, the Secretary shall provide to the President and to the Congress a viability assessment of the Yucca Mountain site. The viability assessment shall include—

''(i) the preliminary design concept for the critical elements of the repository and waste package,

''(ii) a total system performance assessment, based upon the design concept and the scientific data and analysis available by June 30, 1998, describing the probable behavior of the repository in the Yucca Mountain geologic setting relative to the overall system performance standard set forth in section 205(d) of this Act,

''(iii) a plan and cost estimate for the remaining work required to complete a license application, and

''(iv) an estimate of the costs to construct and operate the repository in accordance with the design concept.

''(D) Within 18 months of a determination by the President that the Yucca Mountain site is unsuitable for development as a repository under paragraph (B), the President shall designate a site for the construction of an interim storage facility. If the President does not designate a site for the construction of an interim storage facility, or the construction of an interim storage facility at the designated site is not approved by law within 24 months of the President's determination that the Yucca Mountain site is not suitable for development as a repository, the Secretary shall begin construction of an interim storage facility at the interim storage facility site as defined in section 2(19) of this Act. The interim storage facility site as defined in section 2(19) of this Act shall be deemed to be approved by law for purposes of this section.

''(2) Upon the designation of an interim storage facility site by the President under paragraph (1)(D), the Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at an interim storage facility at the designated site, except that the Secretary shall not begin any construction activities at the designated interim storage facility site before the designated interim storage facility site is approved by law.

''(c) DESIGN.—

''(1) The interim storage facility shall be designed in two phases in order to commence operations no later than November 30, 1999. The design of the interim storage facility shall provide for the use of storage technologies, licensed, approved, or certified by the Commission for use at the interim storage facility as necessary to ensure compatibility between the interim storage facility and contract holders' spent nuclear fuel and facilities, and to facilitate the Secretary's ability to meet the Secretary's obligations under this Act.

''(2) The Secretary shall consent to an amendment to the contracts to provide for reimbursement to contract holders for transportable storage systems purchased by contract holders if the Secretary determines that it is cost effective to use such transportable storage systems as part of the integrated management system, provided that the Secretary shall not be required to expend any funds to modify contract holders' storage or transport systems or to seek additional regulatory approvals in order to use such systems.

''(d) LICENSING.—

''(1) PHASES.—The interim storage facility shall be licensed by the Commission in two phases in order to commence operations no later than November 30, 1999.

''(2) FIRST PHASE.—No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the first phase of the interim storage facility. The Environmental Report and Safety Analysis Report submitted in support of such license application shall be consistent with the scope of authority requested in the license application. The license issued for the first phase of the interim storage facility shall have a term of 20 years. The interim storage facility licensed in the first phase shall have a capacity of not more than 15,000 MTU. The Commission shall issue a final decision granting or denying the application for the first phase license no later than 16 months from the date of the submittal of the application for such license.

''(3) SECOND PHASE.—No later than 30 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the second phase interim storage facility. The license for the second phase facility shall authorize a storage capacity of 40,000 MTU. If the Secretary does not submit the license application for construction of a repository by February 1, 2002, or does not begin full spent nuclear fuel receipt operations at a repository by January 17, 2010, the license shall authorize a storage capacity of 60,000 MTU. The license application shall be submitted such that the license can be issued to permit the second phase facility to begin full spent nuclear fuel receipt operations no later than December 31, 2002. The license for the second phase shall have an initial term of up to 100 years, and shall be renewable for additional terms upon application of the Secretary.

''(e) ADDITIONAL AUTHORITY.—

''(1) CONSTRUCTION.—For purposes of complying with this section, the Secretary may commence site preparation for the interim storage facility as soon as practicable after the date of enactment of the Nuclear Waste Policy Act of 1996 and shall commence construction of each phase of the interim storage facility subsequent to submittal of the license application for such phase except that the Commission shall issue an order suspending such construction at any time if the Commission determines that such construction poses an unreasonable risk to public health and safety or the environment. The Commission shall terminate all or part of such order upon a determination that the Secretary has taken appropriate action to eliminate such risk.

''(2) FACILITY USE.—Notwithstanding any otherwise applicable licensing requirement, the Secretary may utilize any facility owned by the Federal Government on the date of enactment of the Nuclear Waste Policy Act of 1996 within the boundaries of the interim storage facility site, in connection with an imminent and substantial endangerment to public health and safety at the interim storage facility prior to commencement of operations during the second phase.

''(3) EMPLACEMENT OF FUEL AND WASTE.—Subject to paragraph (i), once the Secretary has achieved the annual acceptance rate for spent nuclear fuel from civilian nuclear power reactors established pursuant to the contracts executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, as set forth in the Secretary's annual capacity report dated March 1995, (DOE/RW–0457), the Secretary shall accept, in an amount not less than 25% of the difference between the contractual acceptance rate and the annual emplacement rate for spent nuclear fuel from civilian nuclear power reactors established under section 507(a), the following radioactive materials:

''(A) spent nuclear fuel or high-level radioactive waste of domestic origin from civilian nuclear power reactors that have permanently ceased operation on or before the date of enactment of the Nuclear Waste Policy Act of 1996;

''(B) spent nuclear fuel from foreign research reactors, as necessary to promote non-proliferation objectives; and

''(C) spent nuclear fuel, including spent nuclear fuel from naval reactors, and high-level radioactive waste from atomic energy defense activities.

''(f) NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—

''(1) PRELIMINARY DECISIONMAKING ACTIVITIES.—The Secretary's and President's activities under this section, including, but not limited to, the selection of a site for the interim storage facility, assessments, determinations and designations made under section 204(b), the preparation and submittal of a license application and supporting documentation, the construction of a facility under paragraph (e)(1) of this section, and facility use pursuant to paragraph (e)(2) of this section shall be considered preliminary decisionmaking activities for purposes of judicial review. The Secretary shall not prepare an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) or any environmental review under subparagraph (E) or (F) of such Act before conducting these activities.

''(2) ENVIRONMENTAL IMPACT STATEMENT.—

''(A) FINAL DECISION.—A final decision by the Commission to grant or deny a license application for the first or second phase of the interim storage facility shall be accompanied by an Environmental Impact Statement prepared under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). In preparing such Environmental Impact Statement, the Commission—

''(i) shall ensure that the scope of the Environmental Impact Statement is consistent with the scope of the licensing action; and

''(ii) shall analyze the impacts of the transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility in a generic manner.

''(B) CONSIDERATIONS.—Such Environmental Impact Statement shall not consider—

''(i) the need for the interim storage facility, including any individual component thereof;

''(ii) the time of the initial availability of the interim storage facility;

''(iii) any alternatives to the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility;

''(iv) any alternatives to the site of the facility as designated by the Secretary in accordance with subsection (a);

''(v) any alternatives to the design criteria for such facility or any individual component thereof, as specified by the Secretary in the license application; or

''(vi) the environmental impacts of the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility beyond the initial term of the license or the term of the renewal period for which a license renewal application is made.

''(g) JUDICIAL REVIEW.—Judicial review of the Commission's environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall be consolidated with judicial review of the Commission's licensing decision. No court shall have jurisdiction to enjoin the construction or operation of the interim storage facility prior to its final decision on the review of the Commission's licensing action.

''(h) WASTE CONFIDENCE.—The Secretary's obligation to construct and operate the interim storage facility in accordance with this section and the Secretary's obligation to develop an integrated management system in accordance with the provisions of this Act, shall provide sufficient and independent grounds for any further findings by the Commission of reasonable assurance that spent nuclear fuel and high-level radioactive waste will be disposed of safely and on a timely basis for purposes of the Commission's decision to grant or amend any license to operate any civilian nuclear power reactor under the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.).

''(i) STORAGE OF OTHER SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE.—No later than 18 months following the date of enactment of the Nuclear Waste Policy

Act of 1996, the Commission shall, by rule, establish criteria for the storage in the interim storage facility of fuel and waste listed in paragraph (e)(3)(A) through (C), to the extent such criteria are not included in regulations issued by the Commission and existing on the date of enactment of the Nuclear Waste Policy Act of 1996. Following establishment of such criteria, the Secretary shall seek authority, as necessary, to store fuel and waste listed in paragraph (e)(3)(A) through (C) at the interim storage facility. None of the activities carried out pursuant to this paragraph shall delay, or otherwise affect, the development, construction, licensing, or operation of the interim storage facility.

''(j) SAVINGS CLAUSE.—The Commission shall, by rule, establish procedures for the licensing of any technology for the dry storage of spent nuclear fuel by rule and without, to the maximum extent possible, the need for site-specific approvals by the Commission. Nothing in this Act shall affect any such procedures, or any licenses or approvals issued pursuant to such procedures in effect on the date of enactment.

''SEC. 205. PERMANENT REPOSITORY

''(a) REPOSITORY CHARACTERIZATION.—

''(1) GUIDELINES.—The guidelines promulgated by the Secretary and published at 10 CFR part 960 are annulled and revoked and the Secretary shall make no assumptions or conclusions about the licensability of the Yucca Mountain site as a repository by reference to such guidelines.

''(2) SITE CHARACTERIZATION ACTIVITIES.—The Secretary shall carry out appropriate site characterization activities at the Yucca Mountain site in accordance with the Secretary's program approach to site characterization. The Secretary shall modify or eliminate those site characterization activities designed only to demonstrate the suitability of the site under the guidelines referenced in paragraph (1).

''(3) SCHEDULE DATE.—Consistent with the schedule set forth in the program approach, as modified to be consistent with the Nuclear Waste Policy Act of 1996, no later than February 1, 2002, the Secretary shall apply to the Commission for authorization to construct a repository. If, at any time prior to the filing of such application, the Secretary determines that the Yucca Mountain site cannot satisfy the Commission's regulations applicable to the licensing of a geologic repository, the Secretary shall terminate site characterization activities at the site, notify Congress and the State of Nevada of the Secretary's determination and the reasons therefor, and recommend to Congress not later than 6 months after such determination further actions, including the enactment of legislation, that may be needed to manage the Nation's spent nuclear fuel and high-level radioactive waste.

''(4) MAZIMIZING CAPACITY.—In developing an application for authorization to construct the repository, the Secretary shall seek to maximize the capacity of the repository, in the most cost-effective manner, consistent with the need for disposal capacity.

''(b) REPOSITORY LICENSING.—Upon the completion of any licensing proceeding for the first phase of the interim storage facility, the Commission shall amend its regulations governing the disposal of spent nuclear fuel and high-level radioactive waste in geologic repositories to the extent necessary to comply with this Act. Subject to subsection (c), such regulations shall provide for the licensing of the repository according to the following procedures:

''(1) CONSTRUCTION AUTHORIZATION.—The Commission shall grant the Secretary a construction authorization for the repository upon determining that there is reasonable assurance that spent nuclear fuel and high-level radioactive waste can be disposed of in the repository—

''(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

''(B) without unreasonable risk to the health and safety of the public; and

''(C) consistent with the common defense and security.

''(2) LICENSE.—Following substantial completion of construction and the filing of any additional information needed to complete the license application, the Commission shall issue a license to dispose of spent nuclear fuel and high-level radioactive waste in the repository if the Commission determines that the repository has been constructed and will operate—

''(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

''(B) without unreasonable risk to the health and safety of the public; and

''(C) consistent with the common defense and security.

''(3) CLOSURE.—After emplacing spent nuclear fuel and high-level radioactive waste in the repository and collecting sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with the Commission's regulations applicable to the licensing of a repository, as modified in accordance with this Act, the Secretary shall apply to the Commission to amend the license to permit permanent closure of the repository. The Commission shall grant such license amendment upon finding that there is reasonable assurance that the repository can be permanently closed—

''(A) in conformity with the Secretary's application to amend the license, the provisions of this Act, and the regulations of the Commission;

''(B) without unreasonable risk to the health and safety of the public; and

''(C) consistent with the common defense and security.

''(4) POST-CLOSURE.—The Secretary shall take those actions necessary and appropriate at the Yucca Mountain site to prevent any activity at the site subsequent to repository closure that poses an unreasonable risk of—

''(A) breaching the repository's engineered or geologic barriers; or

''(B) increasing the exposure of individual members of the public to radiation beyond the release standard established in subsection (d)(1).

''(c) MODIFICATION OF REPOSITORY LICENSING PROCEDURE.—The Commission's regulations shall provide for the modification of the repository licensing procedure, as appropriate, in the event that the Secretary seeks a license to permit the emplacement in the repository, on a retrievable basis, of spent nuclear fuel or high-level radioactive waste as is necessary to provide the Secretary with sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with applicable regulations.

''(d) REPOSITORY LICENSING STANDARDS.—The Administrator of the Environmental Protection Agency shall, pursuant to authority under others provisions of law, issue generally applicable standards for the protection of the public from releases of radioactive materials or radioactivity from the repository. Such standards shall be consistent with the overall system performance standard established by this subsection unless the Administrator determines by rule that the overall system performance standard would constitute an unreasonable risk to health and safety. The Commission's repository licensing determinations for the protection of the public shall be based solely on a finding whether the repository can be operated in conformance with the overall system performance standard established in paragraph (1), applied in accordance with the provisions of paragraph (2), and the Administrator's radiation protection standards. The Commission shall amend its regulations in accordance with subsection (b) to incorporate each of the following licensing standards:

''(1) ESTABLISHMENT OF OVERALL SYSTEM PERFORMANCE STANDARD.—The standard for protection of the public from release of radioactive material or radioactivity from the repository shall prohibit releases that would expose an average member of the general population in the vicinity of the Yucca Mountain site to an annual dose in excess of 100 millirems unless the Commission determines by rule that such standard would constitute an unreasonable risk to health and safety and establishes by rule another standard which will protect health and safety. Such standard shall constitute an overall system performance standard.

''(2) APPLICATION OF OVERALL SYSTEM PERFORMANCE STANDARD.—The Commission shall issue the license if it finds reasonable assurance that for the first 1,000 years following the commencement of repository operations, the overall system performance standard will be met based on a probabilistic evaluation, as appropriate, of compliance with the overall system performance standard in paragraph (1).

''(3) FACTORS.—For purposes of making the finding in paragraph (2)—

''(A) the Commission shall not consider catastrophic events where the health consequences of individual events themselves can be reasonably assumed to exceed the health consequences due to the impact of the events on repository performance;

''(B) for the purpose of this section, an average member of the general population in the vicinity of the Yucca Mountain site means a person whose physiology, age, general health, agricultural practices, eating habits, and social behavior represent the average for persons living in the vicinity of the site. Extremes in social behavior, eating habits, or other relevant practices or characteristics shall not be considered; and

''(C) the Commission shall assume that, following repository closure, the inclusion of engineered barriers and the Secretary's post-closure actions at the Yucca Mountain site, in accordance with subsection (b)(4), shall be sufficient to—

''(i) prevent any human activity at the site that poses an unreasonable risk of breaching the repository's engineered or geologic barriers; and

''(ii) prevent any increase in the exposure of individual members of the public to radiation beyond the allowable limits specified in paragraph (1).

''(4) ADDITIONAL ANALYSIS.—The Commission shall analyze the overall system performance through the use of probabilistic evaluations that use best estimate assumptions, data, and methods for the period commencing after the first 1,000 years of operation of the repository and terminating at 10,000 yeas after the commencement of operation of the repository.

''(e) NATIONAL ENVIRONMENTAL POLICY ACT.—

''(1) SUBMISSION OF STATEMENT.—Construction and operation of the repository shall be considered a major Federal action significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The Secretary shall submit an environmental impact statement on the construction and operation of the repository to

the Commission with the license application and shall supplement such environmental impact statement as appropriate.

''(2) CONSIDERATIONS.—For purposes of complying with the requirements of the National Environmental Policy Act of 1969 and this section, the Secretary shall not consider in the environmental impact statement the need for the repository, or alternative sites or designs for the repository.

''(3) ADOPTION BY COMMISSION.—The Secretary's environmental impact statement and any supplements thereto shall, to the extent practicable, be adopted by the Commission in connection with the issuance by the Commission of a construction authorization under subsection (b)(1), a license under subsection (b)(2), or a license amendment under subsection (b)(3). To the extent such statement or supplement is adopted by the Commission, such adoption shall be deemed to also satisfy the responsibilities of the Commission under the National Environmental Policy Act of 1969, and no further consideration shall be required, except that nothing in this subsection shall affect any independent responsibilities of the Commission to protect the public health and safety under the Atomic Energy Act of 1954. In any such statement or supplement prepared with respect to the repository, the Commission shall not consider the need for a repository, or alternate sites or designs for the repository.

''(f) JUDICIAL REVIEW.—No court shall have jurisdiction to enjoin issuance of the Commission repository licensing regulations prior to its final decision on review of such regulations.

''SEC. 206. LAND WITHDRAWAL.

''(a) WITHDRAWAL AND RESERVATION.—

''(1) WITHDRAWAL.—Subject to valid existing rights, the interim storage facility site and the Yucca Mountain site, as described in subsection (b), are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including the mineral leasing laws, the geothermal leasing laws, the material sale laws, and the mining laws.

''(2) JURISDICTION.—Jurisdiction of any land within the interim storage facility site and the Yucca Mountain site managed by the Secretary of the Interior or any other Federal officer is transferred to the Secretary.

''(3) RESERVATION.—The interim storage facility site and the Yucca Mountain site are reserved for the use of the Secretary for the construction and operation, respectively, of the interim storage facility and the repository and activities associated with the purposes of this title.

''(b) LAND DESCRIPTION.—

''(1) BOUNDARIES.—The boundaries depicted on the map entitled ''Interim Storage Facility Site Withdrawal Map,'' dated March 13, 1996, and on file with the Secretary, are established as the boundaries of the Interim Storage Facility site.

''(2) BOUNDARIES.—The boundaries depicted on the map entitled 'Yucca Mountain Site Withdrawal Map,' dated July 9, 1996, and on file with the Secretary, are established as the boundaries of the Yucca Mountain site.

''(3) NOTICE AND MAPS.—Within 6 months of the date of the enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

''(A) publish in the Federal Register a notice containing a legal description of the interim storage facility site, and

''(B) file copies of the maps described in paragraph (1), and the legal description of the interim storage facility site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

''(4) NOTICE AND MAPS.—Concurrent with the Secretary's application to the Commission for authority to construct the repository, the Secretary shall—

''(A) publish in the Federal Register a notice containing a legal description of the Yucca Mountain site; and

''(B) file copies of the maps described in paragraph (2), and the legal description of the Yucca Mountain site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

''(5) CONSTRUCTION.—The maps and legal descriptions of the interim storage facility site and the Yucca Mountain site referred to in this subsection shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

''TITLE III—LOCAL RELATIONS

''SEC. 301. FINANCIAL ASSISTANCE.

''(a) GRANTS.—The Secretary is authorized to make grants to any affected Indian tribe or affected unit of local government for purposes of enabling the affected Indian tribe or affected unit of local government—

''(1) to review activities taken with respect to the Yucca Mountain site for purposes of determining any potential economic, social, public health and safety, and environmental impacts of the integrated management system on the affected Indian tribe or the affected unit of local government and its residents;

''(2) to develop a request for impact assistance under subsection (c);

''(3) to engage in any monitoring, testing, or evaluation activities with regard to such site;

''(4) to provide information to residents regarding any activities of the Secretary, or the Commission with respect to such site; and

''(5) to request information from, and make comments and recommendations to, the Secretary regarding any activities taken with respect to such site.

''(b) SALARY AND TRAVEL EXPENSES.—Any salary or travel expense that would ordinarily be incurred by any affected Indian tribe or affected unit of local government may not be considered eligible for funding under this section.

''(c) FINANCIAL AND TECHNICAL ASSISTANCE.—

''(1) ASSISTANCE REQUESTS.—The Secretary is authorized to offer to provide financial and technical assistance to any affected Indian tribe or affected unit of local government requesting such assistance. Such assistance shall be designed to mitigate the impact on the affected Indian tribe or affected unit of local government of the development of the integrated management system.

''(2) REPORT.—Any affected Indian tribe or affected unit of local government may request assistance under this section by preparing and submitting to the Secretary a report on the economic, social, public health and safety, and environmental impacts that are likely to result from activities of the integrated management system.

''(d) OTHER ASSISTANCE.—

''(1) TAXABLE AMOUNTS.—In addition to financial assistance provided under this subsection, the Secretary is authorized to grant to any affected Indian tribe or affected unit of local government an amount each fiscal year equal to the amount such affected Indian tribe or affected unit of local government, respectively, would receive if authorized to tax integrated management system activities, as such affected Indian tribe or affected unit of local government taxes the non-Federal real property and industrial activities occurring within such affected unit of local government.

''(2) TERMINATION.—Such grants shall continue until such time as all such activities, development, and operations are terminated at such site.

''(3) ASSISTANCE TO INDIAN TRIBES AND UNITS OR LOCAL GOVERNMENT.—

''(A) PERIOD.—Any affected Indian tribe or affected unit of local government may not receive any grant under paragraph (1) after the expiration of the 1-year period following the date on which the Secretary notifies the affected Indian tribe or affected unit of local government of the termination of the integrated management system.

''(B) ACTIVITIES.—Any affected Indian tribe or affected unit of local government may not receive any further assistance under this section if the integrated management system activities at such site are terminated by the Secretary or if such activities are permanently enjoined by any court.

''SEC. 302. ON-SITE REPRESENTATIVE

''The Secretary shall offer to the unit of local government within whose jurisdiction a site for an interim storage facility or repository is located under this Act an opportunity to designate a representative to conduct on-site oversight activities at such site. The Secretary is authorized to pay the reasonable expenses of such representative.

''SEC. 303. ACCEPTANCE OF BENEFITS.

''(a) CONSENT.—The acceptance or use of any of the benefits provided under this title by any affected Indian tribe or affected unit of local government shall not be deemed to be an expression of consent, express, or implied, either under the Constitution of the State or any law thereof, to the siting of an interim storage facility or repository in the State of Nevada, any provision of such Constitution or laws to the contrary notwithstanding.

''(b) ARGUMENT.—Neither the United States nor any other entity may assert any argument based on legal or equitable estoppel, or acquiescence, or waiver, or consensual involvement, in response to any decision by the State to oppose the siting in Nevada of an interim storage facility or repository premised upon or related to the acceptance or use of benefits under this title.

''(c) LIABILITY.—No liability of any nature shall accrue to be asserted against any official of any governmental unit of Nevada premised solely upon the acceptance or use of benefits under this title.

''SEC. 304. RESTRICTIONS ON USE OF FUNDS.

''None of the funding provided under this title may be used—

''(1) directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in section 1913 of title 18, United States Code;

''(2) for litigation purposes; and

''(3) to support multistate efforts or other coalition-building activities inconsistent with the purposes of this Act.

''SEC. 305. LAND CONVEYANCES.

''(a) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in subsection (b), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Nye, Nevada, unless the county notifies the Secretary of Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the

County of Nye under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Nye County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

''(b) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, and on file with the Secretary shall be conveyed under subsection (a) to the County of Nye, Nevada:

Map 1: Proposed Pahrump Industrial Park Site

Map 2: Proposed Lathrop Wells (Gate 510) Industrial Park Site

Map 3: Pahrump Landfill Sites

Map 4: Amargosa Valley Regional Landfill Site

Map 5: Amargosa Valley Municipal Landfill Site

Map 6: Beatty Landfill/Transfer Station Site

Map 7: Round Mountain Landfill Site

Map 8: Tonopah Landfill Site

Map 9: Gabbs Landfill Site.

''(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in subsection (b) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

''(4) EVIDENCE OF TITLE TRANSFERS.—Upon the request of the County of Nye, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

''TITLE IV—FUNDING AND ORGANIZATION

''SEC. 401. PROGRAM FUNDING.

''(a) CONTRACTS.—

''(1) AUTHORITY OF SECRETARY.—In the performance of the Secretary's functions under this Act, the Secretary is authorized to enter into contracts with any person who generates or holds title to spent nuclear fuel or high level radioactive waste of domestic origin for the acceptance of title and possession, transportation, interim storage, and disposal of such waste or spent fuel. Such contract shall provide for payment of annual fees to the Secretary in the amounts set by the Secretary pursuant to paragraphs (2) and (3). Except as provided in paragraph (3), fees assessed pursuant to this paragraph shall be paid to the Treasury of the United States and shall be available for use by the Secretary pursuant to this section until expended. Subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, the contracts executed under section 302(a) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act, provided that the Secretary shall consent to an amendment to such contracts as necessary to implement the provisions of this Act.

''(2) ANNUAL FEES.—

''(A) For electricity generated by civilian nuclear power reactors and sold between January 7, 1983, and September 30, 2002, the fee under paragraph (1) shall be equal to 1.0 mill per kilowatt hour generated and sold. For electricity generated by civilian nuclear power reactors and sold on or after October 1, 2002, the aggregate amount of fees collected during each fiscal year shall be no greater than the annual level of appropriations for expenditures on those activities consistent with subsection (d) for that fiscal year, minus—

''(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

''(ii) the percentage of such appropriation required to be funded by the Federal Government pursuant to section 403.

The Secretary shall determine the level of the annual fee for each civilian nuclear power reactor based on the amount of electricity generated and sold, except that the annual fee collected under this subparagraph shall not exceed 1.0 mill per kilowatt-hour generated and sold.

''(B) EXPENDITURES IF SHORTFALL.—If, during any fiscal year on or after October 1, 2002, the aggregate amount of fees assessed pursuant to subparagraph (A) is less than the annual level of appropriations for expenditures on those activities specified in subsection (d) for that fiscal year, minus—

''(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

''(ii) the percentage of such appropriations required to be funded by the Federal Government pursuant to section 403,

the Secretary may make expenditures from the Nuclear Waste Fund up to the level of the fees assessed.

''(C) RULES.—The Secretary shall, by rule, establish procedures necessary to implement this paragraph.

''(3) ONE-TIME FEE.—For spent nuclear fuel or solidified high-level radioactive waste derived from spent nuclear fuel, which fuel was used to generate electricity in a civilian nuclear power reactor prior to January 7, 1983, the fee shall be in an amount equivalent to an average charge of 10 mill per kilowatt-hour for electricity generated by such spent nuclear fuel, or such solidified high-level waste derived therefrom. Payment of such one-time fee prior to the date of enactment of the Nuclear Waste Policy Act of 1996 shall satisfy the obligation imposed under this paragraph. Any one-time fee paid and collected subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996 pursuant to the contracts, including any interest due pursuant to such contracts, shall be paid to the Nuclear Waste Fund no later than September 30, 2002. The Commission shall suspend the license of any licensee who fails or refuses to pay the full amount of the fee referred to in this paragraph on or before September 30, 2002, and the license shall remain suspended until the full amount of the fee referred to in this paragraph is paid. The person paying the fee under this paragraph to the Secretary shall have no further financial obligation to the Federal Government for the long-term storage and permanent disposal of spent fuel or high-level radioactive waste derived from spent nuclear fuel used to generate electricity in a civilian power reactor prior to January 7, 1983.

''(4) ADJUSTMENTS TO FEE.—The Secretary shall annually review the amount of the fees established by paragraphs (2) and (3), together with the existing balance of the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996, to evaluate whether collection of the fee will provide sufficient revenues to offset the costs as defined in subsection (c)(2). In the event the Secretary determines that the revenues being collected are either insufficient or excessive to recover the costs incurred by the Federal Government that are specified in subsection (c)(2), the Secretary shall propose an adjustment to the fee in subsection (c)(2) to ensure full cost recovery. The Secretary shall immediately transmit the proposal for such an adjustment to both houses of Congress.

''(b) ADVANCE CONTRACTING REQUIREMENT.—

''(1) IN GENERAL.—

''(A) LICENSE ISSUANCE AND RENEWAL.—The Commission shall not issue or renew a license to any person to use a utilization or production facility under the authority of section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) unless—

''(i) such person has entered into a contract under subsection (a) with the Secretary; or

''(ii) the Secretary affirms in writing that such person is actively and in good faith negotiating with the Secretary for a contract under this section.

''(B) PRECONDITION.—The Commission, as it deems necessary or appropriate, may require as a precondition to the issuance or renewal of a license under section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) that the applicant for such license shall have entered into an agreement with the Secretary for the disposal of spent nuclear fuel and high-level radioactive waste that may result from the use of such license.

''(2) DISPOSAL IN REPOSITORY.—Except as provided in paragraph (1), no spent nuclear fuel or high-level radioactive waste generated or owned by any person (other than a department of the United States referred to in section 101 or 102 of title 5, United States Code) may be disposed of by the Secretary in the repository unless the generator or owner of such spent fuel or waste has entered into a contract under subsection (a) with the Secretary by not later than the date on which such generator or owner commences generation of, or takes title to, such spent fuel or waste.

''(3) ASSIGNMENT.—The rights and duties of contract holders are assignable.

''(c) NUCLEAR WASTE FUND.—

''(1) IN GENERAL.—The Nuclear Waste Fund established in the Treasury of the United States under section 302(c) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act and shall consist of—

''(A) the existing balance in the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996; and

''(B) all receipts, proceeds, and recoveries realized under subsections (a), and (c)(3) subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, which shall be deposited to the Nuclear Waste Fund immediately upon their realization.

''(2) USE.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to subsections (d) and (e), only for purposes of the integrated management system.

''(3) ADMINISTRATION OF NUCLEAR WASTE FUND.—

''(A) IN GENERAL.—The Secretary of the Treasury shall hold the Nuclear Waste Fund and, after consultation with the Secretary, annually report to the Congress on the financial condition and operations of the Nuclear Waste Fund during the preceding fiscal year.

''(B) AMOUNTS IN EXCESS OF CURRENT NEEDS.—If the Secretary determines that the Nuclear Waste Fund contains at any time amounts in excess of current needs, the Secretary may request the Secretary of the Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

''(i) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Nuclear Waste Fund; and

''(ii) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such investments, except that the interest rate on such

investments shall not exceed the average interest rate applicable to existing borrowings.

''(C) EXEMPTION.—Receipts, proceeds, and recoveries realized by the Secretary under this section, and expenditures of amounts from the Nuclear Waste Fund, shall be exempt from annual apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

''(d) BUDGET.—The Secretary shall submit the budget for implementation of the Secretary's responsibilities under this Act to the Office of Management and Budget annually along with the budget of the Department of Energy submitted at such time in accordance with chapter 11 of title 31, United States Code. The budget shall consist of the estimates made by the Secretary of expenditures under this Act and other relevant financial matters for the succeeding 3 fiscal years, and shall be included in the budget of the United States Government.

''(e) APPROPRIATIONS.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to appropriations, which shall remain available until expended.

''SEC. 402. OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT.

''(a) ESTABLISHMENT.—There hereby is established within the Department of Energy an Office of Civilian Radioactive Waste Management. The Office shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(b) FUNCTIONS OF DIRECTOR.—The Director of the Office shall be responsible for carrying out the functions of the Secretary under this Act, subject to the general supervision of the Secretary. The Director of the Office shall be directly responsible to the Secretary.

''SEC. 403. FEDERAL CONTRIBUTION.

''(a) ALLOCATION.—No later than one year from the date of enactment of the Nuclear Waste Policy Act of 1996, acting pursuant to section 553 of title 5, United States Code, the Secretary shall issue a final rule establishing the appropriate portion of the costs of managing spent nuclear fuel and high-level radioactive waste under this Act allocable to the interim storage or permanent disposal of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors. The share of costs allocable to the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors shall include,

''(1) an appropriate portion of the costs associated with research and development activities with respect to development of an interim storage facility and repository; and

''(2) as appropriate, interest on the principal amounts due calculated by reference to the appropriate Treasury bill rate as if the payments were made at a point in time consistent with the payment dates for spent nuclear fuel and high-level radioactive waste under the contracts.

''(b) APPROPRIATION REQUEST.—In addition to any request for an appropriation from the Nuclear Waste Fund, the Secretary shall request annual appropriations from general revenues in amounts sufficient to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

''(c) REPORT.—In conjunction with the annual report submitted to Congress under Section 702, the Secretary shall advise the Congress annually of the amount of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent fuel from foreign research reactors, requiring management in the integrated management system.

''(d) AUTHORIZATION.—There is authorized to be appropriated to the Secretary, from general revenues, for carrying out the purposes of this Act, such sums as may be necessary to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

''TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

''SEC. 501. COMPLIANCE WITH OTHER LAWS.

''If the requirements of any Federal, State, or local law (including a requirement imposed by regulation or by any other means under such a law) are inconsistent with or duplicative of the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) or of this Act, the Secretary shall comply only with the requirements of the Atomic Energy Act of 1954 and of this Act in implementing the integrated management system.

''SEC. 502. JUDICIAL REVIEW OF AGENCY ACTIONS.

''(a) JURISDICTION OF THE UNITED STATES COURTS OF APPEALS.—

''(1) ORIGINAL AND EXCLUSIVE JURISDICTION.—Except for review in the Supreme Court of the United States, and except as otherwise provided in this Act, the United States courts of appeals shall have original and exclusive jurisdiction over any civil action—

''(A) for review of any final decision or action of the Secretary, the President, or the Commission under this Act;

''(B) alleging the failure of the Secretary, the President, or the Commission to make any decision, or take any action, required under this Act;

''(C) challenging the constitutionality of any decision made, or action taken, under any provision of this Act; or

''(D) for review of any environmental impact statement prepared or environmental assessment pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any action under this Act or alleging a failure to prepare such statement with respect to any such action.

''(2) VENUE.—The venue of any proceeding under this section shall be in the judicial circuit in which the petitioner involved resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit.

''(b) DEADLINE FOR COMMENCING ACTION.—A civil action for judicial review described under subsection (a)(1) may be brought no later than 180 days after the date of the decision or action or failure to act involved, as the case may be, except that if a party shows that he did not know of the decision or action complained of (or of the failure to act), and that a reasonable person acting under the circumstances would not have known, such party may bring a civil action no later than 180 days after the date such party acquired actual or constructive knowledge or such decision, action, or failure to act.

''(c) APPLICATION OF OTHER LAW.—The provisions of this section relating to any matter shall apply in lieu of the provisions of any other Act relating to the same matter.

''SEC. 503. LICENSING OF FACILITY EXPANSIONS AND TRANSSHIPMENTS.

''(a) ORAL ARGUMENT.—In any Commission hearing under section 189 of the Atomic Energy Act of 1954 (42 U.S.C. 2239) on an application for a license, or for an amendment to an existing license, filed after January 7, 1983, to expand the spent nuclear fuel storage capacity at the site of a civilian nuclear power reactor, through the use of high-density fuel storage racks, fuel rod compaction, the transshipment of spent nuclear fuel to another civilian nuclear power reactor within the same utility system, the construction of additional spent nuclear fuel pool capacity or dry storage capacity, or by other means, the Commission shall, at the request of any party, provide an opportunity for oral argument with respect to any matter which the Commission determines to be in controversy among the parties. The oral argument shall be preceded by such discovery procedures as the rules of the Commission shall provide. The Commission shall require each party, including the Commission staff, to submit in written form, at the time of the oral argument, a summary of the facts, data, and arguments upon which such party proposes to rely that are known at such time to such party. Only facts and data in the form of sworn testimony or written submission may be relied upon by the parties during oral argument. Of the materials that may be submitted by the parties during oral argument, the Commission shall only consider those facts and data that are submitted in the form of sworn testimony or written submission.

''(b) ADJUDICATORY HEARING.—

''(1) DESIGNATION.—At the conclusion of any oral argument under subsection (a), the Commission shall designate any disputed question of fact, together with any remaining questions of law, for resolution in an adjudicatory hearing only if it determines that—

''(A) there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in an adjudicatory Hearing, and

''(B) the decision of the Commission is likely to depend in whole or in part on the resolution of such dispute.

''(2) DETERMINATION.—In making a determination under this subsection, the Commission—

''(A) shall designate in writing the specific facts that are in genuine and substantial dispute, the reason why the decision of the agency is likely to depend on the resolution of such facts, and the reason why an adjudicatory hearing is likely to resolve the dispute; and

''(B) shall not consider—

''(i) any issue relating to the design, construction, or operation of any civilian nuclear power reactor already licensed to operate at such site, or any civilian nuclear power reactor to which a construction permit has been granted at such site, unless the Commission determines that any such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered; or

''(ii) any siting or design issue fully considered and decided by the Commission in connection with the issuance of a construction permit or operating license for a civilian nuclear power reactor at such site, unless

''(I) such issue results from any revision of siting or design criteria by the Commission following such decision; and

''(II) the Commission determines that such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered.

''(3) APPLICATION.—The provisions of paragraph (2)(B) shall apply only with respect to licenses, authorizations, or amendments to licenses or authorizations, applied for under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) before December 31, 1005.

''(4) CONSTRUCTION.—The provisions of this section shall not apply to the first application for a license or license amendment received by the Commission to expand onsite spent fuel storage capacity by the use of a new technology not previously approved for use at any nuclear power plant by the Commission.

''(c) JUCIDICAL REVIEW.—No court shall hold unlawful or set aside a decision of the Commission in any proceeding described in subsection (a) because of a failure by the Commission to use a particular procedure pursuant to this section unless—

''(1) an objection to the procedure used was presented to the Commission in a timely fashion or there are extraordinary circumstances that excuse the failure to present a timely objection; and

''(2) the court finds that such failure has precluded a fair consideration and informed resolution of a significant issue of the proceeding taken as a whole.

''SEC. 504. SITING A SECOND REPOSITORY.

''(a) CONGRESSIONAL ACTION REQUIRED.—The Secretary may not conduct site-specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

''(b) REPORT.—The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

''SEC. 505. FINANCIAL ARRANGEMENTS FOR LOW-LEVEL RADIOACTIVE WASTE SITE CLOSURE.

''(a) FINANCIAL ARRANGEMENTS.—

''(1) STANDARDS AND INSTRUCTIONS.—The Commission shall establish by rule, regulation, or order, after public notice, and in accordance with section 181 of the Atomic Energy Act of 1954 (42 U.S.C. 2231), such standards and instructions as the Commission may deem necessary or desirable to ensure in the case of each license for the disposal of low-level radioactive waste that an adequate bond, surety, or other financial arrangement (as determined by the Commission) will be provided by a licensee to permit completion of all requirements established by the Commission for the decontamination, decommissioning, site closure, and reclamation of sites, structures, and equipment used in conjunction with such low-level radioactive waste. Such financial arrangements shall be provided and approved by the Commission, or, in the case of sites within the boundaries of any agreement State under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021), by the appropriate State or State entity, prior to issuance of licenses for low-level radioactive waste disposal or, in the case of licenses in effect on January 7, 1983, prior to termination of such licenses.

''(2) BONDING, SURETY, OR OTHER FINANCIAL ARRANGEMENTS.—If the Commission determines that any long-term maintenance or monitoring, or both, will be necessary at a site described in paragraph (1), the Commission shall ensure before termination of the license involved that the licensee has made available such bonding, surety, or other financial arrangements as may be necessary to ensure that any necessary long-term maintenance or monitoring needed for such site will be carried out by the person having title and custody for such site following license termination.

''(b) TITLE AND CUSTODY.—

''(1) AUTHORITY OF SECRETARY.—The Secretary shall have authority to assume title and custody of low-level radioactive waste and the land on which such waste is disposed of, upon request of the owner of such waste and land and following termination of the license issued by the Commission for such disposal, if the Commission determines that—

''(A) the requirements of the Commission for site closure, decommissioning, and decontamination have been met by the licensee involved and that such licensee is in compliance with the provisions of subsection (a);

''(B) such title and custody will be transferred to the Secretary without cost to the Federal Government; and

''(C) Federal ownership and management of such site is necessary or desirable in order to protect the public health and safety, and the environment.

''(2) PROTECTION.—If the Secretary assumes title and custody of any such waste and land under this subsection, the Secretary shall maintain such waste and land in a manner that will protect the public health and safety, and the environment.

''(c) SPECIAL SITES.—If the low-level radioactive waste involved is the result of a licensed activity to recover zirconium, hafnium, and rare earths from source material, the Secretary, upon request of the owner of the site involved, shall assume title and custody of such waste and the land on which it is disposed when such site has been decontaminated and stabilized in accordance with the requirements established by the Commission and when such owner has made adequate financial arrangements approved by the Commission for the long-term maintenance and monitoring of such site.

''SEC. 506. NUCLEAR REGULATORY COMMISSION TRAINING AUTHORIZATION.

''The Commission is authorized and directed to promulgate regulations, or other appropriate regulatory guidance, for the training and qualifications of civilian nuclear power plant operators, supervisors, technicians, and other appropriate operating personnel. Such regulations or guidance shall establish simulator training requirements for applicants for civilian nuclear power plant operator licenses and for operator requalification programs; requirements governing Commission administration of requalification examinations; requirements for operating tests at civilian nuclear power plant simulators, and instructional requirements for civilian nuclear power plant licensee personnel training programs.

''SEC. 507. EMPLACEMENT SCHEDULE.

''(a) The emplacement schedule shall be implemented in accordance with the following:

''(1) Emplacement priority ranking shall be determined by the Department's annual 'Acceptance Priority Ranking' report.

''(2) The Secretary's spent fuel emplacement rate shall be no less than the following: 1,200 MTU in fiscal year 2000 and 1,200 MTU in fiscal year 2001; 2,000 MTU in fiscal year 2002 and 2000 MTU in fiscal year 2003; 2,700 MTU in fiscal year 2004; and 3,000 MTU annually thereafter.

''(b) If the Secretary is unable to begin emplacement by January 31, 1999 at the rates specified in subsection (a), or if the cumulative amount emplaced in any year thereafter is less than that which would have been accepted under the emplacement rate specified in subsection (a), the Secretary shall, as a mitigation measure, adjust the emplacement schedule upward such that within 5 years of the start of emplacement by the Secretary,

''(1) the total quantity accepted by the Secretary is consistent with the total quantity that the Secretary would have accepted if the Secretary had began emplacement in fiscal year 2000, and

''(2) thereafter the emplacement rate is equivalent to the rate that would be in place pursuant to paragraph (a) above if the Secretary had commenced emplacement in fiscal year 2000.

''SEC. 508. TRANSFER OF TITLE.

''(a) Acceptance by the Secretary of any spent nuclear fuel or high-level radioactive waste shall constitute a transfer of title to the Secretary.

''(b) No later than 6 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary is authorized to accept all spent nuclear fuel withdrawn from Dairyland Power Cooperative's La Crosse Reactor and, upon acceptance, shall provide Dairyland Power Cooperative with evidence of the title transfer. Immediately upon the Secretary's acceptance of such spent nuclear fuel, the Secretary shall assume all responsibility and liability for the interim storage and permanent disposal thereof and is authorized to compensate Dairyland Power Cooperative for any costs related to operating and maintaining facilities necessary for such storage from the date of acceptance until the Secretary removes the spent nuclear fuel from the La Crosse Reactor site.

''SEC. 509. DECOMMISSIONING PILOT PROGRAM.

''(a) AUTHORIZATION.—The Secretary is authorized to establish a Decommissioning Pilot Program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Arkansas.

''(b) FUNDING.—No funds from the Nuclear Waste Fund may be used for the Decommissioning Pilot Program.

''SEC. 510. WATER RIGHTS.

''(a) NO FEDERAL RESERVATION.—Nothing in this Act or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising under this Act.

''(b) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER NEVADA LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities under this Act pursuant to the substantive and procedural requirements of the State of Nevada. Nothing in this Act shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands.

''(c) EXERCISE OF WATER RIGHTS GENERALLY UNDER NEVADA LAWS.—Nothing in this Act shall be construed to limit the exercise of water rights as provided under Nevada State laws

''TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

''SEC. 601. DEFINITIONS.

''For purposes of this title—

''(1) CHAIRMAN.—The term 'Chairman' means the Chairman of the Nuclear Waste Technical Review Board.

''(2) BOARD.—The term 'Board' means the Nuclear Waste Technical Review Board continued under section 602.

''SEC. 602. NULCEAR WASTE TECHNICAL REVIEW BOARD.

''(a) CONTINUATION OF THE NUCLEAR WASTE TECHNICAL REVIEW BOARD.—The Nuclear Waste Technical Review Board, established under section 502(a) of the Nuclear Waste Policy Act of 1982 as constituted prior to the date of enactment of the Nuclear Waste Policy Act of 1996, shall continue in effect subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996.

''(b) MEMBERS.—

''(1) NUMBER.—The Board shall consist of 11 members who shall be appointed by the President not later than 90 days after December 22, 1987, from among persons nominated by the National Academy of Sciences in accordance with paragraph (3).

''(2) CHAIR.—The President shall designate a member of the Board to serve as Chairman.

''(3) NATIONAL ACADEMY OF SCIENCES.—

''(A) NOMINATIONS.—The National Academy of Sciences shall, not later than 90 days after

December 22, 1987, nominate not less than 22 percent for appointment to the Board from among persons who meet the qualifications described in subpagaraph (C).

(B) VACANCIES.—The National Academy of Sciences shall nominate not less than 2 persons to fill any vacany on the Board from among persons who meet the qualifications described in subparagraph (C).

''(C) NOMINEES.—

''(i) Each person nominated for appointment for the Board shall be—

''(I) eminent in a field of science or engineering, including environmental sciences; and

''(II) selected swolely on the basis of established records of distinguished service.

''(ii) The membership of the Board shall be representatives of the broad range of scientific and engineering disciplines related to activities under this title.

''(iii) No person shall be nominated for appointment to the Board who is an employee of—

''(I) the Department of Energy;

''(II) a national laboratory under contract with the Department of Energy; or

''(III) an entity performing spent nuclear fuel or high-level radioactive waste activities under contract with the Department of Energy.

''(4) VACANCIES.—Any vacancy on the Board shall be filed by the nomination and appointment process described in paragraphs (1) and (3).

''(5) TERMS.—Members of the Board shall be appointed for terms of 4 years, each such term to commence 120 days after December 22, 1987, except that of the 11 members first appointed to the Board, 5 shall serve for 22 years and 6 shall serve for 4 years, to be designated by the President at the time of appointment, except that a member of the Board whose term has expired may continue to serve as a member of the Board until such member's successor has taken office.

''SEC. 603 FUNCTIONS.

''The Board shall limit its evaluations to the technical and scientific validity solely of the following activities undertaken directly by the Secretary after December 22, 1987—

''(1) site characterization activities; and

''(2) activities of the Secretary relating to the packaging or transportation of spent nuclear fuel or high-level radioactive waste.

''SEC. 604. INVESTIGATORY POWERS.

''(a) HEARINGS.—Upon request of the Chairman or a majority of the members of the Board, the Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. The Secretary or the Secretary's designee or designees shall not be required to appear before the Board or any element of the Board for more than twelve working days per calendar year.

''(b) PRODUCTION OF DOCUMENTS.—

''(1) RESPONSE TO INQUIRIES.—Upon the request of the Chairman or a majority of the members of the Board, and subject to existing law, the Secretary (or any contractor of the Secretary) shall provide the Board with such records, files, papers, data, or information that is generally available to the public as may be necessary to respond to any inquiry of the Board under this title.

''(2) EXTENT.—Subject to existing law, information obtainable under paragraph (1) may include drafts of products and documentation of work in progress.

''SEC. 605. COMPENSATION OF MEMBERS.

''(a) IN GENERAL.—Each member of the Board shall be paid at the rate of pay available for level III of the Executive Schedule for each day (including travel time) such member is engaged in the work of the Board.

''(b) TRAVEL EXPENSES.—Each member of the Board may receive travel expenses, including per diem in lieu of subsistence, in the same manner as is permitted under sections 5702 and 5703 of title 5, United States Code.

''SEC. 606. STAFF.

''(a) CLERICAL STAFF.—

''(1) AUTHORITY OF CHAIRMAN.—Subject to paragraph (2), the Chairman may appoint and fix the compensation of such clerical staff as may be necessary to discharge the responsibilities of the Board.

''(2) PROVISIONS OF TITLE 5.—Clerical staff shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 3 of such title relating to classification and General Schedule pay rates.

''(b) PROFESSIONAL STAFF.—

''(1) AUTHORITY OF CHAIRMAN.—Subject to paragraphs (2) and (3), the Chairman may appoint and fix the compensation of such professional staff as may be necessary to discharge the responsibilities of the Board.

''(2) NUMBER.—Not more than 10 professional staff members may be appointed under this subsection.

''(3) TITLE 5.—Professional staff members may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

''SEC. 607. SUPPORT SERVICES.

''(a) GENERAL SERVICES.—To the extent permitted by law and requested by the Chairman the Administrator of General Services shall provide the Board with necessary administrative services. facilities, and support on a reimbursable basis.

''(b) ACCOUNTING, RESEARCH, AND TECHNOLOGY ASSESSMENT SERVICES.—The Comptroller General and the Librarian of Congress shall, to the extent permitted by law and subject to the availability of funds, provide the Board with such facilities, support, funds and services, including staff, as may be necessary for the effective performance of the functions of the Board.

''(c) ADDITIONAL SUPPORT.—Upon the request of the Chairman, the Board may secure directly from the head of any department or agency of the United States information necessary to enable it to carry out this title.

''(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

''(e) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Board, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule

''SEC. 608. REPORT.

''The Board shall report not less than 2 times per year to Congress and the Secretary its findings, conclusions, and recommendations.

''SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated for expenditures such sums as may be necessary to carry out the provisions of this title.

''SEC. 610. TERMINATION OF THE BOARD.

''The Board shall cease to exist not later than one year after the date on which the Secretary begins disposal of spent nuclear fuel or high-level radioactive waste in the repository.

''TITLE VII—MANAGEMENT REFORM

''SEC. 701. MANAGEMENT REFORM INITIATIVES.

''(a) IN GENERAL.—The Secretary is directed to take actions as necessary to improve the management of the civilian radioactive waste management program to ensure that the program is operated, to the maximum extent practicable, in like manner as a private business.

''(b) AUDITS.—

''(1) STANDARD.—The Office of Civilian Radioactive Waste Management, its contractors, and subcontractors at all tiers, shall conduct, or have conducted, audits and examinations of their operations in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects consistent with its role in the program.

''(2) TIME.—The management practices and performances of the Office of Civilian Radioactive Waste Management shall be audited every 5 years by an independent management consulting firm with significant experience in similar audits of private corporations engaged in large nuclear construction projects. The first such audit shall be conducted 5 years after the enactment of the Nuclear Waste Policy Act of 1996.

''(3) COMPTROLLER GENERAL.—The Comptroller General of the United States shall annually make an audit of the Office, in accordance with such regulations as the Comptroller General may prescribe. The Comptroller General shall have access to such books, records, accounts, and other materials of the Office as the Comptroller General determines to be necessary for the preparation of such audit. The Comptroller General shall submit to the Congress a report on the results of each audit conducted under this section.

''(4) TIME.—No audit contemplated by this subsection shall take longer than 30 days to conduct. An audit report shall be issued in final form no longer than 60 days after the audit is commenced.

''(5) PUBLIC DOCUMENTS.—All audit reports shall be public documents and available to any individual upon request.

''(d) VALUE ENGINEERING.—The Secretary shall create a value engineering function within the Office of Civilian Radioactive Waste Management that reports directly to the Director, which shall carry out value engineering functions in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects.

''(e) Site Characterization.—The Secretary shall employ, on an on-going basis, integrated performance modeling to identify appropriate parameters for the remaining site characterization effort and to eliminate studies of parameters that are shown not to affect long-term repository performance.

''SEC. 702. REPORTING.

''(a) INITIAL REPORT.—Within 180 days of enactment of this section, the Secretary shall report to Congress on its planned actions for implementing the provisions of this Act, including the development of the Integrated Waste Management System. Such report shall include—

''(1) an analysis of the Secretary's progress in meeting its statutory and contractual obligation to accept title to, possession of, and delivery of spent nuclear fuel and high-level radioactive waste beginning no later than November 30, 1999, and in accordance with the acceptance schedule;

''(2) a detailed schedule and timeline showing each action that the Secretary intends to take to meet the Secretary's obligations under this Act and the contracts;

''(3) a detailed description of the Secretary's contingency pans in the event that the Secretary is unable to meet the planned schedule and timeline; and

''(4) an analysis by the Secretary of its funding needs for fiscal year 1997 through 2001.

''(b) ANNUAL REPORTS.—On each anniversary of the submittal of the report required by subsection (a), the Secretary shall make annual, reports to the Congress for the purpose of updating the information contained in such report. The annual reports shall be brief and shall notify the Congress of:

''(1) any modifications to the Secretary's schedule and timeline for meeting its obligations under this Act;

''(2) the reasons for such modifications, and the status of the implementation of any of the Secretary's contingency plan; and

''(3) Secretary's analysis of its funding needs for the ensuing 5 fiscal years.

''SEC. 703. EFFECTIVE DATE.

''This Act shall become effective one day after enactment.''.

THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

MCCAIN (AND OTHERS) AMENDMENT NO. 5017

Mr. MCCAIN (for himself, Mr. COATS, Mr. CRAIG, Mr. D'AMATO, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAMS, Mr. INHOFE, Mr. LEVIN, Mr. LOTT, and Ms. MOSELEY-BRAUN) proposed an amendment to the bill (H.R. 3540) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes; as follows:

On page 198, between lines 17 and 18, insert the following:

INFORMATION ON COOPERATION WITH UNITED STATES ANTI-TERRORISM EFFORTS IN ANNUAL COUNTRY REPORTS ON TERRORISM

SEC. 580. Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f) is amended—

(1) in subsection (a)—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following:

''(3) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the investigation or prosecution of an act of international terrorism against United States citizens or interests, the certification of the Secretary—

''(A) whether or not the government of the foreign country is cooperating fully with the United States Government in apprehending, convicting, and punishing the individual or individuals responsible for the act; and

''(B) whether or not the government of the foreign country is cooperating fully with the United States Government in preventing further acts of terrorism against United States citizens in the foreign country; and

''(4) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the prevention of an act of international terrorism against such citizens or interests, the certification of the Secretary described in paragraph (3)(B).''; and

(2) in subsection (c)—

(A) by striking ''The report'' and inserting ''(1) Except as provided in paragraph (2), the report'';

(B) by indenting the margin of paragraph (1), as so designated, 2 ems; and

(C) by adding at the end the following:

''(2) If the Secretary determines that the transmittal of a certification with respect to a foreign country under paragraph (3) or (4) of subsection (a) in classified form would make more likely the cooperation of the government of the foreign country as specified in such paragraph, the Secretary may transmit the certification under such paragraph in classified form.''.

COVERDELL (AND OTHERS) AMENDMENT NO. 5018

Mr. COVERDELL (for himself, Mr. LOTT, Mr. HELMS, and Mr. GRASSLEY) proposed an amendment to the bill, H.R. 3540, supra; as follows:

On page 104, line 19, strike ''$1,290,000,000'' and insert ''$1,262,000,000''.

On page 124, line 20, strike ''$160,000,000'' and insert ''$213,000,000''.

On page 138, line 5, strike ''$295,000,000'' and insert ''$270,000,000''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Wednesday, July 24, 1996, session of the Senate for the purpose of conducting an oversight hearing on NASA's Space Station and Space Shuttle Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet Wednesday, July 24, at 9:30 a.m. to consider pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing Wednesday, July 24, immediately following the Committee's 9:30 Business Meeting, to receive testimony from Nils J. Diaz, nominated by the President to be a Member of the Nuclear Regulatory Commission, and Edward McGaffigan, Jr., nominated by the President to be a Member of the Nuclear Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 24, 1996, at 10:30 a.m. to conduct a Business Meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. GREGG. Mr. President. I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, July 24, at 4:00 p.m. for a hearing on the nomination of Franklin D. Raines, to be Director of the Office of Management and Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, July 24, 1996 at 9:30 a.m. in Room 485 of the Russell Senate Office Building to conduct a markup on the following: Committee markup of S. 199, the trading with Indian Act, Repeal; H.R. 3068, to revoke the Charter of the Prairie Island Indian Community; S. 1962, the Indian Child Welfare Act Amendments of 1996, H.R. 2464, Utah Schools and Land Improvement Act, Amendment, and S. 1893, the Torres-Martinez Desert Cahuilla Indians Claims Settlement Act; S. 1970, the National Museum of the American Indian Act Amendments of 1996; S. 1973, the Navajo/Hopi Land Dispute Settlement Act of 1996; and S. 1972 the Older American Indian Technical Amendments Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 24, 1996, at 10:00 a.m. to hold an executive business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday, July 24, 1996, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, July 24, 1996, beginning at 9:30 a.m. until business is completed, to hold a hearing on Public Access to Government Information in the 21st Century, Title 44/GPO—Government Input.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for an oversight hearing on Wednesday, July 24, 1996, which will begin at 3:00

p.m. in room 428A of the Russell Senate Office Building. The hearing is entitled ''Implementation of the Small Business Regulatory Enforcement Fairness Act of 1996.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. COCHRAN. The Committee on Veterans' Affairs would like to request unanimous consent to hold a markup on pending legislation at 10:00 a.m., on Wednesday, July 24, 1996. The markup will be held in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 24, 1996 at 9:30 a.m. to hold an open hearing on Intelligence Matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS OF THE SENATE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution, Federalism, and Property Rights of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Wednesday, July 24, 1996, at 2:00 p.m., in Senate Dirksen room 226, to hold a hearing on, ''Reauthorization of the U.S. Commission on Civil Rights.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND REGULATORY RELIEF

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Financial Institutions and Regulatory Relief of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, July 24, 1996, to conduct a hearing regarding the condition of consumer credit, the implications of consumer credit trends and the risks they impose on financial institutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FINANCIAL MANAGEMENT AND ACCOUNTABILITY

Mr. COCHRAN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Subcommittee on Financial Management and Accountability to meet on Wednesday, July 24, at 10:00 a.m. for a hearing on the S. 1434, Biennial Budgeting Act of 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ENDING WELFARE WITH COMPASSION

● Mrs. MURRAY. Mr. President, yesterday we debated a welfare bill that will have far-reaching impacts, and I'd like to draw your attention to the words used in the debate, and to a handful of them in particular. One word you heard is the word ''children.''

For quite a while now, I have been amazed at how many debates happen on the Senate floor in which we do not hear this word, and do not spend enough time considering the actual children the word represents. It's ironic to me that so much of our attention in the welfare debate has been focused on children. I know everyone here cares; I know we have all strived, and tried to protect children. I want to be able to say we've done everything we can—and we almost have gotten over that line, but it is with great personal regret that I say I think we could have done just a bit more.

The bill we sent out yesterday will change the lives of all children in this country, and could have dire implications for many of them. All of us were children, many of us have children, and some of us are currently raising children—I know this word is not exclusive or partisan.

I just hope after today each of us will continue to use this word in other debates, and always keep children in our thoughts.

Another word you've heard quite a bit is welfare. I think people in this country have varying levels of understanding about all the services we call ''welfare'' and what they do. But it's obvious from the bill we considered that many Americans these days share a wish to end welfare programs.

In my view, the welfare reform debate here in the Senate will officially end with the final passage of this bill. I hope that it will finally be a bill we can all support. However, a whole new discussion must now begin—a discussion about the needs of children in families from any income category, and about how we as adults will create new opportunities for them.

I think the welfare reform debate we've been having is really part of a larger discussion about something people often mention here—personal responsibility.

I am in favor—and I've said this many times before—of asking Americans to remember not only their rights, but also their responsibilities. What we are asking from people in this country who are on public assistance, is to do every thing they can to contribute to our society and economy, in exchange for the help all other taxpaying citizens are making possible. Whether it's work, or training for work, we need people to end their own dependency on outside assistance and contribute to the work of this great Nation.

But when we talk about personal responsibility, all Americans must recall those eloquent words from President John F. Kennedy on this topic. Each of us in this country must think about our own responsibility, whether we are on public assistance, or are calling for its reform.

Whether you ask the American public generally, or people on public assistance themselves, you will hear about the problems with welfare. Welfare has created a cycle of dependence. Welfare sets up perverse incentives, which actually discourage work. Welfare has been around long enough for everyone to see its effects, but though it has helped many people, it has not turned around the prospects of thousands of poor people living in a rich Nation.

As long as we all know what we mean by welfare, I agree with these statements, and I think we are obligated to change this system to address these problems.

When I say we need to agree about what welfare is, I'm thinking of the many stereotypes, attacks and characterizations we hear. I think welfare has become a negative word in this country people use to beat up on poor women and children. And, if this week we have stopped supporting programs that create that kind of thinking, and started to support individual people in ways that will make them more independent, then we've made a good first step.

I'm also thinking about the real picture—at least in my State—of who is on welfare. In my State, the most common profile is a single mother, age 29, with two children. Three-fourths of the time she is white, more than half of the time she became a mother as a teenager. Almost 60 percent of the time, her youngest child is more than 3 years old.

We know that getting a woman who fits this description into a job is a little easier in my State than many others, but we also know we need different strategies to get many different types of people back into work, or into work for the first time.

We know that each of these women has prior experiences that affect their reliance on public assistance. We know their experiences with work are important, as are their experiences with education and skill training, and other factors such as literacy, learning disability, and domestic violence. We need to remember this as localities design different strategies, or it just won't work.

Despite all we know about our welfare system and people who are on public assistance, I think most of us still agree that what we have now isn't doing the job.

So, the people of this country are demanding new tools that work better, and the demand has been heard here. The will of the Senate is to change, fundamentally, the way public assistance will work. I just worry that we have not adequately protected the ones who are not making the decisions—the kids.

The effect of last night's Senate action will be to put the brakes on our current system of public assistance, so we can embark in a new direction. This will be difficult. People will need all of our help making this transition.

This is not an ending; it is a beginning. We must remember that previous Senates designed our current system in response to problems of chronic poverty and joblessness in our past. Those problems have not gone away. But we need new solutions. We need to end welfare, or at least the negative welfare debate, as it stands. But the basic health and educational needs of children don't go away, just because of the votes we take here.

The Senate debated many amendments, some of which passed, and some of which did not. As we debated these, I was preparing to support the bill. I wanted to amend the bill to improve it the point I could lend my support. As it turned out, each time we were able to pass an amendment, we seemed to lose another that had far-reaching impacts.

I will highlight some of these amendments now because they are very important to whether we ultimately send a bill to the President he can sign. Some things that we fought for yesterday we should keep and improve as the bill moves forward:

First, I have fought very hard along with my Democratic colleagues to stave off repeal of American's guarantee of health services under Medicaid. In my State, over a third of the people who get medical assistance aren't on welfare—they're in low-income working families.

I want all people who are served by Medicaid to work, or be in training, or contribute what they can. We have many people in this country who are not on public assistance, who don't get health insurance where they work. I want to make that easier. All children, regardless of income, should be free from worry about health care coverage.

But, in this bill as it came to the floor, the Senate put at risk the health care of hundreds of Washington State citizens, just as they are trying to get into the work force—where they face the prospect of minimal or no health insurance coverage.

Fortunately, the Senate supported the Breaux-Chafee-Murray amendment continuing this health coverage. We need to support people, so they can make the transition, and can add to the economy instead of subtracting.

Second, when this bill came to the floor, it still had potential to seriously damage the nutrition of many children and families in my State. About 250,000 children in my State now receive some food stamp benefit—and today we passed the Conrad-Murray amendment so that we do not to jeopardize the nutrition of these families while they make the transition from welfare to work.

Third, when we think of child nutrition, we frequently think of our important program that helps provide school lunch and breakfast. A related program makes sure kids who need it also have access to meals in the summer—at their community center, at a school, or wherever children and adults gather for summer activities. This is the Summer Food Program. Under this bill, these children faced a 23-cent-per-meal cut to this service, which could have forced 60 percent of the programs in my State to close their doors.

We know that children's hunger doesn't stop just because it's summer and they can't get school lunch. Children who rely on school lunch get from one-third to one-half of their daily nutrition from that meal. So, I offered and passed an amendment to seek improvement for the Summer Food Program. My goal is to keep more of the 25,000 children in Washington State in line for a nutritious meal.

Fourth, we must provide educational opportunity to people if we are trying to get them off public assistance. To send people who cannot read out looking for jobs that are not there is just too much to expect. We must allow adults to complete their basic education or G.E.D. We must allow people to stay in training for 24 months—that's the length of most training programs. And we must let States have a larger percentage of people in training. The Simon-Murray literacy amendment does these things, and I'm happy the Senate chose to include it.

I was also glad we held off amendments and efforts to use lack of education as an excuse to penalize people on public assistance. We've got to get them educated. States know how to do this and will achieve great things.

Fifth, we must give parents the peace of mind that when they have taken their daughter or son to the child care center, that at least the minimum health and safety requirements are being followed. Also, parents want quality in child care, not just safety, so I'm glad the Senate bill's deficiencies on these two topics were remedied through amendments.

There are other improvements, made by the majority party, made in committee, and made yesterday on the floor. I hope the final bill retains them. I hope I get a chance to support them out of the Senate, so the President can sign a bill that is very close to wide bipartisan agreement. Such a bill won't be overly detrimental to children.

Unfortunately, there are other areas where this bill still just did not meet my internal test. With the kids in mind, I simply could not support the following:

Item A: We are trying to shift from reliance on cash assistance. In Washington State, 186,000 children receive basic assistance under AFDC. Under a 5-year time limit, 60,203 children would be eliminated from the program, and that number would increase to 118,915 under a 2-year limit.

What we do for these children instead of AFDC will make the difference in their well-being, because they are still going to need help after this welfare bill is signed. By rejecting attempts even to allow States to provide noncash assistance to kids, we made this bill impossible to support. I want the conference committee, when looking to create a bipartisan bill—at a minimum—to include provisions to allow States the flexibility denied them by one vote in the Senate yesterday.

Item B: Even with the Conrad-Murray amendment on food stamps, this bill cuts $4 billion deeper than the Senate-passed bill I supported. We've got to get people off public assistance, but the children must have food to eat, especially if the parents are in a struggle to change their entire way of life. The reality is, any deep cut to food stamps directly affects the children.

Item C: The bill's effects will fall on women 75 percent of the time.

Item D: Even legal immigrants face enormous challenges under this bill, and our communities will face similar challenges in assuring the public health because of it. These are people who are working toward citizenship, like all of our parents or ancestors. We should be firm about what we ask of people striving for American opportunity. But whatever we ask of these adults, we should have made allowances for their children, and so far, we have not.

Item E: As many as 300,000 American children with disabilities will lose social security income assistance under this bill.

Item F: The administration sent Chairman ROTH a letter predicting as many as 1.5 million children could be thrown into poverty under last year's bill. We don't know the exact number for this bill, but we can assume it would be a bit lower and in the same ballpark. I have asked the administration for updated figures. I just could not support doing this when we did not have very clear answers about what will happen for those children whose parents cannot find success under the new system. We need to provide a few more handles for the kids of those Americans struggling to end this dependence.

All of these facts are why this Senate must remain vigilant in talks with the House. I go on record saying that provisions in these essential areas—of noncash assistance, of child nutrition, of child health, of child care, of adult education and monitoring are make-or-break issues for ensuring a workable final product. I support welfare reform. I thought yesterday's bill was going to be it. But, I could not, and cannot vote for a bill that fails children in this way.

Many of you know that I supported the Senate welfare bill last year, and I wanted to do it yesterday. I am in favor of welfare reform, and I think we are very, very close. Let me emphasize this one more time. We have not debated the merits of limiting the time a person can be on welfare, because we agree there should be strict limits. What we have been debating is what we do while someone is on welfare to prepare that person to enter the work force. At the end of this debate, the answer is not clear one bit.

The Senate must remain vigilant about the effects of this bill in the real

world outside these walls. The States, localities, and individual people in this country who have asked for this fundamental change must now take on the hard work and the responsibility they have demanded.

States and local governments and—best of all—community groups of regular American citizens, are showing that much of the best work of government is done locally, with direct input from the people served.

I have no doubt that States will work to get people on the path to success. Just to be sure, I am glad the Senate adopted the amendment Senator KERRY and I worked on, requiring States to take corrective action as soon as indicators show effects from this bill that increase child poverty.

I just want to make sure we all understand—inside and outside this building today—exactly what we are doing here as we move ahead with this bill, and what that will mean. This bill today only tells the people what the Federal Government is not going to do any more. In its wake, we will be left with a clear picture of how much work all of us have left to do.

Localities are clearly the best places to make many decisions in our Government. The Federal Government should be the place where national standards are set—so that a child in any State in this country gets what she or he needs to grow up healthy, educated, and able to contribute to society as an adult.

Every child needs these things, and our country's economy and heritage cannot afford not to make this so. As we sent this bill out of the Senate, we have tried to retain as many national standards as possible, and even though we have had some success, we have failed on others—and we are going to have to come back here in January and get to work on new ways to improve the standards we have.

If you ask any CEO of any company what this country needs to thrive, they will tell you we need more highly skilled, highly educated people making good decisions in the workplace, and we need less people out on the street doing crimes.

I met with a high school assistant principal last week who has spent years working with children and young people with behavior problems, who do not do what adults want them to do. He has found successful ways of helping these students to learn how to behave in accordance with our expectations of them.

But he said to me, and I think he is absolutely right: ''You can pay me now, or you can pay them later.'' Because our young people would much rather be an asset to our country than a liability, and the vast majority of them are. But, they are bright young people, all of them. And if they do not find success in school and the economy, they will find it by getting really good at breaking into your house.

To avoid this, we must keep the Federal Government in the business of assuring standards, and must improve the ones we have today. On top of this, each and every American must invest the time and energy it takes to make sure every child is healthy enough to learn, and educated enough to contribute to her or his community.

So, since we have passed this welfare reform proposal, we must be aware that America had problems before we voted yesterday, and we will have problems afterward, and that this is only the first step. If we really want a country where every child's well-being is secure, where every person can be a contributing member of our society and economy, where the world around us is healthy and beautiful and a great place to live—then we must start a discussion in every community and around every dinner table—a discussion that just has not happened lately in this Nation.

What is important to us as Americans? What do we hold dear? What do our children mean to us, and what is each of us committed to do about it?

Every American must be part of the discussion to determine what we can each do, now, to make things better in this country. What can each person, in front of each television set, or in each car, or in the stands at each sporting event, do to get America on the right track? What can each person who gets any assistance from her or his Government—be it a welfare check or a paved road or a tax incentive or a safe hamburger or a bank that will not one day close its doors—what can each person do today to join us in making this country great?

People on this floor often talk about the old days, a simpler time, when things were better. Well, I am here to tell you that Americans today are just as capable of solving problems as any past generation—it is the American spirit that is going to make this happen.

People at home are now watching the Olympics, where the best athletes in our Nation will compete against athletes from the rest of the world. And they will win gold medals for their efforts, and for our Nation. These people are heroes, and we should all rally around them. But we can not forget the other heroism in this great country that we have seen in the old days and that we see today—the heroism of the American spirit.

Thousands of people in this country grew their own food during World War II, in victory gardens, to diminish the drain on our resources. They collected every piece of metal they could find, so our brave men and women could have the best tools with which to win the war. They went, especially the women, out of their homes and into the factories to work for this country.

Hundreds of thousands of Americans, like my parents and grandparents, gave of themselves, through the Great Depression, through war, through the war on poverty in the sixties, for our shared future.

Many of them have not stopped giving. There are senior citizens in my State who go to school every week to help children and to help each other to learn about and work with computers. There are hundreds of young people, sixth-graders and college students, going into the community with hard work and good ideas. There are also kids who are truly heroic for just making it to school each day, or for not letting a bad family situation crush their hopes for the future.

I want to caution you all that the American people have spoken and demanded change to public assistance, but they still want Government to play a role in helping people when they need help, and the American people are capable of speaking again, loudly and angrily, if we do not make this work.

We have sent a bill out of the Senate. We put the House on notice that this bill needs to be bipartisan, and needs to be the best bill possible under the circumstances, when it comes to children. I have made several attempts to improve this bill, and I will tell you, it can still use improvement.

I appreciate that the majority party has sought compromise in some areas, that they have made some improvements. But again, it is the nature of this debate that we are not foreseeing all the possible effects of this bill. We are entering uncharted territory. We must remain vigilant. And we here in this body must call upon every one of our constituents to join the fight to make this work for the people around them.

We are leaving the discussion about welfare reform. We are entering a discussion about different ways to make sure all children are healthy, despite the income of their family. Poor health, illiteracy, antisocial behavior—these are not the exclusive domain of the poor—all Americans are subject to the ravages of these problems, especially our children.

We are entering a time when we need to focus on creating opportunity for our children, and meeting their basic needs—health, nutrition, education, so as adults they will contribute positively to the economic and social structure of this country.

Our country, compared to other industrialized nations does a very shabby job of assuring the basics. If we are no longer going to do it through public assistance in the same way we have done—then we need to find new ways to do it.

I do not think this bill brings promise for the people it will affect. We have improved it for sure, but it could be better. But the fact is, the bill will soon be the law of the land. In the face of this, I challenge each American to help us put something in place to protect children, as we tear apart this system that has created such dependency.

Especially where children are concerned, this bill cannot be allowed to come back worse from the conference committee. It is our moral obligation

to hold the children as harmless as we can, no matter what we are asking of their parents.

After yesterday, I expect that all Senators will join in this new discussion—of what we must do to assure basic standards of health, education for children and all Americans.●

MRS. GERTRUDE RAMSAY CRAIN

● Mr. ABRAHAM. Mr. President, I rise today to pay tribute to Gertrude Ramsay Crain. With her passing on July 20, America's publishing industry lost one of its most accomplished members. After 4 decades of dutifully covering the Detroit business community, Mrs. Crain's presence will certainly be missed.

In 1916, G.D. Crain, Jr., Mrs. Crain's late husband, founded Crain Communications. Eighty years later, this company employs 900 people worldwide. A leader in the area of business reporting, Crain Communications publishes 29 business newspapers and magazines. Among the most popular of these are Crain's Detroit Business, Automotive News, Auto Week, and Detroit Monthly.

This company is a testament to the American Dream. Crain Communications demonstrates that those who work hard and are passionate about their product can succeed. Prior to her retirement earlier this year, Mrs. Crain held a variety of positions within Crain Communications, from secretary to assistant treasurer to chairman.

During her tenure, Mrs. Crain's commitment to her craft did not go unnoticed. In addition to being the first woman inducted into the Junior Achievement of Chicago Business Hall of Fame, Mrs. Crain received an honorary doctor of humane letters degree from the University of Detroit, and was the 1993 recipient of the Magazine Publishers of America Henry Johnson Award, the highest honor given by the advertising and communications industry.

Although Mrs. Crain made Chicago her home, Detroit can consider itself a fortunate beneficiary of her life's work. An invaluable asset to both communities, the value of Mrs. Gertrude Crain's contributions will live on for quite some time. We in Michigan are fortunate, indeed, to have had this woman and her family's company in our midst.●

THE 75TH ANNIVERSARY OF THE REHOBOTH BEACH, DE, BEACH PATROL

● Mr. BIDEN. Mr. President, many Members of this House and thousands of residents of this city are familiar with Rehoboth Beach, DE, as the Summer Capital of the United States—and there's more to that expression than merely a nickname.

The Delaware seashore resort has for decades welcomed vacationing Presidents, Cabinet Secretaries, Members of Congress, representatives of the diplomatic community, and thousands of other Washingtonians of every description. Rehoboth Beach's attractions include its sparkling Atlantic surf; broad beaches; a lively, multi-lingual boardwalk echoing languages from all over the world; a faithfully family-oriented atmosphere; and safety in the water for younger and older visitors alike.

Next Saturday, in fact, the Rehoboth Beach Patrol—the courteous and skillful young women and men who protect the resort's ocean swimmers—will hold its first lifeguards' reunion, celebrating not only 75 years of service to the community and its visitors, but a remarkable three-quarter-century record of perfect safety of the swimmers under their protection. Since 1921, when the Rehoboth Beach Patrol was established with just two lifeguards, until today, when as many as 37 guards are on duty during peak periods along the mile and a half of protected beach, the Rehoboth Beach lifeguards have never lost a swimmer.

That is a record any beach patrol would be proud of, and it was not achieved by accident. Guarding a crowded ocean beach is a constant challenge—every summer the Rehoboth Beach lifeguards pull scores of troubled swimmers from the surf, treat hundreds of injuries, and reunite more than 400 lost children with their parents. It is a task that requires ceaseless alertness, well-conditioned bodies and highly trained skills, and unflinching personal courage when the ocean attempts to claim a victim.

It is more than just a job to those who undertake it. It is a valued tradition that has sustained Rehoboth Beach as a desirable ocean resort for 7 decades and has called to its service generations of families—fathers, brothers and, since the late seventies, sisters—from Delaware, from its neighboring States of Maryland and Pennsylvania, and from this very city.

These young men and women are athletes who thrive on competition, and their competitive instincts pit them every day against the sea, and often, to heighten their morale and sharpen their skills, against other beach patrols in national and international contests. They train constantly; they dedicate their days to the safety of others, often at the risk of their own; and their service is vital to the pleasure and the security of the hundreds of thousands of vacationers who visit Rehoboth Beach every summer.

Mr. President, we Delawareans are very proud of the Rehoboth Beach Patrol and its 75-year record of perfect safety. We believe these brave young women and men represent the best that Delaware and the Nation have to offer in the way of idealism, energy and a willingness to risk all in the service of others. And we invite our neighbors in the Middle Atlantic States to join us in congratulating the Rehoboth Beach Patrol and its Alumni Association for calling together for the first time lifeguards who have served the resort over the past 75 years, including a 91-year-old who last mounted a guard stand in 1926 as well as the 46 current members of the patrol.

They deserve our admiration and our thanks, and we all wish them a successful and rewarding reunion this week.●

TRIBUTE TO THE MEMORY OF CAPT. JOHN ''JACK'' KENNEDY UPON THE RETURN OF HIS REMAINS TO THE UNITED STATES ON AUGUST 1, 1996

● Mr. NUNN. Mr. President, many of my colleagues may remember an Air Force lieutenant colonel named Dan Kennedy who served in an outstanding fashion a number of years ago in the Senate Liaison Office. Some of us may also recall that Dan had a brother, Jack, who was an Air Force pilot who lost his life in the war in Southeast Asia.

Jack's remains returned to the United States in June of this year ending years of uncertainty and frustration for his family and loved ones. I think it is most appropriate that we pause for a moment to remember Capt. Jack Kennedy's sacrifice.

Some 25 years ago this August, Capt. Jack Kennedy was lost while flying a reconnaissance mission over South Vietnam. Jack was a forward air controller with the 20th Tactical Air Support Squadron based in Chu Lai in support of the 23d Infantry Division.

On August 16, 1971, he failed to check in during normal radio communications checks. Unfortunately, there were no radio calls from his aircraft and there were no eye witnesses.

There were, however, reports of a North Vietnamese regiment operating in the area over which Jack was flying that day. Although there was no crash site found, Jack was listed as missing in action, a status he carried until the Air Force moved to change it to presumed killed in action in July 1978.

In 1992, after several visits and discussions with Vietnamese villagers, a joint United States/Vietnamese team identified a possible crash site. At that time, no conclusive evidence was available to specifically identify the site as the one where Jack Kennedy's plane had crashed. In 1993, several bone fragments, reportedly from the pilot of that aircraft, were provided by villagers.

Recent advances in medical science fostered the development techniques that permit the comparison of DNA extracted from bone fragments with DNA from another family member for the purposes of identification.

In May of this year, the Air Force advised Jack's family that the bone fragments recovered at the crash site in 1992 had been positively identified as being Jack's.

Capt. Jack Kennedy's remains arrived at Travis Air Force Base in California in late June, and will be flown to

Washington, DC, on August 1. A funeral is scheduled for August 2 at 11 a.m. in the Old Post Chapel on Fort Myers followed by an internment with full military honors and flyover at Arlington National Cemetery.

Throughout this long ordeal, Jack's family has persevered. Jack's father, Daniel Kennedy, Sr., died in 1986—10 years before his son's remains would be returned to the country he loved so much.

Jack's brother, Dan, whom I mentioned earlier, his wife Tamara, and their six children reside in Dumfries, VA. Jack's mother, Mrs. Sally Kennedy, lives in Lake Ridge, VA. Today, I would like to offer her our most sincere appreciation for the sacrifice her son Jack made in the service of his country, and for the steadfast faith with which she has endured the tremendous sense of loss, the unparalleled uncertainty and the incomprehensible frustration that, in some small measure, will be lessened in the very near future.●

LITERACY; ONE TOOL FOR ENDING WELFARE DEPENDENCE

Mrs. MURRAY. Mr. President, the welfare bill recently passed by the Senate provides that families may be denied cash assistance after receiving benefits for a cumulative period of 5 years. States are also required to have 15 percent of welfare recipients involved in work participation. By 2002, this percentage must increase to 50 percent of the people on assistance. The bill as it entered the Senate, however, would clearly have failed to prepare these people for the jobs that they are required to obtain.

The facts are clear—you are highly unlikely to get off assistance and into work if you are unable to read.

Vocational education under the bill as it came to the floor was limited to no more than 12 months for any individual. Most education and training programs have a 2-year duration, and therefore, cannot be completed within the bill's time allowance.

In addition, States are unable to incorporate adult basic education activities into the training programs. This, at a time when we know more than ever about the link between adult education and literacy and dependence on the welfare system.

Analysis by the Urban Institute shows that of people who have been AFDC recipients of less than 25 months, 34.8 percent have not obtained a high school degree or a GED. But, among recipients who receive AFDC assistance for 60 months or more, this number jumps to 62.8 percent. The less educated a person is, the longer he or she is likely to remain reliant on the welfare system.

A 1995 report released by the Policy Information Center at the Education Testing Service also notes that welfare recipients with higher literacy levels worked more weeks and earned higher average weekly wages in comparison with other recipients during the previous year. All this simply reinforces the importance of education and literacy in helping people get off, and stay off, the welfare system.

This bill as it came to the Senate did not provide enough flexibility, and did not allow the necessary education and training required to produce successful employees. In order to correct the inflexibility of this welfare bill, Senators SIMON, JEFFORDS, KERRY, SPECTER, and I yesterday proposed and passed a literacy amendment that will let states do what is needed.

This amendment has three basic provisions. The length of allowable educational training will be extended from 12 to 24 months; extending training period to permit the completion of training programs. The amendment also expands the definition of vocational training to include adult basic education, such as a GED completion course.

Without basic educational and literacy levels, people cannot perform job duties nor can they expand their skills through more advanced education. The amendment also allows States to increase people in educational programs from 20 to 30 percent of their participation percentages. States with high unemployment rates might otherwise find it difficult to place workers who have virtually no skills.

This amendment provides solutions to get people learning, and building skills. I want to thank Senators SIMON and JEFFORDS for their leadership on these efforts. With the adoption of this amendment, people on public assistance will be able to gain the basic skills they need to become productive workers and remain off the welfare system.●

WELFARE REFORM

● Mr. PELL. Mr. President, like so many of my colleagues, I would like to reform the Nation's welfare system. I believe that able-bodied people should work and that our Nation's safety net should be just that: a safety net. But I cannot let my desire to vote for welfare reform cloud my judgment about the bill that the Senate passed yesterday. I have several major concerns about this bill:

First, this bill eliminates welfare as an entitlement and replaces it with a block grant. To some, the term entitlement has come to mean an expectation that some people have of support from the Government with no effort on their part to achieve self-sufficiency. Defined in those terms, I agree that any sense of entitlement must end. But what the word entitlement actually means here is that this Nation will respond to anyone in great need—that we will not cut off people in need simply because there are too many people in line before them. A block grant is almost guaranteed to cut off people in need, with children suffering the greatest harm. And while I reluctantly voted last year for the then pending welfare bill, which included a block grant, I did so primarily to strengthen the Senate's position in conference against a far more damaging House-passed bill.

Second, I believe that instead of giving people a hand up and out of the welfare system, we have limited their options and their opportunities further. For the most part, we have simply shifted this serious national problem to the States, and we have done so without providing them with adequate support to address the problem.

Third, I am concerned about the bill's harsh treatment of legal immigrants. More often than not, these individuals are hard working, taxpaying individuals who deeply appreciate and value the freedom and opportunity of the United States. I cannot agree to deny them so many of the benefits that they might legitimately need as they build a life here.

Finally, my deepest concern is for the children. No matter what the faults of the parent, we as a society must do all we can to protect and nurture the next generation. Otherwise, no matter how tough our welfare policy or how good our toughness makes us feel, we will raise a generation of children who are incapable of functioning in society, much less leading it. I simply cannot believe that eliminating an entitlement which ensures that all poor children get the food, clothing, and shelter that they need can move us individually or as a society down the path we all want to go.

Mr. President, it is with real regret, then, that I cast a ''no'' vote on this welfare reform legislation. I know that the will of the people demands action, and I very much want to be part of an effort to pass a quality welfare reform bill. And I have joined with many of my Senate colleagues in voting for amendments that, had they been approved, might have made the bill acceptable. But looking at the final product, I cannot say that what we have adopted is better than what we now have. The risk to our children's future is too great. I will not punish a child to teach its parent, and I believe that this is what this legislation, in the end, will do.

I regret that the Senate did not approve the work first proposal introduced by Senate DASCHLE. And I continue to support its emphasis on transitioning welfare recipients to work, its understanding that providing childcare is a linchpin of successful reform, and its premise that—despite very real abuses of the current system by some welfare recipients—most people want to get off welfare and work at a job that provides a living wage. In any effort to pass this kind of welfare reform legislation, I will cast a sure and solid ''yea'' vote.●

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The text of the bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, as passed by the Senate on July 23, 1996, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 3734) entitled ''An Act to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996''.

TITLE I—AGRICULTURE AND RELATED PROVISIONS

SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the ''Agricultural Reconciliation Act of 1996''.

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

Subtitle A—Food Stamps and Commodity Distribution

CHAPTER 1—FOOD STAMP PROGRAM

SEC. 1111. DEFINITION OF CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking ''Except as provided'' and all that follows and inserting the following: ''The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.''.

SEC. 1112. DEFINITION OF COUPON.

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking ''or type of certificate'' and inserting ''type of certificate, authorization card, cash or check issued in lieu of a coupon, or access device, including an electronic benefit transfer card or personal identification number,''.

SEC. 1113. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking ''(who are not themselves parents living with their children or married and living with their spouses)''.

SEC. 1114. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking ''shall (1) make'' and inserting the following: ''shall—

''(1) make'';

(2) by striking ''scale, (2) make'' and inserting the following: ''scale;

''(2) make'';

(3) by striking ''Alaska, (3) make'' and inserting the following: ''Alaska;

''(3) make''; and

(4) by striking ''Columbia, (4) through'' and all that follows through the end of the subsection and inserting the following: ''Columbia; and

''(4) on October 1, 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996.''.

SEC. 1115. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting ''for not more than 90 days'' after ''temporary accommodation''.

SEC. 1116. STATE OPTION FOR ELIGIBILITY STANDARDS.

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking ''(b) The Secretary'' and inserting the following:

''(b) ELIGIBILITY STANDARDS.—Except as otherwise provided in this Act, the Secretary''.

SEC. 1117. EARNINGS OF STUDENTS.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking ''21 years of age or younger'' and inserting ''19 years of age or younger (17 years of age or younger in fiscal year 2002)''.

SEC. 1118. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: ''(11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law, or (B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,''.

(b) CONFORMING AMENDMENTS.—Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''plan for aid to families with dependent children approved'' and inserting ''program funded''; and

(B) in subparagraph (B), by striking '', not including energy or utility-cost assistance,'';

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

''(C) a payment or allowance described in subsection (d)(11);''; and

(3) by adding at the end the following:

''(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

''(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law to provide energy assistance to a household shall be considered money payable directly to the household.

''(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.''.

SEC. 1119. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking subsection (e) and inserting the following:

''(e) DEDUCTIONS FROM INCOME.—

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of—

''(i) for the period beginning October 1, 1995, and ending November 30, 1996, $134, $229, $189, $269, and $118, respectively;

''(ii) for the period beginning December 1, 1996, and ending September 30, 2001, $120, $206, $170, $242, and $106, respectively;

''(iii) for the period beginning October 1, 2001, and ending August 31, 2002, $113, $193, $159, $227, and $100, respectively; and

''(iv) for the period beginning September 1, 2002, and ending September 30, 2002, $120, $206, $170, $242, and $106, respectively.

''(B) ADJUSTMENT FOR INFLATION.—On October 1, 2002, and each October 1 thereafter, the Secretary shall adjust the standard deduction to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food, for the 12-month period ending the preceding June 30.

''(2) EARNED INCOME DEDUCTION.—

''(A) DEFINITION OF EARNED INCOME.—In this paragraph, the term 'earned income' does not include—

''(i) income excluded by subsection (d); or

''(ii) any portion of income earned under a work supplementation or support program, as defined under section 16(b), that is attributable to public assistance.

''(B) DEDUCTION.—Except as provided in subparagraph (C), a household with earned income shall be allowed a deduction of 20 percent of all earned income to compensate for taxes, other mandatory deductions from salary, and work expenses.

''(C) EXCEPTION.—The deduction described in subparagraph (B) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

''(3) DEPENDENT CARE DEDUCTION.—

''(A) IN GENERAL.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

''(B) EXCLUDED EXPENSES.—The excluded expenses referred to in subparagraph (A) are—

''(i) expenses paid on behalf of the household by a third party;

''(ii) amounts made available and excluded, for the expenses referred to in subparagraph (A), under subsection (d)(3); and

''(iii) expenses that are paid under section 6(d)(4).

''(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

''(A) IN GENERAL.—A household shall be entitled to a deduction for child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.

''(B) METHODS FOR DETERMINING AMOUNT.—The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, that a State agency shall use to determine the amount of the deduction for child support payments.

''(5) HOMELESS SHELTER ALLOWANCE.—Under rules prescribed by the Secretary, a State agency may develop a standard homeless shelter allowance, which shall not exceed $143 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. A State agency that develops the allowance may use the allowance in determining eligibility and allotments for the households. The State agency may make a household with extremely low shelter costs ineligible for the allowance.

''(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

''(A) IN GENERAL.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds $35 per month.

''(B) METHOD OF CLAIMING DEDUCTION.—

''(i) IN GENERAL.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information on, or verification of, actual expenses on a monthly basis.

''(ii) METHOD.—The method described in clause (i) shall—

''(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

''(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

''(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

''(7) EXCESS SHELTER EXPENSE DEDUCTION.—

''(A) IN GENERAL.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

''(B) MAXIMUM AMOUNT OF DEDUCTION.—

''(i) THROUGH DECEMBER 31, 1996.—In the case of a household that does not contain an elderly or disabled individual, during the 15-month period ending December 31, 1996, the excess shelter expense deduction shall not exceed—

''(I) in the 48 contiguous States and the District of Columbia, $247 per month; and

''(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $429, $353, $300, and $182 per month, respectively.

''(i) AFTER DECEMBER 31, 1996.—In the case of a household that does not contain an elderly or disabled individual, after December 31, 1996, the excess shelter expense deduction shall not exceed—

''(I) in the 48 contiguous States and the District of Columbia, $342 per month; and

''(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $594, $489, $415, and $252 per month, respectively.

''(C) STANDARD UTILITY ALLOWANCE.—

''(i) IN GENERAL.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

''(ii) RESTRICTIONS ON HEATING AND COOLING EXPENSES.—An allowance for a heating or cooling expense may not be used in the case of a household that—

''(I) does not incur a heating or cooling expense, as the case may be;

''(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with regard to the expense, only for excess utility costs; or

''(III) shares the expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

''(iii) MANDATORY ALLOWANCE.—

''(I) IN GENERAL.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

''(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

''(bb) the Secretary finds that the standards will not result in an increased cost to the Secretary.

''(II) HOUSEHOLD ELECTION.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

''(iv) AVAILABILITY OF ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

''(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

''(II) SEPARATE ALLOWANCE.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

''(III) STATES NOT ELECTING TO USE SEPARATE ALLOWANCE.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of clause (ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

''(IV) PRORATION OF ASSISTANCE.—For the purpose of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.''.

(b) CONFORMING AMENDMENT.—Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C.

2020(e)(3)) is amended by striking ''. Under rules prescribed'' and all that follows through ''verifies higher expenses''.

SEC. 1120. VEHICLE ALLOWANCE.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by striking paragraph (2) and inserting the following:

''(2) INCLUDED ASSETS.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

''(B) ADDITIONAL INCLUDED ASSETS.—The Secretary shall include in financial resources—

''(i) any boat, snowmobile, or airplane used for recreational purposes;

''(ii) any vacation home;

''(iii) any mobile home used primarily for vacation purposes;

''(iv) subject to subparagraph (C), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds $4,600 through September 30, 1996, and $4,650 beginning October 1, 1996; and

''(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

''(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

''(i) used to produce earned income;

''(ii) necessary for the transportation of a physically disabled household member; or

''(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.''.

SEC. 1121. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 1122. SIMPLIFIED CALCULATION OF INCOME FOR THE SELF-EMPLOYED.

Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end the following:

''(n) SIMPLIFIED CALCULATION OF INCOME FOR THE SELF-EMPLOYED.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall establish a procedure, designed to not increase Federal costs, by which a State may use a reasonable estimate of income excluded under subsection (d)(9) in lieu of calculating the actual cost of producing self-employment income.

''(2) INCLUSIVE OF ALL TYPES OF INCOME.—The procedure established under paragraph (1) shall allow a State to estimate income for all types of self-employment income.

''(3) DIFFERENCES FOR DIFFERENT TYPES OF INCOME.—The procedure established under paragraph (1) may differ for different types of self-employment income.''.

SEC. 1123. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking ''six months'' and inserting ''1 year''; and

(2) in clause (ii), by striking ''1 year'' and inserting ''2 years''.

SEC. 1124. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

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

(2) in subclause (III), by striking the period at the end and inserting ''; or''; and

(3) by inserting after subclause (III) the following:

''(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.''.

SEC. 1125. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking ''(d)(1) Unless otherwise exempted by the provisions'' and all that follows through the end of paragraph (1) and inserting the following:

''(d) CONDITIONS OF PARTICIPATION.—

''(1) WORK REQUIREMENTS.—

''(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

''(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

''(ii) refuses without good cause to participate in an employment and training program established under paragraph (4), to the extent required by the State agency;

''(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

''(I) the applicable Federal or State minimum wage; or

''(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

''(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

''(v) voluntarily and without good cause—

''(I) quits a job; or

''(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

''(vi) fails to comply with section 20.

''(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

''(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

''(ii) 180 days.

''(C) DURATION OF INELIGIBILITY.—

''(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 1 month after the date the individual became ineligible; or

''(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

''(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 3 months after the date the individual became ineligible; or

''(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

''(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 6 months after the date the individual became ineligible;

''(III) a date determined by the State agency; or

''(IV) at the option of the State agency, permanently.

''(D) ADMINISTRATION.—

''(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

''(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

''(iii) DETERMINATION BY STATE AGENCY.—

''(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

''(aa) the meaning of any term used in subparagraph (A);

''(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

''(cc) whether an individual is in compliance with a requirement under subparagraph (A).

''(II) NOT LESS RESTRICTIVE.—A State agency may not use a meaning, procedure, or determination under subclause (I) that is less restrictive on individuals receiving benefits under this Act than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

''(v) SELECTING A HEAD OF HOUSEHOLD.—

''(I) IN GENERAL.—For purposes of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

''(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

''(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

''(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

''(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.''.

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended by striking ''6(d)(1)(i)'' and inserting ''6(d)(1)(A)(i)''.

(2) Section 20 of the Food Stamp Act of 1977 (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

''(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.''.

SEC. 1126. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) by striking ''(4)(A) Not later than April 1, 1987, each'' and inserting the following:

''(4) EMPLOYMENT AND TRAINING.—

''(A) IN GENERAL.—

''(i) IMPLEMENTATION.—Each'';

(2) in subparagraph (A)—

(A) by inserting ''work,'' after ''skills, training,''; and

(B) by adding at the end the following:

''(ii) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Each component of an employment and training program carried out under this paragraph shall be delivered through a statewide workforce development system, unless the component is not available locally through such a system.'';

(3) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: '', except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:'';

(B) in clause (i), by striking ''with terms and conditions'' and all that follows through ''time of application''; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(4) in subparagraph (D)—

(A) in clause (i), by striking ''to which the application'' and all that follows through ''30 days or less'';

(B) in clause (ii), by striking ''but with respect'' and all that follows through ''child care''; and

(C) in clause (iii), by striking '', on the basis of'' and all that follows through ''clause (ii)'' and inserting ''the exemption continues to be valid'';

(5) in subparagraph (E), by striking the third sentence;

(6) in subparagraph (G)—

(A) by striking ''(G)(i) The State'' and inserting ''(G) The State''; and

(B) by striking clause (ii);

(7) in subparagraph (H), by striking ''(H)(i) The Secretary'' and all that follows through ''(ii) Federal funds'' and inserting ''(H) Federal funds'';

(8) in subparagraph (I)(i)(II), by striking '', or was in operation,'' and all that follows through ''Social Security Act'' and inserting the following: ''), except that no such payment or reimbursement shall exceed the applicable local market rate'';

(9)(A) by striking subparagraphs (K) and (L) and inserting the following:

''(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including funds used to carry out subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.).''; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(10) in subparagraph (L), as so redesignated—

(A) by striking ''(L)(i) The Secretary'' and inserting ''(L) The Secretary''; and

(B) by striking clause (ii).

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by striking ''(h)(1)(A) The Secretary'' and all that follows through the end of paragraph (1) and inserting the following:

''(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

''(1) IN GENERAL.—

''(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

''(i) for fiscal year 1996, $75,000,000; and

''(ii) for each of fiscal years 1997 through 2002, $85,000,000.

''(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(o).

''(C) REALLOCATION.—

''(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

''(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

''(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 for each fiscal year.''.

(c) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(2)) is amended by inserting before the period at the end the following: '', including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work''.

(d) REPORTS.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking ''(5)(A) The Secretary'' and inserting ''(5) The Secretary''; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 1127. FOOD STAMP ELIGIBILITY.

The third sentence of section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by inserting '', at State option,'' after ''less''.

SEC. 1128. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

''(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

''(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

''(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the food stamp program.

''(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.''.

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking ''and'' at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(26) the guidelines the State agency uses in carrying out section 6(i); and''.

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(A)) is amended by striking ''that is comparable to a requirement of paragraph (1)''.

SEC. 1129. DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1129, is amended by adding at the end the following:

''(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.—An individual shall be ineligible to participate in the food stamp program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the food stamp program.''.

SEC. 1130. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1130, is amended by adding at the end the following:

''(k) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

''(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

''(2) violating a condition of probation or parole imposed under a Federal or State law.''.

SEC. 1131. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1131, is amended by adding at the end the following:

''(l) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

''(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

''(A) in establishing the paternity of the child (if the child is born out of wedlock); and

''(B) in obtaining support for—

''(i) the child; or

''(ii) the individual and the child.

''(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

''(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

''(m) NONCUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

''(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified noncustodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

''(A) in establishing the paternity of the child (if the child is born out of wedlock); and

''(B) in providing support for the child.

''(2) REFUSAL TO COOPERATE.—

''(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

''(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

''(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

''(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.''.

SEC. 1132. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1132, is amended by adding at the end the following:

''(n) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

''(1) IN GENERAL.—At the option of a State agency, no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

''(A) a court is allowing the individual to delay payment; or

''(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.''.

SEC. 1133. WORK REQUIREMENT.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1133, is amended by adding at the end the following:

''(o) WORK REQUIREMENT.—

''(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

''(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

''(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

''(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

''(2) WORK REQUIREMENT.—Subject to the other provisions of this subsection, no individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12-month period, the individual received food stamp benefits for not less than 4 months during which the individual did not—

''(A) work 20 hours or more per week, averaged monthly;

''(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency;

''(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State; or

''(D) receive an exemption under paragraph (6).

''(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

''(A) under 18 or over 50 years of age;

''(B) medically certified as physically or mentally unfit for employment;

''(C) a parent or other member of a household with responsibility for a dependent child;

''(D) otherwise exempt under subsection (d)(2); or

''(E) a pregnant woman.

''(4) WAIVER.—

''(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

''(i) has an unemployment rate of over 10 percent; or

''(ii) does not have a sufficient number of jobs to provide employment for the individuals.

''(B) RESPONSE.—The Secretary shall respond to a request made pursuant to subparagraph (A) not later than 15 days after the State agency makes the request.

''(C) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

''(5) SUBSEQUENT ELIGIBILITY.—

''(A) IN GENERAL.—An individual shall become eligible to participate in the food stamp program if, during a 30-day period, the individual—

''(i) works 80 or more hours;

''(ii) participates in and complies with the requirements of a work program for 80 or more hours, as determined by a State agency; or

''(iii) participates in and complies with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

''(B) AFTER BECOMING ELIGIBLE.—An individual shall remain subject to paragraph (2) during any 12-month period subsequent to becoming eligible to participate in the food stamp program under subparagraph (A), except that the term 'preceding 12-month period' in paragraph (2) shall mean the preceding period beginning on the date the individual most recently satisfied the requirements of subparagraph (A).

''(6) STATE AGENCY EXEMPTIONS.—

''(A) IN GENERAL.—A State agency may exempt an individual for purposes of paragraph (2)(D)—

''(i) by reason of hardship; or

''(ii) if the individual participates in and complies with the requirements of a program of job search or job search training under clauses (i) or (ii) of subsection (d)(4)(B) that requires an average of not less than 20 hours per week of participation.

''(B) LIMITATION ON HARDSHIP EXEMPTION.—The average monthly number of individuals receiving benefits due to a hardship exemption granted by a State agency under subparagraph (A)(i) for a fiscal year may not exceed 20 percent of the average monthly number of individuals receiving allotments during the fiscal year in the State who are not exempt from the requirements of this subsection under paragraph (3) or (4).

''(C) LIMITATION ON JOB SEARCH EXEMPTION.—A State agency may not exempt an individual under subparagraph (A)(ii) for more than 2 months during any 12-month period.''.

(b) TRANSITION PROVISION.—During the 1-year period beginning on the date of enactment of this Act, the term ''preceding 12-month period'' in section 6(o) of the Food Stamp Act of 1977, as added by subsection (a), means the preceding period that begins on the date of enactment of this Act.

SEC. 1134. ENCOURAGEMENT OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) IN GENERAL.—Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) ELECTRONIC BENEFIT TRANSFERS.—

''(A) IMPLEMENTATION.—Not later than October 1, 2002, each State agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

''(B) TIMELY IMPLEMENTATION.—Each State agency is encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

''(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

''(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

''(i) commercial electronic funds transfer technology;

''(ii) the need to permit interstate operation and law enforcement monitoring; and

''(iii) the need to permit monitoring and investigations by authorized law enforcement agencies.'';

(2) in paragraph (2)—

(A) by striking ''effective no later than April 1, 1992,'';

(B) in subparagraph (A)—

(i) by striking '', in any 1 year,''; and

(ii) by striking ''on-line'';

(C) by striking subparagraph (D) and inserting the following:

''(D)(i) measures to maximize the security of a system using the most recent technology available that the State agency considers appropriate and cost effective and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

''(ii) effective not later than 2 years after the date of enactment of this clause, to the extent practicable, measures that permit a system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment;'';

(D) in subparagraph (G), by striking ''and'' at the end;

(E) in subparagraph (H), by striking the period at the end and inserting ''; and''; and

(F) by adding at the end the following:

''(I) procurement standards.''; and

(3) by adding at the end the following:

''(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based food stamp issuance system.

''(8) REPLACEMENT CARD FEE.—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

''(9) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

''(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

''(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.

''(10) APPLICABLE LAW.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.''.

(b) SENSE OF CONGRESS.—It is the sense of Congress that a State that operates an electronic benefit transfer system under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) should operate the system in a manner that is compatible with electronic benefit transfer systems operated by other States.

SEC. 1135. VALUE OF MINIMUM ALLOTMENT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking '', and shall be adjusted'' and all that follows through ''$5''.

SEC. 1136. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking ''of more than one month''.

SEC. 1137. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

''(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.''.

SEC. 1138. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

''(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

''(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

''(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

''(B) the State agency may reduce the allotment of the household by not more than 25 percent.

''(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the food stamp program.''.

SEC. 1139. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

''(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

''(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

''(B) the individual, if the individual leaves the center.

''(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.''.

SEC. 1140. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: ''No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the food stamp program unless an authorized employee of the Department of Agriculture, a designee of the Secretary, or, if practicable, an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.''.

SEC. 1141. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

''(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and redeem coupons, or to redeem benefits through an electronic benefit transfer system, shall be valid under the food stamp program.''.

SEC. 1142. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting '', which may include relevant income and sales tax filing documents,'' after ''submit information''; and

(2) by inserting after the first sentence the following: ''The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.''.

SEC. 1143. WAITING PERIOD FOR STORES THAT FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: ''A retail food store or wholesale food concern that is denied approval to accept and redeem coupons because the store or concern does not meet criteria for approval established by the Secretary may not, for at least 6 months, submit a new application to participate in the program. The Secretary may establish a longer time period under the preceding sentence, including permanent disqualification, that reflects the severity of the basis of the denial.''.

SEC. 1144. OPERATION OF FOOD STAMP OFFICES.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020), as amended by sections 1119(b) and 1129(b), is amended—

(1) in subsection (e)—

(A) by striking paragraph (2) and inserting the following:

''(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English.

''(B) In carrying out subparagraph (A), a State agency—

''(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

''(ii) shall develop an application containing the information necessary to comply with this Act;

''(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

''(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

''(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

''(I) the information contained in the application is true; and

''(II) all members of the household are citizens or are aliens eligible to receive food stamps under section 6(f);

''(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals, to ensure that participation in the food stamp program is limited to eligible households; and

''(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State.

''(C) Nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records.

''(D) The signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement.'';

(B) in paragraph (3)—

(i) by striking ''shall—'' and all that follows through ''provide each'' and inserting ''shall provide each''; and

(ii) by striking ''(B) assist'' and all that follows through ''representative of the State agency;'';

(C) by striking paragraphs (14) and (25);

(D)(i) by redesignating paragraphs (15) through (24) as paragraphs (14) through (23), respectively; and

(ii) by redesignating paragraph (26), as paragraph (24); and

(2) in subsection (i)—

(A) by striking ''(i) Notwithstanding'' and all that follows through ''(2)'' and inserting the following:

''(i) APPLICATION AND DENIAL PROCEDURES.—

''(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law,''; and

(B) by striking ''; (3) households'' and all that follows through ''title IV of the Social Security Act. No'' and inserting a period and the following:

''(2) DENIAL AND TERMINATION.—Except in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no''.

SEC. 1145. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking ''that (A) the'' and inserting ''that—

''(A) the'';

(2) by striking ''Act; (B) the'' and inserting ''Act; and

''(B) the'';

(3) in subparagraph (B), by striking ''United States Civil Service Commission'' and inserting ''Office of Personnel Management''; and

(4) by striking subparagraphs (C) through (E).

SEC. 1146. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking ''that (A) such'' and inserting the following: ''that—

''(A) the'';

(2) by striking ''law, (B) notwithstanding'' and inserting the following: ''law;

''(B) notwithstanding'';

(3) by striking ''Act, and (C) such'' and inserting the following: ''Act;

''(C) the''; and

(4) by adding at the end the following:

''(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

''(i) the member—

''(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

''(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

''(ii) locating or apprehending the member is an official duty; and

''(iii) the request is being made in the proper exercise of an official duty; and

''(E) the safeguards shall not prevent compliance with paragraph (16);''.

SEC. 1147. WITHDRAWING FAIR HEARING REQUESTS.

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: ''At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing''.

SEC. 1148. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)(18), as redesignated by section 1145(1)(D)—

(A) by striking ''that information is'' and inserting ''at the option of the State agency, that information may be''; and

(B) by striking ''shall be requested'' and inserting ''may be requested''; and

(2) by adding at the end the following:

''(p) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, in carrying out the food stamp program, a State agency shall not be required to use an income and eligibility or an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).''.

SEC. 1149. DISQUALIFICATION OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12(b) of the Food Stamp Act of 1977 (7 U.S.C. 2021(b)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(4) for a reasonable period of time to be determined by the Secretary, including permanent disqualification, on the knowing submission of an application for the approval or reauthorization to accept and redeem coupons that contains false information about a substantive matter that was a part of the application.''.

SEC. 1150. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

''(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

''(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this Act of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

''(2) TERMS.—A disqualification under paragraph (1)—

''(A) shall be for the same length of time as the disqualification from the program referred to in paragraph (1);

''(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

''(C) notwithstanding section 14, shall not be subject to judicial or administrative review.''.

SEC. 1151. COLLECTION OF OVERISSUANCES.

(a) COLLECTION OF OVERISSUANCES.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) COLLECTION OF OVERISSUANCES.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

''(A) reducing the allotment of the household;

''(B) withholding amounts from unemployment compensation from a member of the household under subsection (c);

''(C) recovering from Federal pay or a Federal income tax refund under subsection (d); or

''(D) any other means.

''(2) COST EFFECTIVENESS.—Paragraph (1) shall not apply if the State agency demonstrates to the satisfaction of the Secretary that all of the means referred to in paragraph (1) are not cost effective.

''(3) MAXIMUM REDUCTION ABSENT FRAUD.—If a household received an overissuance of coupons without any member of the household being found ineligible to participate in the program under section 6(b)(1) and a State agency elects to reduce the allotment of the household under paragraph (1)(A), the State agency shall not reduce the monthly allotment of the household under paragraph (1)(A) by an amount in excess of the greater of—

''(A) 10 percent of the monthly allotment of the household; or

''(B) $10.

''(4) PROCEDURES.—A State agency shall collect an overissuance of coupons issued to a household under paragraph (1) in accordance with the requirements established by the State agency for providing notice, electing a means of payment, and establishing a time schedule for payment.''; and

(2) in subsection (d)—

(A) by striking ''as determined under subsection (b) and except for claims arising from an error of the State agency,'' and inserting '', as determined under subsection (b)(1),''; and

(B) by inserting before the period at the end the following: ''or a Federal income tax refund as authorized by section 3720A of title 31, United States Code''.

(b) CONFORMING AMENDMENTS.—Section 11(e)(8)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(C)) is amended—

(1) by striking ''and excluding claims'' and all that follows through ''such section''; and

(2) by inserting before the semicolon at the end the following: ''or a Federal income tax refund as authorized by section 3720A of title 31, United States Code''.

(c) RETENTION RATE.—The proviso of the first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking ''25 percent during the period beginning October 1, 1990'' and all that follows through ''section 13(b)(2) of this Act'' and inserting ''35 percent of the value of all funds or allotments recovered or collected pursuant to subsections (b)(1) and (c) of section 13 and 20 percent of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act''.

SEC. 1152. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) by redesignating the first through seventeenth sentences as paragraphs (1) through (17), respectively; and

(2) by adding at the end the following:

''(18) SUSPENSION OF STORES PENDING REVIEW.—Notwithstanding any other provision of this subsection, any permanent disqualification of a retail food store or wholesale food concern under paragraph (3) or (4) of section 12(b) shall be effective from the date of receipt of the notice of disqualification. If the disqualification is reversed through administrative or judicial review, the Secretary shall not be liable for the value of any sales lost during the disqualification period.''.

SEC. 1153. EXPANDED CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking ''or intended to be furnished''.

(b) CRIMINAL FORFEITURE.—Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at the end the following:

''(h) CRIMINAL FORFEITURE.—

''(1) IN GENERAL.—In imposing a sentence on a person convicted of an offense in violation of subsection (b) or (c), a court shall order, in addition to any other sentence imposed under this section, that the person forfeit to the United States all property described in paragraph (2).

''(2) PROPERTY SUBJECT TO FORFEITURE.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), shall be subject to forfeiture to the United States under paragraph (1).

''(3) INTEREST OF OWNER.—No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

''(4) PROCEEDS.—The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

''(A) first, to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding;

''(B) second, to reimburse the Department of Agriculture Office of Inspector General for any costs the Office incurred in the law enforcement effort resulting in the forfeiture;

''(C) third, to reimburse any Federal or State law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

''(D) fourth, by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores and wholesale food concerns under section 9.''.

SEC. 1154. LIMITATION ON FEDERAL MATCH.

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)) is amended by inserting after the comma at the end the following: ''but not including recruitment activities,''.

SEC. 1155. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)) is amended by striking ''the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or''.

(2) Section 16(c)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(1)(B)) is amended by striking ''pursuant to subsection (b)''.

SEC. 1156. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by section 1157(a), is amended by inserting after subsection (a) the following:

''(b) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

''(1) DEFINITION OF WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—In this subsection, the term 'work supplementation or support program' means a program under which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a public assistance recipient who was not employed by the employer at the time the public assistance recipient entered the program.

''(2) PROGRAM.—A State agency may elect to use an amount equal to the allotment that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting a job under a work supplementation or support program established by the State.

''(3) PROCEDURE.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the food stamp program that contains an individual who is participating in the work supplementation or support program—

''(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

''(B) the State agency shall expend the amount received under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

''(C) for purposes of—

''(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

''(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

''(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

''(4) OTHER WORK REQUIREMENTS.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

''(5) LENGTH OF PARTICIPATION.—A State agency shall provide a description of how the public assistance recipients in the program shall, within a specific period of time, be moved from supplemented or supported employment to employment that is not supplemented or supported.

''(6) DISPLACEMENT.—A work supplementation or support program shall not displace the employment of individuals who are not supplemented or supported.''.

SEC. 1157. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)), as amended by section 1159, is amended by adding at the end the following:

''(D) RESPONSE TO WAIVERS.—

''(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

''(I) approves the waiver request;

''(II) denies the waiver request and describes any modification needed for approval of the waiver request;

''(III) denies the waiver request and describes the grounds for the denial; or

''(IV) requests clarification of the waiver request.

''(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

''(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.''.

SEC. 1158. EMPLOYMENT INITIATIVES PROGRAM.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (d) and inserting the following:

''(d) EMPLOYMENT INITIATIVES PROGRAM.—

''(1) ELECTION TO PARTICIPATE.—

''(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out an employment initiatives program under this subsection.

''(B) REQUIREMENT.—A State shall be eligible to carry out an employment initiatives program under this subsection only if not less than 50 percent of the households in the State that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

''(2) PROCEDURE.—

''(A) IN GENERAL.—A State that has elected to carry out an employment initiatives program under paragraph (1) may use amounts equal to the food stamp allotments that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, to provide cash benefits in lieu of the food stamp allotments to the household if the household is eligible under paragraph (3).

''(B) PAYMENT.—The Secretary shall pay to each State that has elected to carry out an employment initiatives program under paragraph (1) an amount equal to the value of the allotment that each household participating in the program in the State would be eligible to receive under this Act but for the operation of this subsection.

''(C) OTHER PROVISIONS.—For purposes of the food stamp program (other than this subsection)—

''(i) cash assistance under this subsection shall be considered to be an allotment; and

''(ii) each household receiving cash benefits under this subsection shall not receive any other food stamp benefit during the period for which the cash assistance is provided.

''(D) ADDITIONAL PAYMENTS.—Each State that has elected to carry out an employment initiatives program under paragraph (1) shall—

''(i) increase the cash benefits provided to each household participating in the program in the State under this subsection to compensate for any State or local sales tax that may be collected on purchases of food by the household, unless the Secretary determines on the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

''(ii) pay the cost of any increase in cash benefits required by clause (i).

''(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

''(A) has worked in unsubsidized employment for not less than the preceding 90 days;

''(B) has earned not less than $350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

''(C)(i) is receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

''(ii) was receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

''(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

''(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

''(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency, with the concurrence of the Secretary, shall determine the content of the evaluation.''.

SEC. 1159. REAUTHORIZATION.

The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1991 through 1997'' and inserting ''1996 through 2002''.

SEC. 1160. SIMPLIFIED FOOD STAMP PROGRAM.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

''SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.

''(a) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

''(b) ELECTION.—Subject to subsection (d), a State may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program'), statewide or in a political subdivision of the State, in accordance with this section.

''(c) OPERATION OF PROGRAM.—If a State elects to carry out a Program, within the State or a political subdivision of the State—

''(1) only households in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall receive benefits under the Program;

''(2) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

''(3) subject to subsection (f), benefits under the Program shall be determined under rules and procedures established by the State under—

''(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(B) the food stamp program (other than section 27); or

''(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program (other than section 27).

''(d) APPROVAL OF PROGRAM.—

''(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

''(2) APPROVAL OF PLAN.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

''(A) complies with this section; and

''(B) contains sufficient documentation that the plan will not increase Federal costs for any fiscal year.

''(e) INCREASED FEDERAL COSTS.—

''(1) DETERMINATION.—

''(A) IN GENERAL.—The Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act.

''(B) NO EXCLUDED HOUSEHOLDS.—In making a determination under subparagraph (A), the Secretary shall not require the State agency to collect or report any information on households not included in the Program.

''(C) ALTERNATIVE ACCOUNTING PERIODS.—The Secretary may approve the request of a State agency to apply alternative accounting periods to determine if Federal costs do not exceed the Federal costs had the State agency not elected to carry out the Program.

''(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

''(3) ENFORCEMENT.—

''(A) CORRECTIVE ACTION.—Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent the Program from increasing Federal costs under this Act.

''(B) TERMINATION.—If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State agency operating the Program and the State agency shall be ineligible to operate a future Program.

''(f) RULES AND PROCEDURES.—

''(1) IN GENERAL.—In operating a Program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

''(2) STANDARDIZED DEDUCTIONS.—In operating a Program, a State or political subdivision of a State may standardize the deductions provided under section 5(e). In developing the standardized deduction, the State shall consider the work expenses, dependent care costs, and shelter costs of participating households.

''(3) REQUIREMENTS.—In operating a Program, a State or political subdivision shall comply with the requirements of—

''(A) subsections (a) through (g) of section 7;

''(B) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

''(C) subsection (b) and (d) of section 8;

''(D) subsections (a), (c), (d), and (n) of section 11;

''(E) paragraph (3) of section 11(e), to the extent that the paragraph requires that an eligible household be certified and receive an allotment for the period of application not later than 30 days after filing an application;

''(F) paragraphs (8), (12), (16), (18), (20), (24), and (25) of section 11(e);

''(G) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

''(H) section 16.

''(4) LIMITATION ON ELIGIBILITY.—Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.''.

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by sections 1129(b) and 1145, is amended by adding at the end the following:

''(25) if a State elects to carry out a Simplified Food Stamp Program under section 26, the plans of the State agency for operating the program, including—

''(A) the rules and procedures to be followed by the State agency to determine food stamp benefits;

''(B) how the State agency will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

''(C) a description of the method by which the State agency will carry out a quality control system under section 16(c).''.

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017), as amended by section 1140, is amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

CHAPTER 2—COMMODITY DISTRIBUTION PROGRAMS

SEC. 1171. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

''SEC. 201A. DEFINITIONS.

''In this Act:

''(1) ADDITIONAL COMMODITIES.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

''(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the average monthly number of unemployed persons in each State during the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

''(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization that—

''(A) administers—

''(i) an emergency feeding organization;

''(ii) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that the institution serves needy persons;

''(iii) a summer camp for children, or a child nutrition program providing food service;

''(iv) a nutrition project operating under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), including a project that operates a congregate nutrition site and a project that provides home-delivered meals; or

''(v) a disaster relief program;

''(B) has been designated by the appropriate State agency, or by the Secretary; and

''(C) has been approved by the Secretary for participation in the program established under this Act.

''(4) EMERGENCY FEEDING ORGANIZATION.—The term 'emergency feeding organization' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

''(5) FOOD BANK.—The term 'food bank' means a public or charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products of food or edible commodities, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

''(6) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

''(7) POVERTY LINE.—The term 'poverty line' has the meaning provided in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

''(8) SOUP KITCHEN.—The term 'soup kitchen' means a public or charitable institution that, as an integral part of the normal activities of the institution, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

''(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term 'total value of additional commodities' means the actual cost of all additional commodities that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).

''(10) VALUE OF ADDITIONAL COMMODITIES ALLOCATED TO EACH STATE.—The term 'value of additional commodities allocated to each State' means the actual cost of additional commodities allocated to each State that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).''.

(b) STATE PLAN.—Section 202A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

''SEC. 202A. STATE PLAN.

''(a) IN GENERAL.—To receive commodities under this Act, a State shall submit a plan of operation and administration every 4 years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

''(b) REQUIREMENTS.—Each plan shall—

''(1) designate the State agency responsible for distributing the commodities received under this Act;

''(2) set forth a plan of operation and administration to expeditiously distribute commodities under this Act;

''(3) set forth the standards of eligibility for recipient agencies; and

''(4) set forth the standards of eligibility for individual or household recipients of commodities, which shall require—

''(A) individuals or households to be comprised of needy persons; and

''(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of applying for assistance.

''(c) STATE ADVISORY BOARD.—The Secretary shall encourage each State receiving commodities under this Act to establish a State advisory board consisting of representatives of all entities in the State, both public and private, interested in the distribution of commodities received under this Act.''.

(c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNDS.—Section 204(a)(1) of

the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence, by striking ''for State and local'' and all that follows through ''under this title'' and inserting ''to pay for the direct and indirect administrative costs of the States related to the processing, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources''; and

(2) by striking the fourth sentence.

(d) DELIVERY OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) by striking subsections (a) through (e) and (j);

(2) by redesignating subsections (f) through (i) as subsections (a) through (d), respectively;

(3) in subsection (b), as redesignated by paragraph (2)—

(A) in the first sentence, by striking ''subsection (f) or subsection (j) if applicable,'' and inserting ''subsection (a),''; and

(B) in the second sentence, by striking ''subsection (f)'' and inserting ''subsection (a)'';

(4) by striking subsection (c), as redesignated by paragraph (2), and inserting the following:

''(c) ADMINISTRATION.—

''(1) IN GENERAL.—Commodities made available for each fiscal year under this section shall be delivered at reasonable intervals to States based on the grants calculated under subsection (a), or reallocated under subsection (b), before December 31 of the following fiscal year.

''(2) ENTITLEMENT.—Each State shall be entitled to receive the value of additional commodities determined under subsection (a).''; and

(5) in subsection (d), as redesignated by paragraph (2), by striking ''or reduce'' and all that follows through ''each fiscal year''.

(e) TECHNICAL AMENDMENTS.—The Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of section 203B(a), by striking ''203 and 203A of this Act'' and inserting ''203A'';

(2) in section 204(a), by striking ''title'' each place it appears and inserting ''Act'';

(3) in the first sentence of section 210(e), by striking ''(except as otherwise provided for in section 214(j))''; and

(4) by striking section 212.

(f) REPORT ON EFAP.—Section 1571 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c note) is repealed.

(g) AVAILABILITY OF COMMODITIES UNDER THE FOOD STAMP PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 1164(a), is amended by adding at the end the following:

''SEC. 28. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

''(a) PURCHASE OF COMMODITIES.—From amounts appropriated under this Act, for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of a variety of nutritious and useful commodities of the types that the Secretary has the authority to acquire through the Commodity Credit Corporation or under section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c), and distribute the commodities to States for distribution in accordance with section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note).

''(b) BASIS FOR COMMODITY PURCHASES.—In purchasing commodities under subsection (a), the Secretary shall, to the extent practicable and appropriate, make purchases based on—

''(1) agricultural market conditions;

''(2) preferences and needs of States and distributing agencies; and

''(3) preferences of recipients.''.

(h) EFFECTIVE DATE.—The amendments made by subsection (d) shall become effective on October 1, 1996.

SEC. 1172. FOOD BANK DEMONSTRATION PROJECT.

Section 3 of the Charitable Assistance and Food Bank Act of 1987 (Public Law 100–232; 7 U.S.C. 612c note) is repealed.

SEC. 1173. HUNGER PREVENTION PROGRAMS.

The Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) by striking section 110;

(2) by striking subtitle C of title II; and

(3) by striking section 502.

SEC. 1174. REPORT ON ENTITLEMENT COMMODITY PROCESSING.

Section 1773 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 612c note) is amended by striking subsection (f).

Subtitle B—Child Nutrition Programs

CHAPTER 1—AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

SEC. 1201. STATE DISBURSEMENT TO SCHOOLS.

(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended—

(1) in the third sentence, by striking ''Nothing'' and all that follows through ''educational agency to'' and inserting ''The State educational agency may'';

(2) by striking the fourth and fifth sentences;

(3) by redesignating the first through seventh sentences, as amended by paragraph (2), as subsections (a) through (g), respectively;

(4) in subsection (b), as redesignated by paragraph (3), by striking ''the preceding sentence'' and inserting ''subsection (a)''; and

(5) in subsection (d), as redesignated by paragraph (3), by striking ''Such food costs'' and inserting ''Use of funds paid to States''.

(b) DEFINITION OF CHILD.—Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)) is amended by adding at the end the following:

''(9) CHILD.—

''(A) IN GENERAL.—The term 'child' includes an individual, regardless of age, who—

''(i) is determined by a State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical disabilities; and

''(ii) is attending any institution, as defined in section 17(a), or any nonresidential public or nonprofit private school of high school grade or under, for the purpose of participating in a school program established for individuals with mental or physical disabilities.

''(B) RELATIONSHIP TO CHILD AND ADULT CARE FOOD PROGRAM.—No institution that is not otherwise eligible to participate in the program under section 17 shall be considered eligible because of this paragraph.''.

SEC. 1202. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) NUTRITIONAL STANDARDS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) in paragraph (2)—

(A) by striking ''(2)(A) Lunches'' and inserting ''(2) Lunches'';

(B) by striking subparagraph (B); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) UTILIZATION OF AGRICULTURAL COMMODITIES.—Section 9(c) of the National School Lunch Act (42 U.S.C. 1758(c)) is amended—

(1) in the fifth sentence, by striking ''of the provisions of law referred to in the preceding sentence'' and inserting ''provision of law''; and

(2) by striking the second, fourth, and sixth sentences.

(c) CONFORMING AMENDMENT.—The last sentence of section 9(d)(1) of the National School Lunch Act (42 U.S.C. 1758(d)(1)) is amended by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(2)(B)''.

(d) NUTRITIONAL INFORMATION.—Section 9(f) of the National School Lunch Act (42 U.S.C. 1758(f)) is amended—

(1) by striking paragraph (1);

(2) by striking ''(2)'';

(3) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively;

(4) by striking paragraph (1), as redesignated by paragraph (3), and inserting the following:

''(1) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1996–1997 school year, each school that is participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

''(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

''(B) provide, on the average over each week, at least—

''(i) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

''(ii) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.'';

(5) in paragraph (3), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (4), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated—

(i) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(ii) in clause (ii), as so redesignated, by striking ''subparagraph (C)'' and inserting ''paragraph (3)''.

(e) USE OF RESOURCES.—Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended by striking subsection (h).

SEC. 1203. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)), as amended by section 1202(b)(1), is amended by adding at the end the following:

''(C) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school food authority shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school food authority. A routine change in the policy of a school food authority, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient

cause for requiring the school food authority to submit a policy statement.''.

SEC. 1204. SPECIAL ASSISTANCE.

(a) EXTENSION OF PAYMENT PERIOD.—Section 11(a)(1)(D)(i) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)(D)(i)) is amended by striking '', on the date of enactment of this subparagraph,''.

(b) APPLICABILITY OF OTHER PROVISIONS.—Section 11 of the National School Lunch Act (42 U.S.C. 1759a) is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)—

(A) by striking ''The'' and inserting ''On request of the Secretary, the''; and

(B) by striking ''each month''; and

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. 1205. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) ACCOUNTS AND RECORDS.—The second sentence of section 12(a) of the National School Lunch Act (42 U.S.C. 1760(a)) is amended by striking ''at all times be available'' and inserting ''be available at any reasonable time''.

(b) RESTRICTION ON REQUIREMENTS.—Section 12(c) of the National School Lunch Act (42 U.S.C. 1760(c)) is amended by striking ''neither the Secretary nor the State shall'' and inserting ''the Secretary shall not''.

(c) DEFINITIONS.—Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)), as amended by section 1201(b), is amended—

(1) in paragraph (1), by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands'';

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (1), (2), and (5) through (9) as paragraphs (6), (7), (3), (4), (2), (5), and (1), respectively, and rearranging the paragraphs so as to appear in numerical order.

(d) ADJUSTMENTS TO NATIONAL AVERAGE PAYMENT RATES.—Section 12(f) of the National School Lunch Act (42 U.S.C. 1760(f)) is amended by striking ''the Trust Territory of the Pacific Islands,''.

(e) EXPEDITED RULEMAKING.—Section 12(k) of the National School Lunch Act (42 U.S.C. 1760(k)) is amended—

(1) by striking paragraphs (1), (2), and (5); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(f) WAIVER.—Section 12(l) of the National School Lunch Act (42 U.S.C. 1760(l)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (iii), by adding ''and'' at the end;

(B) in clause (iv), by striking the semicolon at the end and inserting a period; and

(C) by striking clauses (v) through (vii);

(2) in paragraph (3)—

(A) in subparagraph (A), by striking ''(A)''; and

(B) by striking subparagraphs (B) through (D);

(3) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking ''of any requirement relating'' and inserting ''that increases Federal costs or that relates'';

(B) by striking subparagraph (D);

(C) by redesignating subparagraphs (E) through (N) as subparagraphs (D) through (M), respectively; and

(D) in subparagraph (L), as redesignated by subparagraph (C), by striking ''and'' at the end and inserting ''or''; and

(4) in paragraph (6)—

(A) by striking ''(A)(i)'' and all that follows through ''(B)''; and

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

(g) SIMPLIFIED ADMINISTRATION OF SCHOOL MEAL AND OTHER NUTRITION PROGRAMS.—Section 12 of the National School Lunch Act (42 U.S.C. 1760), as amended by subsection (g), is amended by adding at the end the following:

''(m) SIMPLIFIED ADMINISTRATION OF SCHOOL MEAL AND OTHER NUTRITION PROGRAMS.—Notwithstanding any other provision of law, no assistance or benefits provided under the programs established under the following provisions of law shall be contingent on the citizenship or immigration status of any applicant or recipient:

''(1) This Act.

''(2) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

''(3) Section 4 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note).

''(4) The Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note).

''(5) The food distribution program on Indian reservations established under section 4(b) of Public Law 88–525 (7 U.S.C. 2013(b)).''.

SEC. 1206. COMMODITY DISTRIBUTION.

(a) CEREAL AND SHORTENING IN COMMODITY DONATIONS.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1762a(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) ADVISORY COUNCIL.—Section 14(e) of the National School Lunch Act (42 U.S.C. 1762a(e)) is amended by striking ''educational''.

(c) CASH COMPENSATION FOR PILOT PROJECT SCHOOLS.—Section 14(g) of the National School Lunch Act (42 U.S.C. 1762a(g)) is amended by striking paragraph (3).

SEC. 1207. CHILD AND ADULT CARE FOOD PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended in the first sentence of subsection (a), by striking ''initiate, maintain, and expand'' and inserting ''initiate and maintain''.

(b) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited.''.

(c) TECHNICAL ASSISTANCE.—The last sentence of section 17(d)(1) of the National School Lunch Act (42 U.S.C. 1766(d)(1)) is amended by striking '', and shall provide technical assistance'' and all that follows through ''its application''.

(d) REIMBURSEMENT OF CHILD CARE INSTITUTIONS.—Section 17(f)(2)(B) of the National School Lunch Act (42 U.S.C. 1766(f)(2)(B)) is amended by striking ''two meals and two supplements or three meals and one supplement'' and inserting ''2 meals and 1 supplement''.

(e) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by striking ''(3)(A) Institutions'' and all that follows through the end of subparagraph (A) and inserting the following:

''(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(A) REIMBURSEMENT FACTOR.—

''(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

''(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

''(I) DEFINITION OF TIER I FAMILY OR GROUP DAY CARE HOME.—In this paragraph, the term 'tier I family or group day care home' means—

''(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

''(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

''(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring or organization of the home under regulations established by the Secretary.

''(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

''(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on July 1, 1996.

''(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

''(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

''(I) IN GENERAL.—

''(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

''(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment

and based on the unrounded adjustment for the preceding 12-month period.

''(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

''(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

''(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

''(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

''(III) INFORMATION AND DETERMINATIONS.—

''(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

''(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

''(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

''(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

''(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

''(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

''(cc) Such other simplified procedures as the Secretary may prescribe.

''(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any minimum verification requirements that are necessary to carry out this clause.''.

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by adding at the end the following:

''(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

''(i) IN GENERAL.—

''(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1997.

''(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

''(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

''(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) made by section 1208(e)(1) of the Agricultural Reconciliation Act of 1996.

''(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

''(I) $30,000 in base funding to each State; and

''(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1995 as a percentage of the number of all family day care homes participating in the program during fiscal year 1995.

''(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1997 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

''(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).''.

(3) PROVISION OF DATA.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)), as amended by paragraph (2), is amended by adding at the end the following:

''(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

''(ii) SCHOOL DATA.—

''(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

''(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

''(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.''.

(4) CONFORMING AMENDMENTS.—Section 17(c) of the National School Lunch Act (42 U.S.C. 1766(c)) is amended by inserting ''except as provided in subsection (f)(3),'' after ''For purposes of this section,'' each place it appears in paragraphs (1), (2), and (3).

(f) REIMBURSEMENT.—Section 17(f) of the National School Lunch Act (42 U.S.C. 1766(f)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)(ii), by striking ''conduct outreach'' and all that follows through ''may become'' and inserting ''assist unlicensed family or group day care homes in becoming''; and

(2) in the first sentence of paragraph (4), by striking ''shall'' and inserting ''may''.

(g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the National School Lunch Act (42 U.S.C. 1766(g)(1)) is amended—

(1) in subparagraph (A), by striking the second sentence; and

(2) in subparagraph (B), by striking the second sentence.

(h) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by striking subsection (k) and inserting the following:

''(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.''.

(i) RECORDS.—The second sentence of section 17(m) of the National School Lunch Act (42 U.S.C. 1766(m)) is amended by striking ''at all times'' and inserting ''at any reasonable time''.

(j) INFORMATION FOR PARENTS.—Section 17 of the National School Lunch Act (42 U.S.C.

1766) is amended by striking subsection (q) and inserting the following:

''(q) INFORMATION FOR PARENTS.—The State agency shall ensure that, at least once a year, child care institutions provide written information to parents that includes—

''(1) basic information on the benefits of the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

''(2) information on the maximum income limits, according to family size, applicable to the program; and

''(3) information on where parents may apply to participate in the program.''.

(k) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1) and (4) of subsection (e) shall become effective on July 1, 1997.

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than January 1, 1997, the Secretary of Agriculture shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (e); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than July 1, 1997, the Secretary of Agriculture shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

(l) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child and adult care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child and adult care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary of Agriculture data on—

(A) the number of family day care homes participating in the program on June 30, 1997, and June 30, 1998;

(B) the number of family day care homes licensed, certified, registered, or approved for service on June 30, 1997, and June 30, 1998; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the date of enactment of this section, the Secretary of Agriculture shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1208. PILOT PROJECTS.

(a) UNIVERSAL FREE PILOT.—Section 18(d) of the National School Lunch Act (42 U.S.C. 1769(d)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) DEMONSTRATION PROJECT OUTSIDE SCHOOL HOURS.—Section 18(e) of the National School Lunch Act (42 U.S.C. 1769(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking ''(A)''; and

(ii) by striking ''shall'' and inserting ''may''; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (5) and inserting the following:

''(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1997 and 1998.''.

(c) CONFORMING AMENDMENT.—Section 17B(d)(1)(A) of the National School Lunch Act (42 U.S.C. 1766b(d)(1)(A)) is amended by striking ''18(c)'' and inserting ''18(b)''.

SEC. 1209. REDUCTION OF PAPERWORK.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is repealed.

SEC. 1210. INFORMATION ON INCOME ELIGIBILITY.

Section 23 of the National School Lunch Act (42 U.S.C. 1769d) is repealed.

SEC. 1211. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

Section 24 of the National School Lunch Act (42 U.S.C. 1769e) is repealed.

CHAPTER 2—AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

SEC. 1251. SPECIAL MILK PROGRAM.

Section 3(a)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(3)) is amended by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands''.

SEC. 1252. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

''(E) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school food authority shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school food authority. A routine change in the policy of a school food authority, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school food authority to submit a policy statement.''.

SEC. 1253. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

(a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD PREPARATION.—Section 4(e)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(B)) is amended by striking the second sentence.

(b) EXPANSION OF PROGRAM; STARTUP AND EXPANSION COSTS.—

(1) IN GENERAL.—Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsections (f) and (g).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on October 1, 1996.

SEC. 1254. STATE ADMINISTRATIVE EXPENSES.

(a) USE OF FUNDS FOR COMMODITY DISTRIBUTION ADMINISTRATION; STUDIES.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking subsections (e) and (h); and

(2) by redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g), respectively.

(b) APPROVAL OF CHANGES.—Section 7(e) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(e)), as so redesignated, is amended—

(1) by striking ''each year an annual plan'' and inserting ''the initial fiscal year a plan''; and

(2) by adding at the end the following: ''After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan.''.

SEC. 1255. REGULATIONS.

Section 10(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1779(b)) is amended—

(1) in paragraph (1), by striking ''(1)''; and

(2) by striking paragraphs (2) through (4).

SEC. 1256. PROHIBITIONS.

Section 11(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1780(a)) is amended by striking ''neither the Secretary nor the State shall'' and inserting ''the Secretary shall not''.

SEC. 1257. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(1) in paragraph (1), by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands''; and

(2) in the first sentence of paragraph (3)—

(A) in subparagraph (A), by inserting ''and'' at the end; and

(B) by striking '', and (C)'' and all that follows through ''Governor of Puerto Rico''.

SEC. 1258. ACCOUNTS AND RECORDS.

The second sentence of section 16(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1785(a)) is amended by striking ''at all times be available'' and inserting ''be available at any reasonable time''.

SEC. 1259. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) DEFINITIONS.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

(1) in paragraph (15)(B)(iii), by inserting ''of not more than 365 days'' after ''accommodation''; and

(2) in paragraph (16)—

(A) in subparagraph (A), by adding ''and'' at the end; and

(B) in subparagraph (B), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (C).

(b) SECRETARY'S PROMOTION OF WIC.—Section 17(c) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(c)) is amended by striking paragraph (5).

(c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)) is amended by striking paragraph (4).

(d) STATE PLAN.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking ''annually to the Secretary, by a date specified by the Secretary, a'' and

inserting ''to the Secretary, by a date specified by the Secretary, an initial''; and

(ii) by adding at the end the following: ''After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan.'';

(B) in subparagraph (C)—

(i) by striking clause (iii) and inserting the following:

''(iii) a plan to coordinate operations under the program with other services or programs that may benefit participants in, and applicants for, the program;'';

(ii) in clause (vi), by inserting after ''in the State'' the following: ''(including a plan to improve access to the program for participants and prospective applicants who are employed, or who reside, in rural areas)'';

(iii) in clause (vii), by striking ''to provide program benefits'' and all that follows through ''emphasis on'' and inserting ''for'';

(iv) by striking clauses (ix), (x), and (xii);

(v) in clause (xiii), by striking ''may require'' and inserting ''may reasonably require'';

(vi) by redesignating clauses (xi) and (xiii), as so amended, as clauses (ix) and (x), respectively; and

(vii) in clause (ix), as so redesignated, by adding ''and'' at the end;

(C) by striking subparagraph (D); and

(D) by redesignating subparagraph (E) as subparagraph (D);

(2) in the second sentence of paragraph (5), by striking ''at all times be available'' and inserting ''be available at any reasonable time'';

(3) in paragraph (9)(B), by striking the second sentence;

(4) in the first sentence of paragraph (11), by striking '', including standar5s that will ensure sufficient State agency staff'';

(5) in paragraph (12), by striking the third sentence;

(6) in paragraph (17), by striking ''and to accommodate'' and all that follows through ''facilities'';

(7) in paragraph (19), by striking ''shall'' and inserting ''may''; and

(8) by redesignating paragraphs (3), (4), (5), (7), (9) through (21), (23), and (24) as paragraphs (2), (3), (4), (5), (6) through (18), (19), and (20), respectively.

(e) INFORMATION.—Section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) is amended—

(1) in paragraph (5), by striking ''the report required under subsection (d)(4)'' and inserting ''reports on program participant characteristics''; and

(2) by striking paragraph (6).

(f) PROCUREMENT OF INFANT FORMULA.—

(1) IN GENERAL.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended—

(A) in paragraph (4)(E), by striking ''and, on'' and all that follows through ''(d)(4)'';

(B) in paragraph (8)—

(i) by striking subparagraphs (A), (C), and (M);

(ii) in subparagraph (G)—

(I) in clause (i), by striking ''(i)''; and

(II) by striking clauses (ii) through (ix);

(iii) in subparagraph (I), by striking ''Secretary—'' and all that follows through ''(v) may'' and inserting ''Secretary may'';

(iv) by redesignating subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(v) in subparagraph (A)(i), as so redesignated, by striking ''subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A),'' and inserting ''subparagraphs (B) and (C)(iii),'';

(vi) in subparagraph (B)(i), as so redesignated, by striking ''subparagraph (B)'' each place it appears and inserting ''subparagraph (A)''; and

(vii) in subparagraph (C)(iii), as so redesignated, by striking ''subparagraph (B)'' and inserting ''subparagraph (A)''; and

(2) APPLICATION.—The amendments made by paragraph (1) shall not apply to a contract for the procurement of infant formula under section 17(h)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)) that is in effect on the date of enactment of this subsection.

(g) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(k)(3)) is amended by striking ''Secretary shall designate'' and inserting ''Council shall elect''.

(h) COMPLETED STUDY; COMMUNITY COLLEGE DEMONSTRATION; GRANTS FOR INFORMATION AND DATA SYSTEM.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by striking subsections (n), (o), and (p).

(i) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), as amended by subsection (i), is amended by adding at the end the following:

''(n) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

''(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this section of an approved vendor that is disqualified from accepting benefits under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

''(2) TERMS.—A disqualification under paragraph (1)—

''(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

''(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

''(C) shall not be subject to judicial or administrative review.''.

SEC. 1260. CASH GRANTS FOR NUTRITION EDUCATION.

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.

SEC. 1261. NUTRITION EDUCATION AND TRAINING.

(a) FINDINGS.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) in subsection (a), by striking ''that—'' and all that follows through the period at the end and inserting ''that effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs should be encouraged.''; and

(2) in the first sentence of subsection (b), by striking ''encourage'' and all that follows through ''establishing'' and inserting ''establish''.

(b) USE OF FUNDS.—Section 19(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(f)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B); and

(B) in subparagraph (A)—

(i) by striking ''(A)'';

(ii) by striking clauses (ix) through (xix);

(iii) by redesignating clauses (i) through (viii) and (xx) as subparagraphs (A) through (H) and (I), respectively;

(iv) in subparagraph (I), as so redesignated, by striking the period at the end and inserting ''; and''; and

(v) by adding at the end the following:

''(J) other appropriate related activities, as determined by the State.'';

(2) by striking paragraphs (2) and (4); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) ACCOUNTS, RECORDS, AND REPORTS.—The second sentence of section 19(g)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(g)(1)) is amended by striking ''at all times be available'' and inserting ''be available at any reasonable time''.

(d) STATE COORDINATORS FOR NUTRITION; STATE PLAN.—Section 19(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(h)) is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking ''as provided in paragraph (2) of this subsection''; and

(B) by striking ''as provided in paragraph (3) of this subsection'';

(2) in paragraph (2), by striking the second and third sentences; and

(3) by striking paragraph (3).

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)) is amended—

(1) in the first sentence of paragraph (2)(A), by striking ''and each succeeding fiscal year'';

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

''(3) FISCAL YEARS 1997 THROUGH 2002.—

''(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

''(B) GRANTS.—

''(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within the State, except that no State shall receive an amount less than $75,000 per fiscal year.

''(ii) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.''.

(f) ASSESSMENT.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended by striking subsection (j).

(g) EFFECTIVE DATE.—The amendments made by subsection (e) shall become effective on October 1, 1996.

SEC. 1262. ROUNDING RULES.

(a) SPECIAL MILK PRICE PROGRAM RATES.—Section 3(a)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(8)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(b) REDUCED PRICE BREAKFAST RATES.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in the second sentence of paragraph (1)(B), by striking ''one-fourth cent'' and inserting ''lower cent increment''; and

(2) in paragraph (2)(B)(ii), by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(c) COMMODITY RATE.—The second sentence of section 6(e)(1)(B) of the National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ''¼ cent'' and inserting ''lower cent increment''.

(d) LUNCH, BREAKFAST, AND SUPPLEMENT RATES.—The third sentence of section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on July 1, 1996.

TITLE II—COMMITTEE ON FINANCE

Subtitle A—Welfare Reform

SEC. 2001. SHORT TITLE OF SUBTITLE.

This subtitle may be cited as the ''Personal Responsibility and Work Opportunity Act of 1996''.

SEC. 2002. TABLE OF CONTENTS OF SUBTITLE.

The table of contents for this subtitle is as follows:

CHAPTER 1—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 2101. FINDINGS.

The Congress makes the following findings:

(1) Marriage is the foundation of a successful society.

(2) Marriage is an essential institution of a successful society which promotes the interests of children.

(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children.

(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one-half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

(5) The number of individuals receiving aid to families with dependent children (in this section referred to as ''AFDC'') has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

(A)(i) The average monthly number of children receiving AFDC benefits—

(I) was 3,300,000 in 1965;

(II) was 6,200,000 in 1970;

(III) was 7,400,000 in 1980; and

(IV) was 9,300,000 in 1992.

(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's, the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse, primarily with older adult men.

(8) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of ''younger and longer'' increase total AFDC costs per household by 25 percent to 30 percent for 17-year-olds.

(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

(F) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

(9) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅕ of divorced mothers received AFDC.

(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

(D) Mothers under 20 years of age are at the greatest risk of bearing low-birth-weight babies.

(E) The younger the single parent mother, the less likely she is to finish high school.

(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact 2-parent families.

(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

(10) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth and protection of teenage girls from pregnancy as well as predatory sexual behavior are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by section 2103(a) of this Act) is intended to address the crisis.

SEC. 2102. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this chapter an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 2103. BLOCK GRANTS TO STATES.

(a) IN GENERAL.—Part A of title IV (42 U.S.C. 601 et seq.) is amended—

(1) by striking all that precedes section 418 (as added by section 2803(b)(2) of this Act) and inserting the following:

''PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

''SEC. 401. PURPOSE.

''(a) IN GENERAL.—The purpose of this part is to increase the flexibility of States in operating a program designed to—

''(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

''(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

''(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

''(4) encourage the formation and maintenance of two-parent families.

''(b) NO INDIVIDUAL ENTITLEMENT.—This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

''SEC. 402. ELIGIBLE STATES; STATE PLAN.

''(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that the Secretary has found includes the following:

''(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—

''(A) GENERAL PROVISIONS.—A written document that outlines how the State intends to do the following:

''(i) Conduct a program, designed to serve all political subdivisions in the State (not necessarily in a uniform manner), that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

''(ii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier.

''(iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

''(iv) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.

''(v) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State (as defined in section 403(a)(2)(B)) for calendar years 1996 through 2005.

''(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

''(vii) Determine, on an objective and equitable basis, the needs of and the amount of assistance to be provided to needy families, and, except as provided in subparagraph (B), treat families of similar needs and circumstances similarly.

''(viii) Grant an opportunity for a fair hearing before the appropriate State agency to any individual to whom assistance under the program has been denied, reduced, or terminated, or whose request for such assistance is not acted on with reasonable promptness.

''(B) SPECIAL PROVISIONS.—

''(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

''(ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

''(iii) Not later than one year after the date of enactment of this Act, unless the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for two months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.

''(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

''(3) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E, and that the State will take such actions as are necessary to ensure that children receiving assistance under such part are eligible for medical assistance under the State plan under title XIX (or XV, if applicable).

''(4) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations—

''(A) have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

''(B) have had at least 45 days to submit comments on the plan and the design of such services.

''(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.—A certification by the chief executive officer of the State that, during the fiscal year, the State will provide each Indian who is a member of an Indian tribe in the State that does not have a tribal family assistance plan approved under section 412 with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

''(6) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE AGAINST PROGRAM FRAUD AND ABUSE.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

''(7) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.—

''(A) IN GENERAL.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to—

''(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

''(ii) refer such individuals to counseling and supportive services; and

''(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

''(B) DOMESTIC VIOLENCE DEFINED.—For purposes of this paragraph, the term 'domestic violence' has the same meaning as the term 'battered or subjected to extreme cruelty', as defined in section 408(a)(8)(C)(iii).

''(8) CERTIFICATION REGARDING ELIGIBILITY OF INDIVIDUAL WHO HAS BEEN BATTERED OR SUBJECTED TO EXTREME CRUELTY.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure that in the case of an individual who has been battered or subjected to extreme cruelty, as determined under section 408(a)(8)(C)(iii), the State will determine the eligibility of such individual for assistance under this part based solely on such individual's income.

''(b) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.—The State shall make available to the public a summary of any plan submitted by the State under this section.

''SEC. 403. GRANTS TO STATES.

''(a) GRANTS.—

''(1) FAMILY ASSISTANCE GRANT.—

''(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary, for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the State family assistance grant.

''(B) STATE FAMILY ASSISTANCE GRANT DEFINED.—As used in this part, the term 'State family assistance grant' means the greatest of—

''(i) ⅓ of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect));

''(ii)(I) the total amount required to be paid to the State under former section 403 for fiscal year 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect)); plus

''(II) an amount equal to 85 percent of the amount (if any) by which the total amount required to be paid to the State under former section 403(a)(5) for emergency assistance for fiscal year 1995 exceeds the total amount required to be paid to the State under former section 403(a)(5) for fiscal year 1994, if, during fiscal year 1994 or 1995, the Secretary approved under former section 402 an amendment to the former State plan to allow the provision of emergency assistance in the context of family preservation; or

''(iii) ⅔ of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for the 1st 3 quarters of fiscal year 1995 (other than with respect to amounts expended by the State under the State plan approved under part F (as so in effect) or for child care under subsection (g) or (i) of former section 402 (as so in effect)), plus the total amount required to be paid to the State for fiscal year 1995 under former section 403(l) (as so in effect).

''(C) TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 DEFINED.—As used in this part, the term 'total amount required to be paid to the State under former section 403' means, with respect to a fiscal year—

''(i) in the case of a State to which section 1108 does not apply, the sum of—

''(I) the Federal share of maintenance assistance expenditures for the fiscal year, before reduction pursuant to subparagraph (B) or (C) of section 403(b)(2) (as in effect on September 30, 1995), as reported by the State on ACF Form 231;

''(II) the Federal share of administrative expenditures (including administrative expenditures for the development of management information systems) for the fiscal year, as reported by the State on ACF Form 231;

''(III) the Federal share of emergency assistance expenditures for the fiscal year, as reported by the State on ACF Form 231;

''(IV) the Federal share of expenditures for the fiscal year with respect to child care pursuant to subsections (g) and (i) of former section 402 (as in effect on September 30, 1995), as reported by the State on ACF Form 231; and

''(V) the aggregate amount required to be paid to the State for the fiscal year with respect to the State program operated under part F (as in effect on September 30, 1995), as determined by the Secretary, including additional obligations or reductions in obligations made after the close of the fiscal year; and

''(ii) in the case of a State to which section 1108 applies, the lesser of—

''(I) the sum described in clause (i); or

''(II) the total amount certified by the Secretary under former section 403 (as in effect during the fiscal year) with respect to the territory.

''(D) INFORMATION TO BE USED IN DETERMINING AMOUNTS.—

''(i) FOR FISCAL YEARS 1992 AND 1993.—

''(I) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of April 28, 1995.

''(II) In determining the amount described in subparagraph (C)(i)(V) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of January 6, 1995.

''(ii) FOR FISCAL YEAR 1994.—In determining the amounts described in subparagraph (C)(i) for any State for fiscal year 1994, the Secretary shall use information available as of April 28, 1995.

''(iii) FOR FISCAL YEAR 1995.—

''(I) In determining the amount described in subparagraph (B)(ii)(II) for any State for fiscal year 1995, the Secretary shall use the information which was reported by the States and estimates made by the States with respect to emergency assistance expenditures and was available as of August 11, 1995.

''(II) In determining the amounts described in subclauses (I) through (III) of subparagraph (C)(i) for any State for fiscal year 1995, the Secretary shall use information available as of October 2, 1995.

''(III) In determining the amount described in subparagraph (C)(i)(IV) for any State for fiscal year 1995, the Secretary shall use information available as of February 28, 1996.

''(IV) In determining the amount described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 5, 1995.

''(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph.

''(2) GRANT TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

''(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for fiscal year 1998 or any succeeding fiscal year, an illegitimacy reduction bonus if—

''(i) the State demonstrates that the number of out-of-wedlock births that occurred in the State during the most recent 2-year period for which such information is available decreased as compared to the number of such births that occurred during the previous 2-year period; and

''(ii) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

''(B) PARTICIPATION IN ILLEGITIMACY BONUS.—A State that demonstrates a decrease under subparagraph (A)(i) shall be eligible for a grant under paragraph (5).

''(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

''(C) ILLEGITIMACY RATIO.—As used in this paragraph, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

''(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

''(ii) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

''(D) DISREGARD OF CHANGES IN DATA DUE TO CHANGED REPORTING METHODS.—For purposes of subparagraph (A), the Secretary shall disregard—

''(i) any difference between the illegitimacy ratio of a State for a fiscal year and the illegitimacy ratio of the State the preceding 2 fiscal years which is attributable to a change in State methods of reporting data used to calculate the illegitimacy ratio; and

''(ii) any difference between the rate of induced pregnancy terminations in a State for a fiscal year and such rate for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate such rate.

''(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 1998 and for each succeeding fiscal year such sums as are necessary for grants under this paragraph.

''(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

''(A) IN GENERAL.—Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary—

''(i) for fiscal year 1998 a grant in an amount equal to 2.5 percent of the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

''(ii) for each of fiscal years 1999, 2000, and 2001, a grant in an amount equal to the sum of—

''(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

''(II) 2.5 percent of the sum of—

''(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

''(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

''(B) PRESERVATION OF GRANT WITHOUT INCREASES FOR STATES FAILING TO REMAIN QUALIFYING STATES.—Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

''(C) QUALIFYING STATE.—

''(i) IN GENERAL.—For purposes of this paragraph, a State is a qualifying State for a fiscal year if—

''(I) the level of welfare spending per poor person by the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

''(II) the population growth rate of the State (as determined by the Bureau of the Census) for the most recent fiscal year for which information is available exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

''(ii) STATE MUST QUALIFY IN FISCAL YEAR 1998.—Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1998 by reason of clause (i) if the State is not a qualifying State for fiscal year 1998 by reason of clause (i).

''(iii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State is deemed to be a qualifying State for fiscal years 1998, 1999, 2000, and 2001 if—

''(I) the level of welfare spending per poor person by the State for fiscal year 1997 is less than 35 percent of the national average level of State welfare spending per poor person for fiscal year 1996; or

''(II) the population of the State increased by more than 10 percent from April 1, 1990 to July 1, 1994, according to the population estimates in publication CB94-204 of the Bureau of the Census.

''(D) DEFINITIONS.—As used in this paragraph:

''(i) LEVEL OF WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State and a fiscal year—

''(I) the sum of—

''(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

''(bb) the amount (if any) paid to the State under this paragraph for the immediately preceding fiscal year; divided by

''(II) the number of individuals, according to the 1990 decennial census, who were residents of the State and whose income was below the poverty line.

''(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means, with respect to a fiscal year, an amount equal to—

''(I) the total amount required to be paid to the States under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; divided by

''(II) the number of individuals, according to the 1990 decennial census, who were residents of any State and whose income was below the poverty line.

''(iii) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

''(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph, in a total amount not to exceed $800,000,000.

''(F) GRANTS REDUCED PRO RATA IF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated pursuant to this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall be reduced by a percentage equal to the amount so appropriated divided by such total amount.

''(G) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the

baseline shall assume that no grant shall be made under this paragraph after fiscal year 2000.

''(4) BONUS TO REWARD HIGH PERFORMANCE STATES.—

''(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is a high performing State.

''(B) AMOUNT OF GRANT.—

''(i) IN GENERAL.—Subject to clause (ii) of this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a high performing State for a bonus year, which shall be based on the score assigned to the State under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.

''(ii) LIMITATION.—The amount payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

''(C) FORMULA FOR MEASURING STATE PERFORMANCE.—Not later than 1 year after the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, the Secretary, in consultation with the National Governors' Association and the American Public Welfare Association, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals set forth in section 401(a). Such formula shall emphasize the extent to which the State increases the number of families that become ineligible for assistance under the State program funded under this part as a result of unsubsidized employment.

''(D) SCORING OF STATE PERFORMANCE; SETTING OF PERFORMANCE THRESHOLDS.—For each bonus year, the Secretary shall—

''(i) use the formula developed under subparagraph (C) to assign a score to each eligible State for the fiscal year that immediately precedes the bonus year; and

''(ii) prescribe a performance threshold in such a manner so as to ensure that—

''(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals the amount specified for such bonus year in subparagraph (E)(ii); and

''(II) the total amount of grants to be made under this paragraph for all bonus years equals $1,000,000,000.

''(E) DEFINITIONS.—As used in this paragraph:

''(i) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

''(ii) THE AMOUNT SPECIFIED FOR SUCH BONUS YEAR.—The term 'the amount specified for such bonus year' means the following:

''(I) For fiscal years 1999, 2000, 2001, and 2002, $175,000,000.

''(II) For fiscal year 2003, $300,000,000.

''(iii) HIGH PERFORMING STATE.—The term 'high performing State' means, with respect a bonus year, an eligible State whose score assigned pursuant to subparagraph (D)(i) for the fiscal year immediately preceding the bonus year equals or exceeds the performance threshold prescribed under subparagraph (D)(ii) for such preceding fiscal year.

''(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003 $1,000,000,000 for grants under this paragraph.

''(5) BONUS TO REWARD DECREASE IN ILLEGITIMACY.—

''(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State determined eligible under paragraph (2)(B) for each bonus year for which the State demonstrates a net decrease in out-of-wedlock births.

''(B) AMOUNT OF GRANT.—

''(i) IN GENERAL.—Subject to this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a low illegitimacy State for a bonus year.

''(ii) TOP FIVE STATES.—With respect to States determined eligible under paragraph (2)(B) for a fiscal year, the Secretary shall determine which five of such States demonstrated the greatest decrease in out-of-wedlock births under such paragraph for the period involved. Each of such five States shall receive a grant of equal amount under this paragraph for such fiscal year but such amount shall not exceed $20,000,000 for any single State.

''(iii) LESS THAN FIVE STATES.—With respect to a fiscal year, if the Secretary determines that there are less than five States eligible under paragraph (2)(B) for a fiscal year, the grants under this paragraph shall be awarded to each such State in an equal amount but such amount shall not exceed $25,000,000 for any single State.

''(C) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003, such sums as are necessary for grants under this paragraph.

''(b) CONTINGENCY FUND.—

''(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (in this section referred to as the 'Fund').

''(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1998, 1999, 2000, and 2001 such sums as are necessary for payment to the Fund in a total amount not to exceed $2,000,000,000.

''(3) GRANTS.—

''(A) PROVISIONAL PAYMENTS.—If an eligible State submits to the Secretary a request for funds under this paragraph during an eligible month, the Secretary shall, subject to this paragraph, pay to the State, from amounts appropriated pursuant to paragraph (2), an amount equal to the amount of funds so requested.

''(B) PAYMENT PRIORITY.—The Secretary shall make payments under subparagraph (A) in the order in which the Secretary receives requests for such payments.

''(C) LIMITATIONS.—

''(i) MONTHLY PAYMENT TO A STATE.—The total amount paid to a single State under subparagraph (A) during a month shall not exceed 1/12 of 20 percent of the State family assistance grant.

''(ii) PAYMENTS TO ALL STATES.—The total amount paid to all States under subparagraph (A) during fiscal years 1998 through 2001 shall not exceed the total amount appropriated pursuant to paragraph (2).

''(4) ANNUAL RECONCILIATION.—Notwithstanding paragraph (3), at the end of each fiscal year, each State shall remit to the Secretary an amount equal to the amount (if any) by which the total amount paid to the State under paragraph (3) during the fiscal year exceeds—

''(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount (if any) by which the expenditures under the State program funded under this part for the fiscal year exceed historic State expenditures (as defined in section 409(a)(7)(B)(iii)); multiplied by

''(B) 1/12 times the number of months during the fiscal year for which the Secretary makes a payment to the State under this subsection.

''(5) ELIGIBLE MONTH.—As used in paragraph (3)(A), the term 'eligible month' means, with respect to a State, a month in the 2-month period that begins with any month for which the State is a needy State.

''(6) NEEDY STATE.—For purposes of paragraph (5), a State is a needy State for a month if—

''(A) the average rate of—

''(i) total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published equals or exceeds 6.5 percent; and

''(ii) total unemployment in such State (seasonally adjusted) for the 3-month period equals or exceeds 110 percent of such average rate for either (or both) of the corresponding 3-month periods ending in the 2 preceding calendar years; or

''(B) as determined by the Secretary of Agriculture (in the discretion of the Secretary of Agriculture), the monthly average number of individuals (as of the last day of each month) participating in the food stamp program in the State in the then most recently concluded 3-month period for which data are available exceeds by not less than 10 percent the lesser of—

''(i) the monthly average number of individuals (as of the last day of each month) in the State that would have participated in the food stamp program in the corresponding 3-month period in fiscal year 1994 if the amendments made by chapter 4 of the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by chapter 1 of subtitle A of title I of the Agricultural Reconciliation Act of 1996 had been in effect throughout fiscal year 1994; or

''(ii) the monthly average number of individuals (as of the last day of each month) in the State that would have participated in the food stamp program in the corresponding 3-month period in fiscal year 1995 if the amendments made by chapter 4 of the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by chapter 1 of subtitle A of title I of the Agricultural Reconciliation Act of 1996 had been in effect throughout fiscal year 1995.

''(7) OTHER TERMS DEFINED.—As used in this subsection:

''(A) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

''(B) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(8) ANNUAL REPORTS.—The Secretary shall annually report to the Congress on the status of the Fund.

''SEC. 404. USE OF GRANTS.

''(a) GENERAL RULES.—Subject to this part, a State to which a grant is made under section 403 may use the grant—

''(1) in any manner that is reasonably calculated to accomplish the purpose of this part, including to provide low income households with assistance in meeting home heating and cooling costs; or

''(2) in any manner that the State was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995.

''(b) LIMITATION ON USE OF GRANT FOR ADMINISTRATIVE PURPOSES.—

''(1) LIMITATION.—A State to which a grant is made under section 403 shall not expend more than 15 percent of the grant for administrative purposes.

''(2) EXCEPTION.—Paragraph (1) shall not apply to the use of a grant for information technology and computerization needed for

tracking or monitoring required by or under this part.

''(c) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

''(d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

''(1) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under section 403 for a fiscal year to carry out a State program pursuant to the Child Care and Development Block Grant Act of 1990.

''(2) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified or described in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

''(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under this part.

''(f) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under section 403 may use the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

''(g) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under section 403 is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

''(h) USE OF FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—

''(1) IN GENERAL.—A State operating a program funded under this part may use amounts received under a grant under section 403 to carry out a program to fund individual development accounts (as defined in paragraph (2)) established by individuals eligible for assistance under the State program under this part.

''(2) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

''(A) ESTABLISHMENT.—Under a State program carried out under paragraph (1), an individual development account may be established by or on behalf of an individual eligible for assistance under the State program operated under this part for the purpose of enabling the individual to accumulate funds to for a qualified purpose described in subparagraph (B).

''(B) QUALIFIED PURPOSE.—A qualified purpose described in this subparagraph is 1 or more of the following, as provided by the qualified entity providing assistance to the individual under this subsection:

''(i) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution.

''(ii) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due.

''(iii) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.

''(C) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An individual may only contribute to an individual development account such amounts as are derived from earned income, as defined in section 911(d)(2) of the Internal Revenue Code of 1986.

''(D) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified purposes described in subparagraph (B).

''(3) REQUIREMENTS.—

''(A) IN GENERAL.—An individual development account established under this subsection shall be a trust created or organized in the United States and funded through periodic contributions by the establishing individual and matched by or through a qualified entity for a qualified purpose (as described in paragraph (2)(B).

''(B) QUALIFIED ENTITY.—For purposes of this subsection, the term 'qualified entity' means either—

''(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

''(ii) a State or local government agency acting in cooperation with an organization described in clause (i).

''(4) NO REDUCTION IN BENEFITS.—Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this subsection shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.

''(5) DEFINITIONS.—For purposes of this subsection—

''(A) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

''(i) An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this subsection.

''(ii) An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this subsection.

''(B) POST-SECONDARY EDUCATIONAL EXPENSES.—The term 'post-secondary educational expenses' means—

''(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

''(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

''(C) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

''(D) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

''(E) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(F) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(G) QUALIFIED FIRST-TIME HOMEBUYER.—

''(i) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

''(ii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

''(H) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

''(i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

''(ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

''(iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

''(I) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e) of such Code).

''SEC. 405. ADMINISTRATIVE PROVISIONS.

''(a) QUARTERLY.—The Secretary shall pay each grant payable to a State under section 403 in quarterly installments.

''(b) NOTIFICATION.—Not later than 3 months before the payment of any such quarterly installment to a State, the Secretary shall notify the State of the amount of any reduction determined under section 412(a)(1)(B) with respect to the State.

''(c) COMPUTATION AND CERTIFICATION OF PAYMENTS TO STATES.—

''(1) COMPUTATION.—The Secretary shall estimate the amount to be paid to each eligible State for each quarter under this part, such estimate to be based on a report filed by the State containing an estimate by the State of the total sum to be expended by the State in the quarter under the State program funded under this part and such other information as the Secretary may find necessary.

''(2) CERTIFICATION.—The Secretary of Health and Human Services shall certify to the Secretary of the Treasury the amount estimated under paragraph (1) with respect to a State, reduced or increased to the extent of any overpayment or underpayment which the Secretary of Health and Human Services determines was made under this part to the State for any prior quarter and with respect to which adjustment has not been made under this paragraph.

''(d) PAYMENT METHOD.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary of the Treasury shall, through the Fiscal Service of the Department of the Treasury and before audit or settlement by the General Accounting Office, pay to the State, at the time or times

fixed by the Secretary of Health and Human Services, the amount so certified.

"SEC. 406. FEDERAL LOANS FOR STATE WELFARE PROGRAMS.

''(a) LOAN AUTHORITY.—

''(1) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period to maturity of not more than 3 years.

''(2) LOAN-ELIGIBLE STATE.—As used in paragraph (1), the term 'loan-eligible State' means a State against which a penalty has not been imposed under section 409(a)(1).

''(b) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under this section at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

''(c) USE OF LOAN.—A State shall use a loan made to the State under this section only for any purpose for which grant amounts received by the State under section 403(a) may be used, including—

''(1) welfare anti-fraud activities; and

''(2) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 412.

''(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO A STATE.—The cumulative dollar amount of all loans made to a State under this section during fiscal years 1997 through 2001 shall not exceed 10 percent of the State family assistance grant.

''(e) LIMITATION ON TOTAL AMOUNT OF OUTSTANDING LOANS.—The total dollar amount of loans outstanding under this section may not exceed $1,700,000,000.

''(f) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary for the cost of loans under this section.

"SEC. 407. MANDATORY WORK REQUIREMENTS.

''(a) PARTICIPATION RATE REQUIREMENTS.—

''(1) ALL FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	*The minimum participation rate is:*
1996	*15*
1997	*25*
1998	*30*
1999	*35*
2000	*40*
2001	*45*
2002 and thereafter	*50.*

''(2) 2-PARENT FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	*The minimum participation rate is:*
1996	*50*
1997	*75*
1998	*75*
1999 and thereafter	*90.*

''(b) CALCULATION OF PARTICIPATION RATES.—

''(1) ALL FAMILIES.—

''(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

''(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

''(i) the number of families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month; divided by

''(ii) the amount by which—

''(I) the number of families receiving such assistance during the month that include an adult receiving such assistance; exceeds

''(II) the number of families receiving such assistance that are subject in such month to a penalty described in subsection (e)(1) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive).

''(2) 2-PARENT FAMILIES.—

''(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

''(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month shall be calculated by use of the formula set forth in paragraph (1)(B), except that in the formula the term 'number of 2-parent families' shall be substituted for the term 'number of families' each place such latter term appears.

''(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

''(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

''(i) the average monthly number of families receiving assistance during the fiscal year under the State program funded under this part is less than

''(ii) the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

''(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under the State program operated under the State plan approved under part A (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

''(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 412.

''(5) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—

''(A) IN GENERAL.—For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work and may disregard such an individual in determining the participation rates under subsection (a).

''(B) LIMITATION.—The exemption described in subparagraph (A) may only be applied to a single custodial parent for a total of 12 months (whether or not consecutive).

''(c) ENGAGED IN WORK.—

''(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in work activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), or (8) of subsection (d):

"If the month is in fiscal year:	*The minimum average number of hours per week is:*
1996	*20*
1997	*20*
1998	*20*
1999	*25*
2000	*30*
2001	*30*
2002 and thereafter	*35.*

''(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(B)(i)—

''(A) an adult is engaged in work for a month in a fiscal year if the adult is making progress in work activities for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), or (8) of subsection (d); and

''(B) if the family of such adult receives federally-funded child care assistance, if the adult's spouse is making progress in work activities for at least 20 hours per week during the month which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), or (7) of subsection (d).

''(3) LIMITATION ON NUMBER OF WEEKS FOR WHICH JOB SEARCH COUNTS AS WORK.—Notwithstanding paragraphs (1) and (2), an individual shall not be considered to be engaged in work by virtue of participation in an activity described in subsection (d)(6), after the individual has participated in such an activity for 4 weeks (except if the unemployment rate in the State is above the national average, in which case, 12 weeks) in a fiscal year. An individual shall be considered to be participating in such an activity for a week if the individual participates in such an activity at any time during the week.

''(4) LIMITATION ON EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 30 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

''(5) SINGLE PARENT WITH CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS IF PARENT IS ENGAGED IN WORK FOR 20 HOURS PER WEEK.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient in a 1-parent family who is the parent of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

''(6) TEEN HEAD OF HOUSEHOLD WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient who is a single head of household and has not attained 20 years of age is deemed to be engaged in work for a month in a fiscal year if the recipient—

''(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or

''(B) participates in education directly related to employment for at least the minimum average

number of hours per week specified in the table set forth in paragraph (1).

''(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

''(1) unsubsidized employment;

''(2) subsidized private sector employment;

''(3) subsidized public sector employment;

''(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

''(5) on-the-job training;

''(6) job search and job readiness assistance;

''(7) community service programs;

''(8) educational training (not to exceed 24 months with respect to any individual);

''(9) job skills training directly related to employment;

''(10) education directly related to employment, in the case of a recipient who has not attained 20 years of age, and has not received a high school diploma or a certificate of high school equivalency; and

''(11) satisfactory attendance at secondary school, in the case of a recipient who—

''(A) has not completed secondary school; and

''(B) is a dependent child, or a head of household who has not attained 20 years of age.

''(e) PENALTIES AGAINST INDIVIDUALS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required in accordance with this section, the State shall—

''(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

''(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

''(2) EXCEPTION.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 11 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

''(i) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

''(ii) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

''(iii) Unavailability of appropriate and affordable formal child care arrangements.

''(B) INCLUDED IN DETERMINATION OF PARTICIPATION RATES.—A State may not disregard an adult for which the exception described in subparagraph (A) applies from determination of the participation rates under subsection (a).

''(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

''(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under a State program funded under this part attributable to funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).

''(2) NO FILLING OF CERTAIN VACANCIES.—No work assignment to an adult in a family receiving assistance under a State program funded under this part shall result in—

''(A) the displacement of any currently employed worker (including any temporary layoffs and any partial displacement of such worker through such matters as a reduction in the hours of nonovertime work, wages, or employment benefits; and

''(B) the termination of the employment of any regular employee or any other involuntary reduction of an employer's workforce in order to fill the vacancy so created with an adult described in paragraph (1).

''(3) GRIEVANCE PROCEDURE.—A State with a program funded under this part shall establish and maintain a grievance procedure for resolving complaints of alleged violations of the provisions of paragraph (2) and for providing adequate remedies for any such violations established. The grievance procedure established under this paragraph shall include an opportunity for a hearing.

''(4) NO PREEMPTION.—Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

''(g) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

''(h) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

''(i) ENCOURAGEMENT TO PROVIDE CHILD CARE SERVICES.—An individual participating in a State community service program may be treated as being engaged in work under subsection (c) if such individual provides child care services to other individuals participating in the community service program in the manner, and for the period of time each week, determined appropriate by the State.

''SEC. 408. PROHIBITIONS; REQUIREMENTS.

''(a) IN GENERAL.—

''(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family—

''(A) unless the family includes—

''(i) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

''(ii) a pregnant individual; and

''(B) if such family includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences (unless an exception described in subparagraph (B) or (C) of paragraph (8) applies).

''(2) REDUCTION OR ELIMINATION OF ASSISTANCE FOR NONCOOPERATION IN ESTABLISHING PATERNITY OR OBTAINING CHILD SUPPORT.—If the agency responsible for administering the State plan approved under part D determines that an individual is not cooperating with the State in establishing paternity or in establishing, modifying, or enforcing a support order with respect to a child of the individual, and the individual does not qualify for any good cause or other exception established by the State pursuant to section 454(29), then the State—

''(A) shall deduct not less than 25 percent of the assistance that would otherwise be provided to the family of the individual under the State program funded under this part; and

''(B) may deny the family any assistance under the State program.

''(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family leaves the program, which assignment, on and after the date the family leaves the program, shall not apply with respect to any support (other than support collected pursuant to section 464) which accrued before the family received such assistance and which the State has not collected by—

''(i) September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or

''(ii) the date the family leaves the program, if the assignment is executed on or after October 1, 2000.

''(B) LIMITATION.—A State to which a grant is made under section 403 shall not require, as a condition of providing assistance to any family under the State program funded under this part, that a member of the family assign to the State any rights to support described in subparagraph (A) which accrue after the date the family leaves the program.

''(4) NO ASSISTANCE FOR TEENAGE PARENTS WHO DO NOT ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual who has not attained 18 years of age, is not married, has a minor child at least 12 weeks of age in his or her care, and has not successfully completed a high-school education (or its equivalent), if the individual does not participate in—

''(A) educational activities directed toward the attainment of a high school diploma or its equivalent; or

''(B) an alternative educational or training program that has been approved by the State.

''(5) NO ASSISTANCE FOR TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

''(A) IN GENERAL.—

''(i) REQUIREMENT.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

''(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual described in this clause is an individual who—

''(I) has not attained 18 years of age; and

''(II) is not married, and has a minor child in his or her care.

''(B) EXCEPTION.—

''(i) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in clause (ii), the State agency referred to in section 402(a)(4) shall provide, or assist the individual in locating, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement, taking into consideration the needs and concerns of the individual, and thereafter shall require that the individual and the minor child referred to in subparagraph (A)(ii)(II) reside in such living arrangement as a condition of the continued receipt of assistance under the State program funded under this part attributable to funds provided by the Federal Government (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

''(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual is described in this clause if the individual is described in subparagraph (A)(ii), and—

''(I) the individual has no parent, legal guardian or other appropriate adult relative described in subclause (II) of his or her own who is living or whose whereabouts are known;

''(II) no living parent, legal guardian, or other appropriate adult relative, who would otherwise meet applicable State criteria to act as the individual's legal guardian, of such individual allows the individual to live in the home of such parent, guardian, or relative;

''(III) the State agency determines that—

''(aa) the individual or the minor child referred to in subparagraph (A)(ii)(II) is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of the individual's own parent or legal guardian; or

''(bb) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if the individual and the minor child lived in the same residence with the individual's own parent or legal guardian; or

''(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A) with respect to the individual or the minor child.

''(iii) SECOND-CHANCE HOME.—For purposes of this subparagraph, the term 'second-chance home' means an entity that provides individuals described in clause (ii) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

''(6) NO MEDICAL SERVICES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide medical services.

''(B) EXCEPTION FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

''(7) SANCTION WELFARE RECIPIENTS FOR FAILING TO ENSURE THAT MINOR DEPENDENT CHILDREN ATTEND SCHOOL.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult fails to ensure that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside.

''(8) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to an individual during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XV or XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI. The preceding sentence shall not apply with respect to a conviction of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct which was the subject of the conviction.

''(9) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to any individual who is—

''(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(ii) violating a condition of probation or parole imposed under Federal or State law.

The preceding sentence shall not apply with respect to conduct of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct.

''(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

''(i) the recipient—

''(I) is described in subparagraph (A); or

''(II) has information that is necessary for the officer to conduct the official duties of the officer; and

''(ii) the location or apprehension of the recipient is within such official duties.

''(10) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 180 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

''(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

''(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part of the absence of the minor child from the home for the period specified in or provided for pursuant to subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

''(11) ASSURING MEDICAID COVERAGE FOR LOW-INCOME FAMILIES.—

''(A) IN GENERAL.—Notwithstanding any other provision of this Act, subject to the succeeding provisions of this paragraph, with respect to a State any reference in title XIX (or other provision of law in relation to the operation of such title) to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

''(B) CONSTRUCTIONS.—

''(i) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under this part (as in effect on or after October 1, 1996).

''(ii) The provisions of former section 406(h) (as in effect on July 1, 1996) shall apply, in relation to title XIX, with respect to individuals who receive assistance under a State program funded under this part (as in effect on or after October 1, 1996) and are eligible for medical assistance under title XIX or who are described in subparagraph (C)(i) in the same manner as they apply as of July 1, 1996, with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title.

''(iii) With respect to the reference in section 1902(a)(5) to a State plan approved under this part, a State may treat such reference as a reference either to a State program funded under this part (as in effect on or after October 1, 1996) or to the State plan under title XIX.

''(C) ELIGIBILITY CRITERIA.—

''(i) IN GENERAL.—For purposes of title XIX, subject to clause (ii), in determining eligibility for medical assistance under such title, an individual shall be treated as receiving aid or assistance under a State plan approved under this part (and shall be treated as meeting the income and resource standards under this part) only if the individual meets—

''(I) the income and resource standards for determining eligibility under such plan; and

''(II) the eligibility requirements of such plan under subsections (a) through (c) of former section 406 and former section 407(a),

as in effect as of July 1, 1996. Subject to clause (ii)(II), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

''(ii) STATE OPTION.—For purposes of applying this paragraph, a State may—

''(I) lower its income standards applicable with respect to this part, but not below the income standards applicable under its State plan under this part on May 1, 1988; and

''(II) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under this part as of July 1, 1996.

''(iii) TRANSITIONAL COVERAGE.—For purposes of section 1925, an individual who is receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) and is eligible for medical assistance under title XIX shall be treated as an individual receiving aid or assistance pursuant to a State plan approved under this part (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section 1925).

''(D) WAIVERS.—In the case of a waiver of a provision of this part in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under title XIX, such waiver may (but need not) continue to be applied, at the option of the State, in relation to such title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subparagraphs (A), (B), and (C) shall be applied as if any provisions so waived had not been waived.

''(E) STATE OPTION TO USE 1 APPLICATION FORM.—Nothing in this paragraph, this part, or title XIX, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under this part (on or after October 1, 1996) and for medical assistance under title XIX.

''(F) REQUIREMENT FOR RECEIPT OF FUNDS.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that the provisions of this paragraph are carried out: Provided, That the State is otherwise participating in title XIX of this Act.

''(b) ALIENS.—For special rules relating to the treatment of aliens, see section 2402 of the Personal Responsibility and Work Opportunity Act of 1996.

''(c) NONDISCRIMINATION PROVISIONS.—Any program or activity that receives funds under this part shall be subject to enforcement authorized under the following provisions of law:

''(1) The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

''(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

''(3) The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

''(4) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

''(d) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY AGREEMENT WITH EACH FAMILY RECEIVING ASSISTANCE.—

''(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into a personal responsibility agreement (as developed by the State) with the State.

''(2) PERSONAL RESPONSIBILITY AGREEMENT.—For purposes of this subsection, the term 'personal responsibility agreement' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

''(A) contains a statement that public assistance is not intended to be a way of life, but is intended as temporary assistance to help the family achieve self-sufficiency and personal independence;

''(B) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient, including an employment goal for the individual and a plan for promptly moving the individual into paid employment;

''(C) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

''(D) provides for the imposition of sanctions if the individual refuses to sign the agreement or does not comply with the terms of the agreement, which may include loss or reduction of cash benefits;

''(E) provides that the contract shall be invalid if the State agency fails to comply with the contract; and

''(F) provides that the individual agrees not to abuse illegal drugs or other substances that would interfere with the ability of the individual to become self-sufficient, or provide for a referral for substance abuse treatment if necessary to increase the employability of the individual.

''(3) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

''(4) DISPUTE RESOLUTION.—The State agency shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.

''SEC. 409. PENALTIES.

''(a) IN GENERAL.—Subject to this section:

''(1) USE OF GRANT IN VIOLATION OF THIS PART.—

''(A) GENERAL PENALTY.—If an audit conducted under chapter 75 of title 31, United States Code, finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter by the amount so used.

''(B) ENHANCED PENALTY FOR INTENTIONAL VIOLATIONS.—If the State does not prove to the satisfaction of the Secretary that the State did not intend to use the amount in violation of this part, the Secretary shall further reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter by an amount equal to 5 percent of the State family assistance grant.

''(2) FAILURE TO SUBMIT REQUIRED REPORT.—

''(A) IN GENERAL.—If the Secretary determines that a State has not, within 1 month after the end of a fiscal quarter, submitted the report required by section 411(a) for the quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 4 percent of the State family assistance grant.

''(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report if the State submits the report before the end of the fiscal quarter that immediately succeeds the fiscal quarter for which the report was required.

''(3) FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

''(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with section 407(a) for the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant.

''(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

''(C) ADDITIONAL PENALTY FOR CONSECUTIVE NONCOMPLIANCE.—Notwithstanding the limitation described in subparagraph (A), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for a fiscal year, in addition to the reduction imposed under subparagraph (A), by an amount equal to 5 percent of the State family assistance grant, if the Secretary determines that the State failed to comply with section 407(a) for 2 or more consecutive preceding fiscal years.

''(4) FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant.

''(5) FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity or in establishing, modifying, or enforcing a child support order in accordance with such part and who do not qualify for any good cause or other exception established by the State under section 454(29), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year (without regard to this section) by not more than 5 percent.

''(6) FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 406 within the period of maturity applicable to the loan, plus any interest owed on the loan, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding loan amount, plus the interest owed on the outstanding amount. The Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

''(7) FAILURE OF ANY STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC EFFORT.—

''(A) IN GENERAL.—The Secretary shall reduce the grant payable to the State under section 403(a)(1) for fiscal year 1998, 1999, 2000, 2001, or 2002 by the amount (if any) by which qualified State expenditures for the then immediately preceding fiscal year are less than the applicable percentage of historic State expenditures with respect to such preceding fiscal year.

''(B) DEFINITIONS.—As used in this paragraph:

''(i) QUALIFIED STATE EXPENDITURES.—

''(I) IN GENERAL.—The term 'qualified State expenditures' means, with respect to a State and a fiscal year, the total expenditures by the State during the fiscal year, under all State programs, for any of the following with respect to eligible families:

''(aa) Cash assistance.

''(bb) Child care assistance.

''(cc) Educational activities designed to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to persons who are not members of an eligible family.

''(dd) Administrative costs in connection with the matters described in items (aa), (bb), (cc), and (ee), but only to the extent that such costs do not exceed 15 percent of the total amount of qualified State expenditures for the fiscal year.

''(ee) Any other use of funds allowable under section 404(a)(1).

''(II) EXCLUSION OF TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—Such term does not include expenditures under any State or local program during a fiscal year, except to the extent that—

''(aa) such expenditures exceed the amount expended under the State or local program in the fiscal year most recently ending before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996; or

''(bb) the State is entitled to a payment under former section 403 (as in effect immediately before such date of enactment) with respect to such expenditures.

''(III) ELIGIBLE FAMILIES.—As used in subclause (I), the term 'eligible families' means families eligible for assistance under the State program funded under this part, and families that would be eligible for such assistance but for the application of section 408(a)(8) of this Act or section 2402 of the Personal Responsibility and Work Opportunity Act of 1996.

''(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means for fiscal years 1997 through 2001, 80 percent reduced (if appropriate) in accordance with subparagraph (C)(ii).

''(iii) HISTORIC STATE EXPENDITURES.—The term 'historic State expenditures' means, with respect to a State, the lesser of—

''(I) the expenditures by the State under parts A and F (as in effect during fiscal year 1994) for fiscal year 1994; or

''(II) the amount which bears the same ratio to the amount described in subclause (I) as—

''(aa) the State family assistance grant, plus the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994); bears to

''(bb) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994.

Such term does not include any expenditures under the State plan approved under part A (as so in effect) on behalf of individuals covered by

a tribal family assistance plan approved under section 412, as determined by the Secretary.

''(iv) EXPENDITURES BY THE STATE.—The term 'expenditures by the State' does not include—

''(I) any expenditures from amounts made available by the Federal Government;

''(II) State funds expended for the medicaid program under title XV or XIX; or

''(III) any State funds which are used to match Federal funds or are expended as a condition of receiving Federal funds under Federal programs other than under this part.

''(C) APPLICABLE PERCENTAGE REDUCED FOR HIGH PERFORMANCE STATES.—

''(i) DETERMINATION OF HIGH PERFORMANCE STATES.—The Secretary shall use the formula developed under section 403(a)(4)(C) to assign a score to each eligible State that represents the performance of the State program funded under this part for each fiscal year, and shall prescribe a performance threshold which the Secretary shall use to determine whether to reduce the applicable percentage with respect to any eligible State for a fiscal year.

''(ii) REDUCTION PROPORTIONAL TO PERFORMANCE.—The Secretary shall reduce the applicable percentage for a fiscal year with respect to each eligible State by an amount which is directly proportional to the amount (if any) by which the score assigned to the State under clause (i) for the immediately preceding fiscal year exceeds the performance threshold prescribed under clause (i) for such preceding fiscal year, subject to clause (iii).

''(iii) LIMITATION ON REDUCTION.—The applicable percentage for a fiscal year with respect to a State may not be reduced by more than 8 percentage points under this subparagraph.

''(8) SUBSTANTIAL NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

''(A) IN GENERAL.—If a State program operated under part D is found as a result of a review conducted under section 452(a)(4) not to have complied substantially with the requirements of such part for any quarter, and the Secretary determines that the program is not complying substantially with such requirements at the time the finding is made, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the quarter and each subsequent quarter that ends before the 1st quarter throughout which the program is found to be in substantial compliance with such requirements by—

''(i) not less than 1 nor more than 2 percent;

''(ii) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive such finding made as a result of such a review; or

''(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding made as a result of such a review.

''(B) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of subparagraph (A) and section 452(a)(4), a State which is not in full compliance with the requirements of this part shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the State's program operated under part D.

''(9) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that the expenditures under the State program funded under this part for the fiscal year are less than 100 percent of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by the total of the amounts so paid to the State.

''(10) FAILURE TO COMPLY WITH PROVISIONS OF THIS PART OR THE STATE PLAN.—If, after reasonable notice and opportunity for hearing, the Secretary determines that during a fiscal year a State has not substantially complied with any provision of this part or of the State plan, the Secretary shall, if a preceding paragraph of this subsection does not apply to such noncompliance, reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant, and shall continue to impose such reduction during each succeeding fiscal year until the Secretary determines that the State no longer is in noncompliance with such provision.

''(11) FAILURE TO COMPLY WITH 5-YEAR LIMIT ON ASSISTANCE.—If the Secretary determines that during a fiscal year a State has not complied with the provisions of section 408(a)(1)(B), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

''(12) REQUIRED REPLACEMENT OF GRANT FUND REDUCTIONS CAUSED BY PENALTIES.—If the grant payable to a State under section 403(a)(1) for a fiscal year is reduced by reason of this subsection, the State shall, during the immediately succeeding fiscal year, expend under the State program funded under this part an amount equal to the total amount of such reductions.

''(b) REASONABLE CAUSE EXCEPTION.—

''(1) IN GENERAL.—The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

''(2) EXCEPTION.—Paragraph (1) of this subsection shall not apply to any penalty under paragraph (6) or (7) of subsection (a).

''(c) CORRECTIVE COMPLIANCE PLAN.—

''(1) IN GENERAL.—

''(A) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under subsection (a) with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this subsection which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

''(B) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under subparagraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

''(C) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with subparagraph (B), the Secretary may consult with the State on modifications to the plan.

''(D) ACCEPTANCE OF PLAN.— A corrective compliance plan submitted by a State in accordance with subparagraph (B) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

''(2) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under subsection (a) with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

''(3) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under subsection (a) with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

''(4) INAPPLICABILITY TO FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR A STATE WELFARE PROGRAM.—This subsection shall not apply to the imposition of a penalty against a State under subsection (a)(6).

''(d) LIMITATION ON AMOUNT OF PENALTY.—

''(1) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

''(2) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that paragraph (1) of this subsection prevents the Secretary from recovering during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year.

''SEC. 410. APPEAL OF ADVERSE DECISION.

''(a) IN GENERAL.—Within 5 days after the date the Secretary takes any adverse action under this part with respect to a State, the Secretary shall notify the chief executive officer of the State of the adverse action, including any action with respect to the State plan submitted under section 402 or the imposition of a penalty under section 409.

''(b) ADMINISTRATIVE REVIEW.—

''(1) IN GENERAL.—Within 60 days after the date a State receives notice under subsection (a) of an adverse action, the State may appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.

''(2) PROCEDURAL RULES.—The Board shall consider an appeal filed by a State under paragraph (1) on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse action or any portion of such an action, the Board shall conduct a thorough review of the issues and take into account all relevant evidence. The Board shall make a final determination with respect to an appeal filed under paragraph (1) not less than 60 days after the date the appeal is filed.

''(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

''(1) IN GENERAL.—Within 90 days after the date of a final decision by the Board under this section with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

''(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

''(B) the United States District Court for the District of Columbia.

''(2) PROCEDURAL RULES.—The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section

706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.

"SEC. 411. DATA COLLECTION AND REPORTING.

''(a) QUARTERLY REPORTS BY STATES.—

''(1) GENERAL REPORTING REQUIREMENT.—

''(A) CONTENTS OF REPORT.—Each eligible State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part:

''(i) The county of residence of the family.

''(ii) Whether a child receiving such assistance or an adult in the family is disabled.

''(iii) The ages of the members of such families.

''(iv) The number of individuals in the family, and the relation of each family member to the youngest child in the family.

''(v) The employment status and earnings of the employed adult in the family.

''(vi) The marital status of the adults in the family, including whether such adults have never married, are widowed, or are divorced.

''(vii) The race and educational status of each adult in the family.

''(viii) The race and educational status of each child in the family.

''(ix) Whether the family received subsidized housing, medical assistance under the State plan under title XV or the State plan approved under title XIX, food stamps, or subsidized child care, and if the latter 2, the amount received.

''(x) The number of months that the family has received each type of assistance under the program.

''(xi) If the adults participated in, and the number of hours per week of participation in, the following activities:

''(I) Education.

''(II) Subsidized private sector employment.

''(III) Unsubsidized employment.

''(IV) Public sector employment, work experience, or community service.

''(V) Job search.

''(VI) Job skills training or on-the-job training.

''(VII) Vocational education.

''(xii) Information necessary to calculate participation rates under section 407.

''(xiii) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

''(xiv) Any amount of unearned income received by any member of the family.

''(xv) The citizenship of the members of the family.

''(xvi) From a sample of closed cases, whether the family left the program, and if so, whether the family left due to—

''(I) employment;

''(II) marriage;

''(III) the prohibition set forth in section 408(a)(8);

''(IV) sanction; or

''(V) State policy.

''(B) USE OF ESTIMATES.—

''(i) AUTHORITY.—A State may comply with subparagraph (A) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods approved by the Secretary.

''(ii) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

''(2) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of the funds paid to the State under this part for the quarter that are used to cover administrative costs or overhead.

''(3) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the total amount expended by the State during the quarter on programs for needy families.

''(4) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by paragraph (1) for a fiscal quarter shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 407(d)) during the quarter.

''(5) REPORT ON TRANSITIONAL SERVICES.—The report required by paragraph (1) for a fiscal quarter shall include the total amount expended by the State during the quarter to provide transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

''(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to define the data elements with respect to which reports are required by this subsection.

''(b) ANNUAL REPORTS TO THE CONGRESS BY THE SECRETARY.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

''(1) whether the States are meeting—

''(A) the participation rates described in section 407(a); and

''(B) the objectives of—

''(i) increasing employment and earnings of needy families, and child support collections; and

''(ii) decreasing out-of-wedlock pregnancies and child poverty;

''(2) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

''(3) the characteristics of each State program funded under this part; and

''(4) the trends in employment and earnings of needy families with minor children living at home.

"SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

''(a) GRANTS FOR INDIAN TRIBES.—

''(1) TRIBAL FAMILY ASSISTANCE GRANT.—

''(A) IN GENERAL.—For each of fiscal years 1997, 1998, 1999, 2000, and 2001, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under subparagraph (B), and shall reduce the grant payable under section 403(a)(1) to any State in which lies the service area or areas of the Indian tribe by that portion of the amount so determined that is attributable to expenditures by the State.

''(B) AMOUNT DETERMINED.—

''(i) IN GENERAL.—The amount determined under this subparagraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 (as in effect during such fiscal year) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State or States under parts A and F (as so in effect) for fiscal year 1994 for Indian families residing in the service area or areas identified by the Indian tribe pursuant to subsection (b)(1)(C) of this section.

''(ii) USE OF STATE SUBMITTED DATA.—

''(I) IN GENERAL.—The Secretary shall use State submitted data to make each determination under clause (i).

''(II) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under subclause (I), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under clause (i) and the Secretary may consider such information before making such determination.

''(2) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

''(A) IN GENERAL.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the amount received by the Indian tribe in fiscal year 1994 under section 482(i) (as in effect during fiscal year 1994).

''(B) ELIGIBLE INDIAN TRIBE.—For purposes of subparagraph (A), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during fiscal year 1995).

''(C) USE OF GRANT.—Each Indian tribe to which a grant is made under this paragraph shall use the grant for the purpose of operating a program to make work activities available to members of the Indian tribe.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $7,638,474 for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

''(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

''(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

''(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with this section;

''(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

''(C) identifies the population and service area or areas to be served by such plan;

''(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

''(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

''(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

''(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

''(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

''(c) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-

related services under the grant, and penalties against individuals—

''(1) consistent with the purposes of this section;

''(2) consistent with the economic conditions and resources available to each tribe; and

''(3) similar to comparable provisions in section 407(d).

''(d) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

''(e) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

''(1) generally accepted accounting principles; and

''(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

''(f) PENALTIES.—

''(1) Subsections (a)(1), (a)(6), and (b) of section 409, shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

''(2) Section 409(a)(3) shall apply to an Indian tribe with an approved tribal assistance plan by substituting 'meet minimum work participation requirements established under section 412(c)' for 'comply with section 407(a)'.

''(g) DATA COLLECTION AND REPORTING.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

''(h) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to the program of the State of Alaska funded under this part. Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

''(2) WAIVER.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

''SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

''(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section 409.

''(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

''(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children living at home with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

''(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

''(c) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

''(d) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

''(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance. In ranking States under this subsection, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

''(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

''(e) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

''(1) ANNUAL RANKING OF STATES.—

''(A) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

''(i) ABSOLUTE OUT-OF-WEDLOCK RATIOS.—The ratio represented by—

''(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

''(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

''(ii) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A)(i) with respect to a State for the most recent fiscal year for which such information is available and the ratio with respect to the State for the immediately preceding year.

''(2) ANNUAL REVIEW.—The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

''(f) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to evaluate the State program funded under this part if—

''(1) the State submits a proposal to the Secretary for the evaluation;

''(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States; and

''(3) unless otherwise waived by the Secretary, the State contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 10 percent of the cost of the evaluation.

''(g) FUNDING OF STUDIES AND DEMONSTRATIONS.—

''(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $15,000,000 for each of fiscal years 1998 through 2001, for the purpose of paying—

''(A) the cost of conducting the research described in subsection (a);

''(B) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under subsection (b);

''(C) the Federal share of any State-initiated study approved under subsection (f); and

''(D) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to this part, that are in effect or approved under section 1115 as of September 30, 1995, and are continued after such date.

''(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

''(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

''(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

''(3) DEMONSTRATIONS OF INNOVATIVE STRATEGIES.—The Secretary may implement and evaluate demonstrations of innovative and promising strategies which—

''(A) provide one-time capital funds to establish, expand, or replicate programs;

''(B) test performance-based grant-to-loan financing in which programs meeting performance targets receive grants while programs not meeting such targets repay funding on a prorated basis; and

''(C) test strategies in multiple States and types of communities.

''(h) CHILD POVERTY RATES.—

''(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this part, and annually thereafter, the chief executive officer of a State shall submit to the Secretary a statement of the child poverty rate in the State as of such date of enactment or the date of such subsequent statements. Such subsequent statements shall include the change in such rate from the previous statement, if any.

''(2) INCREASE IN RATE.—With respect to a State that submits a statement under paragraph (1) that indicates an increase of 5 percent or more in the child poverty rate of the State from the previous statement as a result of the changes made by the Act, the State shall, not later than 90 days after the date of such statement, prepare and submit to the Secretary a corrective action plan in accordance with paragraph (3).

''(3) CORRECTIVE ACTION PLAN.—

''(A) IN GENERAL.—A corrective action plan submitted under paragraph (2) shall outline that manner in which the State will reduce the child poverty rate within the State. The plan shall include a description of the actions to be taken by the State under such plan.

''(B) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives the corrective action plan of a State under subparagraph (A), the Secretary may consult with the State on modifications to the plan.

''(C) ACCEPTANCE OF PLAN.— A corrective action plan submitted by a State in accordance with subparagraph (A) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

''(4) COMPLIANCE WITH PLAN.—

''(A) IN GENERAL.—A State that submits a corrective action plan under this subsection shall continue to implement such plan until such time as the Secretary makes the determination described in subparagraph (B).

''(B) DETERMINATION.—A determination described in this subparagraph is a determination that the child poverty rate for the State involved has fallen to, and not exceeded for a period of 2-consecutive years, a rate that is not greater than the rate contained in the most recent statement submitted by the State under paragraph (1) which did not trigger the application of paragraph (2).

''(C) LABOR SURPLUS AREA.—With respect to a State that submits a corrective action plan under paragraph (2), such plan shall continue to be implemented until the area involved is no longer designated as a Labor Surplus Area.

''(5) METHODOLOGY.—The Secretary shall promulgate regulations establishing the methodology by which a States shall determine the child poverty rate within such State. Such methodology shall, with respect to a State, take into account factors including the number of children who receive free or reduced-price lunches, the number of food stamp households, and the county by county estimates of children in poverty as determined by the Census Bureau.

''SEC. 414. STUDY BY THE CENSUS BUREAU.

''(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by chapter 1 of the Personal Responsibility and Work Opportunity Act of 1996 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

''(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).

''SEC. 415. WAIVERS.

''(a) CONTINUATION OF WAIVERS.—

''(1) WAIVERS IN EFFECT ON DATE OF ENACTMENT OF WELFARE REFORM.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1996) is in effect as of the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, the amendments made by such Act (other than by section 2103(d) of such Act) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

''(2) WAIVERS GRANTED SUBSEQUENTLY.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1996) is submitted to the Secretary before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996 and approved by the Secretary on or before July 1, 1997, and the State demonstrates to the satisfaction of the Secretary that the waiver will not result in Federal expenditures under title IV of this Act (as in effect without regard to the amendments made by the Personal Responsibility and Work Opportunity Act of 1996) that are greater than would occur in the absence of the waiver, the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 (other than by section 2103(d) of such Act) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 are inconsistent with the waiver.

''(3) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall be entitled to payment under section 403 for the fiscal year, in lieu of any other payment provided for in the waiver.

''(b) STATE OPTION TO TERMINATE WAIVER.—

''(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

''(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of the waiver.

''(3) HOLD HARMLESS PROVISION.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

''(B) DATE DESCRIBED.—The date described in this subparagraph is 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996.

''(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

''(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in subsection (a).

''SEC. 416. ADMINISTRATION.

''The programs under this part and part D shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law, and the Secretary shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of 75 percent of the full-time equivalent positions at such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by such Act, and by an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at such Department that bears the same relationship to the amount appropriated for any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by such Act, as such amount relates to the total amount appropriated for use by such Department, and, notwithstanding any other provision of law, the Secretary shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 2103 of the Personal Responsibility and Work Opportunity Act of 1996, and by 60 full-time equivalent managerial positions in the Department.

''SEC. 417. LIMITATION ON FEDERAL AUTHORITY.

''No officer or employee of the Federal Government may regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.''; and

(2) by inserting after such section 418 the following:

''SEC. 419. DEFINITIONS.

''As used in this part:

''(1) ADULT.—The term 'adult' means an individual who is not a minor child.

''(2) MINOR CHILD.—The term 'minor child' means an individual who—

''(A) has not attained 18 years of age; or

''(B) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

''(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

''(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(B) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—The term 'Indian tribe' means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

''(i) Arctic Slope Native Association.

''(ii) Kawerak, Inc.

''(iii) Maniilaq Association.

''(iv) Association of Village Council Presidents.

''(v) Tanana Chiefs Conference.

''(vi) Cook Inlet Tribal Council.

''(vii) Bristol Bay Native Association.

''(viii) Aleutian and Pribilof Island Association.

''(ix) Chugachmuit.

''(x) Tlingit Haida Central Council.

''(xi) Kodiak Area Native Association.

''(xii) Copper River Native Association.

''(5) STATE.—

''(A) IN GENERAL.—Except as otherwise specifically provided, the term 'State' means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

''(B) STATE OPTION TO CONTRACT TO PROVIDE SERVICES.—The term 'State' includes the—

''(i) administration and provision of services under the program funded under this part, or under the programs funded under parts B and E of this title, through contracts with charitable, religious, or private organizations; and

''(ii) provision to beneficiaries of assistance under such programs with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.''.

(b) GRANTS TO OUTLYING AREAS.—Section 1108 (42 U.S.C. 1308) is amended—

(1) by redesignating subsection (c) as subsection (g);

(2) by striking all that precedes subsection (c) and inserting the following:

"SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA; LIMITATION ON TOTAL PAYMENTS.

''(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—Notwithstanding any other provision of this Act, the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and E of title IV, and under subsection (b) of this section, for payment to any territory for a fiscal year shall not exceed the ceiling amount for the territory for the fiscal year.

''(b) ENTITLEMENT TO MATCHING GRANT.—

''(1) IN GENERAL.—Each territory shall be entitled to receive from the Secretary for each fiscal year a grant in an amount equal to 75 percent of the amount (if any) by which—

''(A) the total expenditures of the territory during the fiscal year under the territory programs funded under parts A and E of title IV; exceeds

''(B) the sum of—

''(i) the total amount required to be paid to the territory (other than with respect to child care) under former section 403 (as in effect on September 30, 1995) for fiscal year 1995, which shall be determined by applying subparagraphs (C) and (D) of section 403(a)(1) to the territory;

''(ii) the total amount required to be paid to the territory under former section 434 (as so in effect) for fiscal year 1995; and

''(iii) the total amount expended by the territory during fiscal year 1995 pursuant to parts A and F of title IV (as so in effect), other than for child care.

''(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

''(c) DEFINITIONS.—As used in this section:

''(1) TERRITORY.—The term 'territory' means Puerto Rico, the Virgin Islands, Guam, and American Samoa.

''(2) CEILING AMOUNT.—The term 'ceiling amount' means, with respect to a territory and a fiscal year, the mandatory ceiling amount with respect to the territory, reduced for the fiscal year in accordance with subsection (e).

''(3) MANDATORY CEILING AMOUNT.—The term 'mandatory ceiling amount' means—

''(A) $102,040,000 with respect to for Puerto Rico;

''(B) $4,683,000 with respect to Guam;

''(C) $3,554,000 with respect to the Virgin Islands; and

''(D) $1,000,000 with respect to American Samoa.

''(4) TOTAL AMOUNT EXPENDED BY THE TERRITORY.—The term 'total amount expended by the territory'—

''(A) does not include expenditures during the fiscal year from amounts made available by the Federal Government; and

''(B) when used with respect to fiscal year 1995, also does not include—

''(i) expenditures during fiscal year 1995 under subsection (g) or (i) of section 402 (as in effect on September 30, 1995); or

''(ii) any expenditures during fiscal year 1995 for which the territory (but for section 1108, as in effect on September 30, 1995) would have received reimbursement from the Federal Government.

''(d) AUTHORITY TO TRANSFER FUNDS AMONG PROGRAMS.—Notwithstanding any other provision of this Act, any territory to which an amount is paid under any provision of law specified in subsection (a) may use part or all of the amount to carry out any program operated by the territory, or funded, under any other such provision of law.

''(e) MAINTENANCE OF EFFORT.—The ceiling amount with respect to a territory shall be reduced for a fiscal year by an amount equal to the amount (if any) by which—

''(1) the total amount expended by the territory under all programs of the territory operated pursuant to the provisions of law specified in subsection (a) (as such provisions were in effect for fiscal year 1995) for fiscal year 1995; exceeds

''(2) the total amount expended by the territory under all programs of the territory that are funded under the provisions of law specified in subsection (a) for the fiscal year that immediately precedes the fiscal year referred to in the matter preceding paragraph (1).''; and

(3) by striking subsections (d) and (e).

(c) REPEAL OF PROVISIONS REQUIRING REDUCTION OF MEDICAID PAYMENTS TO STATES THAT REDUCE WELFARE PAYMENT LEVELS.—

(1) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(2) Section 1902 (42 U.S.C. 1396a) is amended by striking subsection (c).

(d) ELIMINATION OF CHILD CARE PROGRAMS UNDER THE SOCIAL SECURITY ACT.—

(1) AFDC AND TRANSITIONAL CHILD CARE PROGRAMS.—Section 402 (42 U.S.C. 602) is amended by striking subsection (g).

(2) AT-RISK CHILD CARE PROGRAM.—

(A) AUTHORIZATION.—Section 402 (42 U.S.C. 602) is amended by striking subsection (i).

(B) FUNDING PROVISIONS.—Section 403 (42 U.S.C. 603) is amended by striking subsection (n).

SEC. 2104. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—

(1) STATE OPTIONS.—A State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 2103(a) of this Act).

(B) Any other program established or modified under chapter 1 or 2 of this subtitle, that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow States to contract with religious organizations, or to allow religious organizations to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—In the event a State exercises its authority under subsection (a), religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution. Except as provided in subsection (k), neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance; or

(B) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection with assistance from an alternative provider that is accessible to the individual and the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1a) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such

programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—Any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State court against the entity or agency that allegedly commits such violation.

(j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian worship, instruction, or proselytization.

(k) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

SEC. 2105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce, in carrying out section 141 of title 13, United States Code, shall expand the data collection efforts of the Bureau of the Census (in this section referred to as the ''Bureau'') to enable the Bureau to collect statistically significant data, in connection with its decennial census and its mid-decade census, concerning the growing trend of grandparents who are the primary caregivers for their grandchildren.

(b) EXPANDED CENSUS QUESTION.—In carrying out subsection (a), the Secretary of Commerce shall expand the Bureau's census question that details households which include both grandparents and their grandchildren. The expanded question shall be formulated to distinguish between the following households:

(1) A household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental distress.

(2) A household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

SEC. 2106. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 2107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.

(a) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of the States in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 407 of the Social Security Act. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis and a preliminary assessment of the effects of section 409(a)(7)(C) of such Act.

(b) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study required by subsection (a).

SEC. 2108. WELFARE FORMULA FAIRNESS COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Welfare Formula Fairness Commission (in this section referred to as the ''Commission'').

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 13 members, of whom—

(A) 3 shall be appointed by the President, of whom not more than 2 shall be of the same political party;

(B) 3 shall be appointed by the Majority Leader of the Senate;

(C) 2 shall be appointed by the Minority Leader of the Senate;

(D) 3 shall be appointed by the Speaker of the House of Representatives; and

(E) 2 shall be appointed by the Minority Leader of the House of Representatives.

(2) DATE.—The appointments of the members of the Commission shall be made not later than 30 days after the date of the enactment of this Act.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(e) MEETINGS.—The Commission shall meet at the call of the Chair.

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

(g) CHAIR AND VICE CHAIR.—The Commission shall select a Chair and Vice Chair from among its members.

(h) DUTIES OF THE COMMISSION.—

(1) STUDY.—The Commission shall study—

(A) the temporary assistance for needy families block grant program established under part A of title IV of the Social Security Act, as amended by section 2103 of this Act; and

(B) the funding formulas applied, the bonus payments provided, and the work requirements established under such program.

(2) REPORT.—Not later than September 1, 1998, the Commission shall submit a report to the Congress on the matters studied under paragraph (1).

(i) POWERS OF THE COMMISSION.—

(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this section.

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

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

(4) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(j) PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

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

(3) STAFF.—

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

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

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

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

(k) TERMINATION OF THE COMMISSION.—The Commission shall terminate not later than December 31, 1998.

(l) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Commission such sums as are necessary to carry out the purposes of this section.

SEC. 2109. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking ''aid'' and inserting ''assistance under a State program funded''.

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking ''aid to families with dependent children'' and inserting ''assistance under a State program funded under part A'';

(B) by striking ''such aid'' and inserting ''such assistance''; and

(C) by striking ''under section 402(a)(26) or'' and inserting ''pursuant to section 408(a)(4) or under section''.

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking ''aid under a State plan approved'' and inserting ''assistance under a State program funded''; and

(B) by striking ''in accordance with the standards referred to in section 402(a)(26)(B)(ii)'' and inserting ''by the State''.

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking ''aid under the State plan approved under part A'' and inserting ''assistance under the State program funded under part A''.

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking ''1115(c)'' and inserting ''1115(b)''.

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking ''aid is being paid under the State's plan approved under part A or E'' and inserting ''assistance is being provided under the State program funded under part A''.

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking ''aid was being paid under the State's plan approved under part A or E'' and inserting ''assistance was being provided under the State program funded under part A''.

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking ''who is a dependent child'' and inserting ''with respect to whom assistance is being provided under the State program funded under part A'';

(B) by inserting ''by the State'' after ''found''; and

(C) by striking ''to have good cause for refusing to cooperate under section 402(a)(26)'' and inserting ''to qualify for a good cause or other exception to cooperation pursuant to section 454(29)''.

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 408(a)(4)''.

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking ''aid under part A of this title'' and inserting ''assistance under a State program funded under part A''.

(11) Section 454(5)(A) (42 U.S.C. 654(5)(A))) is amended—

(A) by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 408(a)(4)''; and

(B) by striking ''; except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;'' and inserting a comma.

(12) Section 454(6)(D) (42 U.S.C. 654(6)(D)) is amended by striking ''aid under a State plan approved'' and inserting ''assistance under a State program funded''.

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking ''under section 402(a)(26)''.

(14) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking ''402(a)(26)'' and inserting ''408(a)(3)''.

(15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking ''aid'' and inserting ''assistance under a State program funded''.

(16) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking ''aid under plans approved'' and inserting ''assistance under State programs funded''; and

(B) by striking ''such aid'' and inserting ''such assistance''.

(17) Section 472(c)(2) (42 U.S.C. 672(c)(2)) is amended by striking ''nonprofit''.

(b) REPEAL OF PART F OF TITLE IV.—Part F of title IV (42 U.S.C. 681–687) is repealed.

(c) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(d) AMENDMENTS TO TITLE XI.—

(1) Section 1109 (42 U.S.C. 1309) is amended by striking ''or part A of title IV,''.

(2) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting ''(A)'' after ''(2)'';

(ii) by striking ''403,'';

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

(iv) by adding at the end the following new subparagraph:

''(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part.''; and

(B) in subsection (c)(3), by striking ''the program of aid to families with dependent children'' and inserting ''part A of such title''.

(3) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking ''or part A of title IV,''; and

(B) in subsection (a)(3), by striking ''404,''.

(4) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking ''403(a),'';

(B) by striking ''and part A of title IV,''; and

(C) by striking '', and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV''.

(5) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking ''or part A of title IV''; and

(B) by striking ''403(a),''.

(6) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking ''or part A of title IV,''.

(7) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(8) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) any State program funded under part A of title IV of this Act;''; and

(B) in subsection (d)(1)(B)—

(i) by striking ''In this subsection—'' and all that follows through ''(ii) in'' and inserting ''In this subsection, in'';

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(e) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(f) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking ''aid under the State plan approved'' and inserting ''assistance under a State program funded''.

(g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: ''(A) a State program funded under part A of title IV,''.

(h) AMENDMENT TO TITLE XIX.—Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking ''1108(c)'' and inserting ''1108(g)''.

SEC. 2110. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking ''plan approved'' and all that follows through ''title IV of the Social Security Act'' and inserting ''program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)'';

(2) in subsection (d)—

(A) in paragraph (5), by striking ''assistance to families with dependent children'' and inserting ''assistance under a State program funded''; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking ''plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)'' and inserting ''program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)''; and

(4) by striking subsection (m) and redesignating subsection (n), as added by section 1122, as subsection (m).

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking ''the State plan approved'' and inserting ''the State program funded''; and

(2) in subsection (e)(6), by striking ''aid to families with dependent children'' and inserting ''benefits under a State program funded''.

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking ''State plans under the Aid to Families with Dependent Children Program under'' and inserting ''State programs funded under part A of''.

(d) Section 17(b)(3) of such Act (7 U.S.C. 2026(b)(3)) is amended by adding at the end the following new subparagraph:

''(I) The Secretary may not grant a waiver under this paragraph on or after October 1, 1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.''.

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking ''operating—'' and all that follows through ''(ii) any other'' and inserting ''operating any''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''(b)(1) A household'' and inserting ''(b) A household''; and

(ii) in subparagraph (B), by striking ''training program'' and inserting ''activity'';

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking ''the program for aid to families with dependent children'' and inserting ''the State program funded''.

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(B)(ii)(II), as amended by section 1202(b)—

(i) by striking ''program for aid to families with dependent children'' and inserting ''State program funded''; and

(ii) by inserting before the period at the end the following: ''(42 U.S.C. 601 et seq.)

that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking ''an AFDC assistance unit (under the aid to families with dependent children program authorized'' and inserting ''a family (under the State program funded''; and

(II) by striking '', in a State'' and all that follows through ''9902(2)))'' and inserting ''that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''; and

(ii) in subparagraph (B), by striking ''aid to families with dependent children'' and inserting ''assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''; and

(2) in subsection (d)(2)(C)—

(A) by striking ''program for aid to families with dependent children'' and inserting ''State program funded''; and

(B) by inserting before the period at the end the following: ''(42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''.

(h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amended—

(1) by striking ''program for aid to families with dependent children established'' and inserting ''State program funded''; and

(2) by inserting before the semicolon the following: ''(42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''.

SEC. 2111. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a; Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

''(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

''(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

''(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.''.

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking ''aid to families with dependent children under a State plan approved'' and inserting ''assistance under a State program funded''; and

(2) in subsection (c), by striking ''aid to families with dependent children in the State under a State plan approved'' and inserting ''assistance in the State under a State program funded''.

(h) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking ''(Aid to Families with Dependent Children)''; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking ''aid to families with dependent children under a State plan approved'' and inserting ''assistance under a State program funded''.

(i) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking ''The program for aid to dependent children'' and inserting ''The State program funded'';

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking ''the program for aid to families with dependent children'' and inserting ''the State program funded''; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking ''the program for aid to families with dependent children'' and inserting ''the State program funded''.

(j) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking ''Aid to Families with Dependent Children program'' and inserting ''State program funded under part A of title IV of the Social Security Act'';

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking ''the program of aid to families with dependent children under a State plan approved under'' and inserting ''a State program funded under part A of''; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking ''Aid to Families with Dependent Children benefits'' and inserting ''assistance under a State program funded under part A of title IV of the Social Security Act''; and

(B) in subparagraph (B)(viii), by striking ''Aid to Families with Dependent Children'' and inserting ''assistance under the State program funded under part A of title IV of the Social Security Act''.

(k) The 4th proviso of chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: ''*Provided further*, That general assistance payments made by the Bureau of Indian Affairs shall be made—

''(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

''(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act, except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.''.

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows ''agency as'' and inserting ''being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.'';

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking ''eligibility for aid or services,'' and all that follows through ''children approved'' and inserting ''eligibility for assistance, or the amount of such assistance, under a State program funded'';

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking ''aid to families with dependent children provided under a State plan approved'' and inserting ''a State program funded'';

(4) in section 6103(l)(10) (26 U.S.C. 6103(l)(10))—

(A) by striking ''(c) or (d)'' each place it appears and inserting ''(c), (d), or (e)''; and

(B) by adding at the end of subparagraph (B) the following new sentence: ''Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.'';

(5) in section 6103(p)(4) (26 U.S.C. 6103(p)(4)), in the matter preceding subparagraph (A)—

(A) by striking ''(5), (10)'' and inserting ''(5)''; and

(B) by striking ''(9), or (12)'' and inserting ''(9), (10), or (12)'';

(6) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking ''(relating to aid to families with dependent children)'';

(7) in section 6402 (26 U.S.C. 6402)—

(A) in subsection (a), by striking ''(c) and (d)'' and inserting ''(c), (d), and (e)'';

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

''(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 405(e) of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).''; and

(8) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking ''aid to families with dependent children'' and inserting ''assistance under a State program funded under part A of title IV of the Social Security Act''.

(m) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking ''State plan approved under part A of title IV'' and inserting ''State program funded under part A of title IV''.

(n) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking ''(42 U.S.C. 601 et seq.)'';

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking ''State aid to families with dependent children records,'' and inserting ''records collected under the State

program funded under part A of title IV of the Social Security Act,'';

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking ''the JOBS program'' and inserting ''the work activities required under title IV of the Social Security Act''; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking '', including recipients under the JOBS program'';

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking ''(such as the JOBS program)'' each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

''(4) the portions of title IV of the Social Security Act relating to work activities;'';

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking ''the JOBS program or'' each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking ''(such as the JOBS program)'' each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking ''and the JOBS program'' each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

''(6) the portion of title IV of the Social Security Act relating to work activities;'';

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking ''and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))'';

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking ''JOBS and'';

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking ''the JOBS program,'';

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking ''aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)'' and inserting ''assistance under the State program funded under part A of title IV of the Social Security Act'';

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking ''aid to families with dependent children'' and inserting ''assistance under the State program funded'';

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking ''aid to families with dependent children'' and inserting ''assistance under the State program funded''; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting ''; and''; and

(B) by striking clause (vi).

(o) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

''(iv) assistance under a State program funded under part A of title IV of the Social Security Act;''.

(p) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

''(i) assistance under the State program funded under part A of title IV of the Social Security Act;''.

(q) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

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

(2) by striking subparagraphs (B) and (C).

(r) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in the first section 255(h) (2 U.S.C. 905(h)), by striking ''Aid to families with dependent children (75–0412–0–1–609);'' and inserting ''Block grants to States for temporary assistance for needy families;''; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(s) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking ''aid under a State plan approved under'' each place it appears and inserting ''assistance under a State program funded under'';

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking ''program of aid to families with dependent children'' and inserting ''State program of assistance''; and

(B) in paragraph (2)(B), by striking ''aid to families with dependent children'' and inserting ''assistance under a State program funded under part A of title IV of the Social Security Act''; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking ''State plan approved'' and inserting ''State program funded''.

(t) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking ''program of aid to families with dependent children under a State plan approved'' and inserting ''State program of assistance funded''.

(u) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(v) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

''(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;''.

(w) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking ''section 464 or 1137 of the Social Security Act'' and inserting ''section 404(e), 464, or 1137 of the Social Security Act''.

SEC. 2112. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the ''Commissioner'') shall, in accordance with this section, develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to enable the Commissioner to comply with this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to the Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3-, 5-, and 10-year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3-, 5-, and 10-year phase-in options.

(3) DISTRIBUTION OF REPORT.—The Commissioner shall submit copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year after the date of the enactment of this Act.

SEC. 2113. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking ''demonstration'';

(2) by striking ''demonstration'' each place such term appears;

(3) in subsection (a), by striking ''in each of fiscal years'' and all that follows through ''10'' and inserting ''shall enter into agreements with'';

(4) in subsection (b)(3), by striking ''aid to families with dependent children under part A of title IV of the Social Security Act'' and inserting ''assistance under the program funded part A of title IV of the Social Security Act of the State in which the individual resides'';

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking ''aid to families with dependent children under title IV of the Social Security Act'' and inserting ''assistance under a State program funded part A of title IV of the Social Security Act''; and

(B) in paragraph (2), by striking ''aid to families with dependent children under title IV of such Act'' and inserting ''assistance under a State program funded part A of title IV of the Social Security Act'';

(6) in subsection (d), by striking ''job opportunities and basic skills training program (as provided for under title IV of the Social Security Act)'' and inserting ''the State program funded under part A of title IV of the Social Security Act''; and

(7) by striking subsections (e) through (g) and inserting the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.''.

SEC. 2114. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of the Congress a legislative proposal proposing such technical and conforming amendments as are necessary to bring the law into conformity with the policy embodied in this chapter.

SEC. 2115. EFFECTIVE DATE; TRANSITION RULE.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this chapter, this chapter and the amendments made by this chapter shall take effect on July 1, 1997.

(2) DELAYED EFFECTIVE DATE FOR CERTAIN PROVISIONS.—Notwithstanding any other provision of this section, paragraphs (2), (3), (4),

(5), (8), and (10) of section 409(a) and section 411(a) of the Social Security Act (as added by the amendments made by section 2103(a) of this Act) shall not take effect with respect to a State until, and shall apply only with respect to conduct that occurs on or after, the later of—

(A) July 1, 1997; or

(B) the date that is 6 months after the date the Secretary of Health and Human Services receives from the State a plan described in section 402(a) of the Social Security Act (as added by such amendment).

(3) ELIMINATION OF CHILD CARE PROGRAMS.—The amendments made by section 2103(d) shall take effect on October 1, 1996.

(4) DEFINITIONS APPLICABLE TO NEW CHILD CARE ENTITLEMENT.—Sections 403(a)(1)(C), 403(a)(1)(D), and 419(4) of the Social Security Act, as added by the amendments made by section 2103(a) of this Act, shall take effect on October 1, 1996.

(b) TRANSITION RULES.—Effective on the date of the enactment of this Act:

(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—

(A) IN GENERAL.—If the Secretary of Health and Human Services receives from a State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 2103(a)(1) of this Act), then—

(i) on and after the date of such receipt—

(I) except as provided in clause (ii), this chapter and the amendments made by this chapter (other than by section 2103(d) of this Act) shall apply with respect to the State; and

(II) the State shall be considered an eligible State for purposes of part A of title IV of the Social Security Act (as in effect pursuant to the amendments made by such section 2103(a)); and

(ii) during the period that begins on the date of such receipt and ends on June 30, 1997, there shall remain in effect with respect to the State—

(I) section 403(h) of the Social Security Act (as in effect on September 30, 1995); and

(II) all State reporting requirements under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995), modified by the Secretary as appropriate, taking into account the State program under part A of title IV of the Social Security Act (as in effect pursuant to the amendments made by such section 2103(a)).

(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—

(i) UNDER AFDC PROGRAM.—The total obligations of the Federal Government to a State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures in fiscal year 1997 shall not exceed an amount equal to the State family assistance grant.

(ii) UNDER TEMPORARY FAMILY ASSISTANCE PROGRAM.—Notwithstanding section 403(a)(1) of the Social Security Act (as in effect pursuant to the amendments made by section 2103(a) of this Act), the total obligations of the Federal Government to a State under such section 403(a)(1)—

(I) for fiscal year 1996, shall be an amount equal to—

(aa) the State family assistance grant; multiplied by

(bb) 1/366 of the number of days during the period that begins on the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 2103(a)(1) of this Act) and ends on September 30, 1996; and

(II) for fiscal year 1997, shall be an amount equal to the lesser of—

(aa) the amount (if any) by which the State family assistance grant exceeds the total obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures in fiscal year 1997; or

(bb) the State family assistance grant, multiplied by 1/365 of the number of days during the period that begins on October 1, 1996, or the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 2103(a)(1) of this Act), whichever is later, and ends on September 30, 1997.

(iii) CHILD CARE OBLIGATIONS EXCLUDED IN DETERMINING FEDERAL AFDC OBLIGATIONS.—As used in this subparagraph, the term ''obligations of the Federal Government to the State under part A of title IV of the Social Security Act'' does not include any obligation of the Federal Government with respect to child care expenditures by the State.

(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 OR 1997 DEEMED ACCEPTANCE OF GRANT LIMITATIONS AND FORMULA AND TERMINATION OF AFDC ENTITLEMENT.—The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute—

(i) the State's acceptance of the grant reductions under subparagraph (B) (including the formula for computing the amount of the reduction); and

(ii) the termination of any entitlement of any individual or family to benefits or services under the State AFDC program.

(D) DEFINITIONS.—As used in this paragraph:

(i) STATE AFDC PROGRAM.—The term ''State AFDC program'' means the State program under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995).

(ii) STATE.—The term ''State'' means the 50 States and the District of Columbia.

(iii) STATE FAMILY ASSISTANCE GRANT.—The term ''State family assistance grant'' means the State family assistance grant (as defined in section 403(a)(1)(B) of the Social Security Act, as added by the amendment made by section 2103(a)(1) of this Act).

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this chapter shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this chapter under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS CHAPTER.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made with respect to State expenditures under a State plan approved under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to assistance or services provided on or before September 30, 1995, shall be treated as claims with respect to expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. Each State shall complete the filing of all claims under the State plan (as so in effect) within 2 years after the date of the enactment of this Act. The head of each Federal department shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs under such State plans; and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than from funds authorized by this chapter.

(4) CONTINUANCE IN OFFICE OF ASSISTANT SECRETARY FOR FAMILY SUPPORT.—The individual who, on the day before the effective date of this chapter, is serving as Assistant Secretary for Family Support within the Department of Health and Human Services shall, until a successor is appointed to such position—

(A) continue to serve in such position; and

(B) except as otherwise provided by law—

(i) continue to perform the functions of the Assistant Secretary for Family Support under section 417 of the Social Security Act (as in effect before such effective date); and

(ii) have the powers and duties of the Assistant Secretary for Family Support under section 416 of the Social Security Act (as in effect pursuant to the amendment made by section 2103(a)(1) of this Act).

(c) TERMINATION OF ENTITLEMENT UNDER AFDC PROGRAM.—Effective October 1, 1996, no individual or family shall be entitled to any benefits or services under any State plan approved under part A or F of title IV of the Social Security Act (as in effect on September 30, 1995).

SEC. 2116. COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) DESCRIPTION OF PROJECT.—

(1) ESTABLISHMENT.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary assistance to needy families under a State program under part A of title IV of the Social Security Act who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(2) MEMBERSHIP.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(3) GOALS AND DUTIES.—

(A) GOALS.—The goals of a Community Steering Committee are—

(i) to ensure that recipients of temporary assistance to needy families who are parents obtain and retain unsubsidized employment; and

(ii) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary assistance to needy families.

(B) DUTIES.—A Community Steering Committee shall—

(i) identify and create unsubsidized employment positions for recipients of temporary assistance to needy families;

(ii) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary assistance to needy families;

(iii) assess the needs of children of recipients of temporary assistance to needy families; and

(iv) provide services that are designed to ensure that children of recipients of temporary assistance to needy families enter school ready to learn and that, once enrolled, such children stay in school.

(C) PRIMARY RESPONSIBILITY.—A primary responsibility of a Community Steering Committee shall be to work on an ongoing

basis with parents who are recipients of temporary assistance to needy families and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(i) counseling;

(ii) emergency day care;

(iii) sick day care;

(iv) transportation;

(v) provision of clothing;

(vi) housing assistance; or

(vii) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(D) FOLLOW-UP SERVICES FOR CHILDREN.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary assistance to needy families that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(c) REPORT.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

SEC. 2117. DENIAL OF BENEFITS FOR CERTAIN DRUG RELATED CONVICTIONS.

(a) IN GENERAL.—An individual convicted (under Federal or State law) of any crime relating to the illegal possession, use, or distribution of a drug shall not be eligible for any Federal means-tested public benefit, as defined in section 2403(c)(1) of this Act.

(b) FAMILY MEMBERS EXEMPT.—The prohibition contained under subsection (a) shall not apply to the family members or dependents of the convicted individual in a manner that would make such family members or dependents ineligible for welfare benefits that they would otherwise be eligible for. Any benefits provided to family members or dependents of a person described in subsection (a) shall be reduced by the amount which would have otherwise been made available to the convicted individual.

(c) PERIOD OF PROHIBITION.—The prohibition under subsection (a) shall apply—

(1) with respect to an individual convicted of a misdemeanor, during the 5-year period beginning on the date of the conviction or the 5-year period beginning on January 1, 1997, whichever is later; and

(2) with respect to an individual convicted of a felony, for the duration of the life of that individual.

(d) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following Federal benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of communicable diseases if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(e) EFFECTIVE DATE.—The denial of Federal benefits set forth in this section shall take effect for convictions occurring after the date of enactment.

(f) REGULATIONS.—Not later than December 31, 1996, the Attorney General shall promulgate regulations detailing the means by which Federal and State agencies, courts, and law enforcement agencies will exchange and share the data and information necessary to implement and enforce the withholding of Federal benefits.

CHAPTER 2—SUPPLEMENTAL SECURITY INCOME

SEC. 2200. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this chapter an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subchapter A—Eligibility Restrictions

SEC. 2201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 105(b)(4) of the Contract with America Advancement Act of 1996, is amended by redesignating paragraph (5) as paragraph (3) and by adding at the end the following new paragraph:

''(4)(A) No person shall be considered an eligible individual or eligible spouse for purposes of this title during the 10-year period that begins on the date the person is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the person in order to receive assistance simultaneously from 2 or more States under programs that are funded under title IV, title XV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under this title.

''(B) As soon as practicable after the conviction of a person in a Federal or State court as described in subparagraph (A), an official of such court shall notify the Commissioner of such conviction.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 2202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 2201(a) of this Act, is amended by adding at the end the following new paragraph:

''(5) No person shall be considered an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

''(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(B) violating a condition of probation or parole imposed under Federal or State law.''.

(b) EXCHANGE OF INFORMATION.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 2201(a) of this Act and subsection (a) of this section, is amended by adding at the end the following new paragraph:

''(6) Notwithstanding any other provision of law (other than section 6103 of the Internal Revenue Code of 1986), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the Commissioner with the name of the recipient, and other identifying information as reasonably required by the Commissioner to establish the unique identity of the recipient, and notifies the Commissioner that—

''(A) the recipient—

''(i) is described in subparagraph (A) or (B) of paragraph (5); or

''(ii) has information that is necessary for the officer to conduct the officer's official duties; and

''(B) the location or apprehension of the recipient is within the officer's official duties.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 2203. TREATMENT OF PRISONERS.

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

''(I)(i) The Commissioner shall enter into a contract, with any interested State or local institution referred to in subparagraph (A), under which—

''(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

''(II) the Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes eligible only for a benefit payable at a reduced rate) as a result of the application of this paragraph, an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after such individual becomes an inmate of such institution, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

''(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any agreement entered into under clause (i) or to information exchanged pursuant to such agreement.

''(iii) Payments to institutions required by clause (i)(II) shall be made from funds otherwise available for the payment of benefits under this title and shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

(b) DENIAL OF SSI BENEFITS FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY OBTAINED SSI BENEFITS WHILE IN PRISON.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)), as amended by subsection (a) of this section, is amended by adding at the end the following new subparagraph:

''(J) In any case in which the Commissioner of Social Security finds that a person has made a fraudulent statement or representation in order to obtain or to continue to receive benefits under this title while being an inmate in a penal institution, such person shall not be considered an eligible individual or eligible spouse for any month ending during the 10-year period beginning on the date on which such person ceases being such an inmate.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to statements or representations made on or after the date of the enactment of this Act.

(c) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(1) STUDY.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out section 1611(e)(1) of the Social Security Act; and

(B) requiring that State and local jails, prisons, and other institutions that enter into contracts with the Commissioner under section 1611(e)(1)(I) of the Social Security Act furnish the information required by such contracts to the Commissioner by means of an electronic or other sophisticated data exchange system.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this subsection to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 2204. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

''(A) the first day of the month following the date such application is filed, or

''(B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.''.

(b) SPECIAL RULE RELATING TO EMERGENCY ADVANCE PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C. 1383(a)(4)(A)) is amended—

(1) by inserting ''for the month following the date the application is filed'' after ''is presumptively eligible for such benefits''; and

(2) by inserting '', which shall be repaid through proportionate reductions in such benefits over a period of not more than 6 months'' before the semicolon.

(c) CONFORMING AMENDMENTS.—

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended by striking ''at the time the application or request is filed'' and inserting ''on the first day of the month following the date the application or request is filed''.

(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting ''following the month'' after ''beginning with the month''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term ''benefits under title XVI of the Social Security Act'' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

Subchapter B—Benefits for Disabled Children

SEC. 2211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section 105(b)(1) of the Contract with America Advancement Act of 1996, is amended—

(1) in subparagraph (A), by striking ''An individual'' and inserting ''Except as provided in subparagraph (C), an individual'';

(2) in subparagraph (A), by striking ''(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)'';

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

''(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. Notwithstanding the preceding sentence, no individual under the age of 18 who engages in substantial gainful activity (determined in accordance with regulations prescribed pursuant to subparagraph (E)) may be considered to be disabled.''; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking ''(D)'' and inserting ''(E)''.

(b) REQUEST FOR COMMENTS TO IMPROVE DISABILITY EVALUATION.—Not later than 60 days after the date of the enactment of this Act, and annually thereafter, the Commissioner of Social Security shall issue a request for comments in the Federal Register regarding improvements to the disability evaluation and determination procedures for individuals under age 18 to ensure the comprehensive assessment of such individuals, including—

(1) additions to conditions which should be presumptively disabling at birth or ages 0 through 3 years;

(2) specific changes in individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations;

(3) improvements in regulations regarding determinations based on regulations providing for medical and functional equivalence to such Listing of Impairments, and consideration of multiple impairments; and

(4) any other changes to the disability determination procedures.

(c) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(d) MEDICAL IMPROVEMENT REVIEW STANDARD AS IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

(1) by redesignating subclauses (I) and (II) of clauses (i) and (ii) of subparagraph (B) as items (aa) and (bb), respectively;

(2) by redesignating clauses (i) and (ii) of subparagraphs (A) and (B) as subclauses (I) and (II), respectively;

(3) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively;

(4) by inserting before clause (i) (as redesignated by paragraph (3)) the following new subparagraph:

''(A) in the case of an individual who is age 18 or older—'';

(5) by inserting after and below subparagraph (A)(iii) (as so redesignated) the following new subparagraph:

''(B) in the case of an individual who is under the age of 18—

''(i) substantial evidence which demonstrates that there has been medical improvement in the individual's impairment or combination of impairments, and that such impairment or combination of impairments no longer results in marked and severe functional limitations; or

''(ii) substantial evidence which demonstrates that, as determined on the basis of new or improved diagnostic techniques or evaluations, the individual's impairment or combination of impairments, is not as disabling as it was considered to be at the time of the most recent prior decision that the individual was under a disability or continued to be under a disability, and such impairment or combination of impairments does not result in marked and severe functional limitations; or'';

(6) by redesignating subparagraph (D) as subparagraph (C) and by inserting in such subparagraph ''in the case of any individual,'' before ''substantial evidence''; and

(7) in the first sentence following subparagraph (C) (as redesignated by paragraph (6)), by—

(A) inserting ''(i)'' before ''to restore''; and

(B) inserting '', or (ii) in the case of an individual under the age of 18, to eliminate or improve the individual's impairment or combination of impairments so that it no longer results in marked and severe functional limitations'' immediately before the period.

(e) EFFECTIVE DATES, ETC.—

(1) EFFECTIVE DATES.—

(A) SUBSECTIONS (a) AND (c).—

(i) IN GENERAL.—The provisions of, and amendments made by, subsections (a) and (c) shall apply to any individual who applies for, or whose claim is finally adjudicated with respect to, benefits under title XVI of the Social Security Act on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such provisions and amendments.

(ii) DETERMINATION OF FINAL ADJUDICATION.—For purposes of clause (i), no individual's claim with respect to such benefits may be considered to be finally adjudicated before such date of enactment if, on or after such date, there is pending a request for either administrative or judicial review with respect to such claim that has been denied in whole, or there is pending, with respect to such claim, readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

(B) SUBSECTION (d).—The amendments made by subsection (d) shall apply with respect to benefits under title XVI of the Social Security Act for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY REDETERMINATIONS.—During the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits by reason of disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of, or amendments made by, subsections (a) and (c) of this section. With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new

applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The provisions of, and amendments made by, subsections (a) and (c) of this section, and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after the later of July 1, 1997, or the date of the redetermination with respect to such individual.

(C) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

(3) REPORT.—The Commissioner of Social Security shall report to the Congress regarding the progress made in implementing the provisions of, and amendments made by, this section on child disability evaluations not later than 180 days after the date of the enactment of this Act.

(4) REGULATIONS.—Notwithstanding any other provision of law, the Commissioner of Social Security shall submit for review to the committees of jurisdiction in the Congress any final regulation pertaining to the eligibility of individuals under age 18 for benefits under title XVI of the Social Security Act at least 45 days before the effective date of such regulation. The submission under this paragraph shall include supporting documentation providing a cost analysis, workload impact, and projections as to how the regulation will effect the future number of recipients under such title.

(5) APPROPRIATIONS.—

(A) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are authorized to be appropriated and are hereby appropriated, to remain available without fiscal year limitation, $200,000,000 for fiscal year 1997, $75,000,000 for fiscal year 1998, and $25,000,000 for fiscal year 1999, for the Commissioner of Social Security to utilize only for continuing disability reviews and redeterminations under title XVI of the Social Security Act, with reviews and redeterminations for individuals affected by the provisions of subsection (b) given highest priority.

(B) ADDITIONAL FUNDS.—Amounts appropriated under subparagraph (A) shall be in addition to any funds otherwise appropriated for continuing disability reviews and redeterminations under title XVI of the Social Security Act.

(6) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term ''benefits under title XVI of the Social Security Act'' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 2212. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 2211(a)(3) of this Act, is amended—

(1) by inserting ''(i)'' after ''(H)''; and

(2) by adding at the end the following new clause:

''(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which is likely to improve (or, at the option of the Commissioner, which is unlikely to improve).

''(II) A representative payee of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.

''(III) If the representative payee refuses to comply without good cause with the requirements of subclause (II), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly suspend payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

''(IV) Subclause (II) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (II) should not apply to an individual's representative payee.''.

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a) of this section, is amended by adding at the end the following new clause:

''(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

''(I) during the 1-year period beginning on the individual's 18th birthday; and

''(II) by applying the criteria used in determining the initial eligibility for applicants who are age 18 or older.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.''.

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b) of this section, is amended by adding at the end the following new clause:

''(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

''(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

''(III) A representative payee of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.

''(IV) If the representative payee refuses to comply without good cause with the requirements of subclause (III), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly suspend payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

''(V) Subclause (III) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (III) should not apply to an individual's representative payee.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 2213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) REQUIREMENT TO ESTABLISH ACCOUNT.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

(1) by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively; and

(2) by inserting after subparagraph (E) the following new subparagraph:

''(F)(i)(I) Each representative payee of an eligible individual under the age of 18 who is eligible for the payment of benefits described in subclause (II) shall establish on behalf of such individual an account in a financial institution into which such benefits shall be paid, and shall thereafter maintain such account for use in accordance with clause (ii).

''(II) Benefits described in this subclause are past-due monthly benefits under this title (which, for purposes of this subclause, include State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93–66) in an amount (after any withholding by the Commissioner for reimbursement to a State for interim assistance under subsection (g)) that exceeds the product of—

''(aa) 6, and

''(bb) the maximum monthly benefit payable under this title to an eligible individual.

''(ii)(I) A representative payee may use funds in the account established under clause (i) to pay for allowable expenses described in subclause (II).

''(II) An allowable expense described in this subclause is an expense for—

''(aa) education or job skills training;

''(bb) personal needs assistance;

''(cc) special equipment;

''(dd) housing modification;

''(ee) medical treatment;

''(ff) therapy or rehabilitation; or

''(gg) any other item or service that the Commissioner determines to be appropriate: *Provided,* That such expense benefits such individual and, in the case of an expense described in item (cc), (dd), (ff), or (gg), is related to the impairment (or combination of impairments) of such individual.

''(III) The use of funds from an account established under clause (i) in any manner not authorized by this clause—

''(aa) by a representative payee shall be considered a misapplication of benefits for all purposes of this paragraph, and any representative payee who knowingly misapplies benefits from such an account shall be liable to the Commissioner in an amount equal to the total amount of such benefits; and

''(bb) by an eligible individual who is his or her own payee shall be considered a misapplication of benefits for all purposes of this paragraph and the total amount of such benefits so used shall be considered to be the uncompensated value of a disposed resource and shall be subject to the provisions of section 1613(c).

''(IV) This clause shall continue to apply to funds in the account after the child has reached age 18, regardless of whether benefits are paid directly to the beneficiary or through a representative payee.

''(iii) The representative payee may deposit into the account established pursuant to clause (i)—

''(I) past-due benefits payable to the eligible individual in an amount less than that specified in clause (i)(II), and

''(II) any other funds representing an underpayment under this title to such individual, provided that the amount of such underpayment is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual.

''(iv) The Commissioner of Social Security shall establish a system for accountability monitoring whereby such representative payee shall report, at such time and in such manner as the Commissioner shall require, on activity respecting funds in the account established pursuant to clause (i).''.

(b) CONFORMING AMENDMENTS.—

(1) EXCLUSION FROM RESOURCES.—Section 1613(a) (42 U.S.C. 1382b(a)) is amended—

(A) by striking ''and'' at the end of paragraph (10);

(B) by striking the period at the end of paragraph (11) and inserting ''; and''; and

(C) by inserting after paragraph (11) the following new paragraph:

''(12) any account, including accrued interest or other earnings thereon, established and maintained in accordance with section 1631(a)(2)(F).''.

(2) EXCLUSION FROM INCOME.—Section 1612(b) (42 U.S.C. 1382a(b)) is amended—

(A) by striking ''and'' at the end of paragraph (19);

(B) by striking the period at the end of paragraph (20) and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(21) the interest or other earnings on any account established and maintained in accordance with section 1631(a)(2)(F).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 2214. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking ''title XIX, or'' and inserting ''title XV or XIX,''; and

(2) by inserting ''or, in the case of an eligible individual under the age of 18, receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance'' after ''section 1614(f)(2)(B),''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 2215. REGULATIONS.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this subchapter.

Subchapter C—Additional Enforcement Provision

SEC. 2221. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS.

(a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is amended by adding at the end the following new paragraph:

''(10)(A) If an individual is eligible for past-due monthly benefits under this title in an amount that (after any withholding for reimbursement to a State for interim assistance under subsection (g)) equals or exceeds the product of—

''(i) 12, and

''(ii) the maximum monthly benefit payable under this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse),

then the payment of such past-due benefits (after any such reimbursement to a State) shall be made in installments as provided in subparagraph (B).

''(B)(i) The payment of past-due benefits subject to this subparagraph shall be made in not to exceed 3 installments that are made at 6-month intervals.

''(ii) Except as provided in clause (iii), the amount of each of the first and second installments may not exceed an amount equal to the product of clauses (i) and (ii) of subparagraph (A).

''(iii) In the case of an individual who has—

''(I) outstanding debt attributable to—

''(aa) food,

''(bb) clothing,

''(cc) shelter, or

''(dd) medically necessary services, supplies or equipment, or medicine; or

''(II) current expenses or expenses anticipated in the near term attributable to—

''(aa) medically necessary services, supplies or equipment, or medicine, or

''(bb) the purchase of a home, and

such debt or expenses are not subject to reimbursement by a public assistance program, the Secretary under title XVIII, a State plan approved under title XV or XIX, or any private entity legally liable to provide payment pursuant to an insurance policy, pre-paid plan, or other arrangement, the limitation specified in clause (ii) may be exceeded by an amount equal to the total of such debt and expenses.

''(C) This paragraph shall not apply to any individual who, at the time of the Commissioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

''(i) is afflicted with a medically determinable impairment that is expected to result in death within 12 months; or

''(ii) is ineligible for benefits under this title and the Commissioner determines that such individual is likely to remain ineligible for the next 12 months.

''(D) For purposes of this paragraph, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.''.

(b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42 U.S.C. 1383(a)(1)) is amended by inserting ''(subject to paragraph (10))'' immediately before ''in such installments''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective with respect to past-due benefits payable under title XVI of the Social Security Act after the third month following the month in which this Act is enacted.

(2) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this subsection, the term ''benefits payable under title XVI of the Social Security Act'' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 2222. REGULATIONS.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this subchapter.

Subchapter D—Studies Regarding Supplemental Security Income Program

SEC. 2231. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI (42 U.S.C. 1381 et seq.), as amended by section 2201(c) of this Act, is amended by adding at the end the following new section:

''ANNUAL REPORT ON PROGRAM

''SEC. 1637. (a) Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

''(1) a comprehensive description of the program;

''(2) historical and current data on allowances and denials, including number of applications and allowance rates for initial determinations, reconsideration determinations, administrative law judge hearings, appeals council reviews, and Federal court decisions;

''(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, disabled adults, and disabled children);

''(4) historical and current data on prior enrollment by recipients in public benefit programs, including State programs funded under part A of title IV of the Social Security Act and State general assistance programs;

''(5) projections of future number of recipients and program costs, through at least 25 years;

''(6) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

''(7) data on the utilization of work incentives;

''(8) detailed information on administrative and other program operation costs;

''(9) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

''(10) State supplementation program operations;

''(11) a historical summary of statutory changes to this title; and

''(12) such other information as the Commissioner deems useful.

''(b) Each member of the Social Security Advisory Board shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report required under this section.''.

SEC. 2232. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1999, the Comptroller General of the United States shall study and report on—

(1) the impact of the amendments made by, and the provisions of, this chapter on the

supplemental security income program under title XVI of the Social Security Act; and

(2) extra expenses incurred by families of children receiving benefits under such title that are not covered by other Federal, State, or local programs.

CHAPTER 3—CHILD SUPPORT

SEC. 2300. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this chapter an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subchapter A—Eligibility for Services; Distribution of Payments

SEC. 2301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

''(4) provide that the State will—

''(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

''(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance are provided under the State program funded under part E of this title, (III) medical assistance is provided under the State plan under title XV, or (IV) medical assistance is provided under the State plan approved under title XIX, unless, in accordance with paragraph (29), good cause or other exceptions exist;

''(ii) any other child, if an individual applies for such services with respect to the child; and

''(B) enforce any support obligation established with respect to—

''(i) a child with respect to whom the State provides services under the plan; or

''(ii) the custodial parent of such a child;''; and

(2) in paragraph (6)—

(A) by striking ''provide that'' and inserting ''provide that—'';

(B) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;'';

(C) in subparagraph (B), by inserting ''on individuals not receiving assistance under any State program funded under part A'' after ''such services shall be imposed'';

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking ''and'' at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting ''; and''; and

(3) by adding after paragraph (24) the following new paragraph:

''(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking ''454(6)'' and inserting ''454(4)''.

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking ''454(6)'' each place it appears and inserting ''454(4)(A)(ii)''.

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking ''in the case of overdue support which a State has agreed to collect under section 454(6)'' and inserting ''in any other case''.

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking ''paragraph (4) or (6) of section 454'' and inserting ''section 454(4)''.

SEC. 2302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

''SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

''(a) IN GENERAL.—Subject to subsection (e), an amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

''(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

''(A) pay to the Federal Government the Federal share of the amount so collected; and

''(B) retain, or distribute to the family, the State share of the amount so collected.

''(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

''(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

''(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

''(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

''(I) PRE-OCTOBER 1997.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 2302 of the Personal Responsibility and Work Opportunity Act of 1996 shall apply with respect to the distribution of support arrearages that—

''(aa) accrued after the family ceased to receive assistance, and

''(bb) are collected before October 1, 1997.

''(II) POST-SEPTEMBER 1997.—With respect to the amount so collected on or after October 1, 1997 (or before such date, at the option of the State)—

''(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

''(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

''(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

''(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

''(I) PRE-OCTOBER 2000.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 2302 of the Personal Responsibility and Work Opportunity Act of 1996 shall apply with respect to the distribution of support arrearages that—

''(aa) accrued before the family received assistance, and

''(bb) are collected before October 1, 2000.

''(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000 (or before such date, at the option of the State)—

''(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

''(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

''(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

''(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

''(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent past-due support has been assigned to the State as a condition of receiving assistance from the State, up to the amount necessary to reimburse the State for amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

''(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall treat any support arrearages collected, except for amounts collected pursuant to section 464, as accruing in the following order:

''(I) To the period after the family ceased to receive assistance.

''(II) To the period before the family received assistance.

''(III) To the period while the family was receiving assistance.

''(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

''(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).

''(5) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

''(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

''(B) whether early implementation of a pre-assistance arrearage program by some States has been effective in moving people off of welfare and keeping them off of welfare;

''(C) what the overall impact has been of the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

''(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

''(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, shall remain assigned after such date.

''(c) DEFINITIONS.—As used in subsection (a):

''(1) ASSISTANCE.—The term 'assistance from the State' means—

''(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996); and

''(B) foster care maintenance payments under the State plan approved under part E of this title.

''(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical assistance percentage in effect for the fiscal year in which the amount is collected.

''(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

''(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

''(B) the Federal medical assistance percentage (as defined in section 1905(b), as in effect on September 30, 1996) in the case of any other State.

''(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

''(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.

''(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION UNDER THIS SECTION.—At State option, this section shall not apply to any amount collected on behalf of a family as support by the State (and paid to the family in addition to the amount of assistance otherwise payable to the family) pursuant to a plan approved under this part if such amount would have been paid to the family by the State under section 402(a)(28), as in effect and applied on the day before the date of the enactment of section 2302 of the Personal Responsibility and Work Opportunity Act of 1996. For purposes of subsection (d), the State share of such amount paid to the family shall be considered amounts which could be retained by the State if such payments were reported by the State as part of the State share of amounts collected in fiscal year 1995.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking ''section 457(b)(4) or (d)(3)'' and inserting ''section 457''.

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking ''(11)'' and inserting ''(11)(A)''; and

(ii) by inserting after the semicolon ''and''; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on October 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this Act.

SEC. 2303. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 2301(b) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting ''; and''; and

(3) by adding after paragraph (25) the following new paragraph:

''(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

''(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

''(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

''(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 2304. RIGHTS TO NOTIFICATION OF HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 2302(b)(2) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

''(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

''(A) with notice of all proceedings in which support obligations might be established or modified; and

''(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subchapter B—Locate and Case Tracking

SEC. 2311. STATE CASE REGISTRY.

Section 454A, as added by section 2344(a)(2) of this Act, is amended by adding at the end the following new subsections:

''(e) STATE CASE REGISTRY.—

''(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

''(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

''(B) each support order established or modified in the State on or after October 1, 1998.

''(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

''(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

''(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

''(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

''(B) any amount described in subparagraph (A) that has been collected;

''(C) the distribution of such collected amounts;

''(D) the birth date of any child for whom the order requires the provision of support; and

''(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

''(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and update, maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

''(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

''(B) information obtained from comparison with Federal, State, or local sources of information;

''(C) information on support collections and distributions; and

''(D) any other relevant information.

''(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State

shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

''(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

''(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

''(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under a State plan under title XV or a State plan approved under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

''(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.''.

SEC. 2312. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b) and 2303(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting ''; and''; and

(3) by adding after paragraph (26) the following new paragraph:

''(27) provide that, on and after October 1, 1998, the State agency will—

''(A) operate a State disbursement unit in accordance with section 454B; and

''(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

''(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

''(ii) take the actions described in section 466(c)(1) in appropriate cases.''.

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 2344(a)(2) of this Act, is amended by inserting after section 454A the following new section:

''SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

''(a) STATE DISBURSEMENT UNIT.—

''(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

''(A) in all cases being enforced by the State pursuant to section 454(4); and

''(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994, and in which the wages of the noncustodial parent are subject to withholding pursuant to section 466(a)(8)(B).

''(2) OPERATION.—The State disbursement unit shall be operated—

''(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

''(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

''(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

''(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

''(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

''(2) for accurate identification of payments;

''(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

''(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

''(c) TIMING OF DISBURSEMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

''(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

''(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.''.

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 2344(a)(2) and as amended by section 2311 of this Act, is amended by adding at the end the following new subsection:

''(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

''(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

''(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

''(i) within 2 business days after receipt of notice of, and the income source subject to, such withholding from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State; and

''(ii) using uniform formats prescribed by the Secretary;

''(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

''(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

''(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on October 1, 1998.

(2) LIMITED EXCEPTION TO UNIT HANDLING PAYMENTS.—Notwithstanding section 454B(b)(1) of the Social Security Act, as added by this section, any State which, as of the date of the enactment of this Act, processes the receipt of child support payments through local courts may, at the option of the State, continue to process through September 30, 1999, such payments through such courts as processed such payments on or before such date of enactment.

SEC. 2313. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a) and 2312(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting ''; and''; and

(3) by adding after paragraph (27) the following new paragraph:

''(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.''.

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

''SEC. 453A. STATE DIRECTORY OF NEW HIRES.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—

''(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

''(B) STATES WITH NEW HIRE REPORTING IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of subsection (g)(2) not later than October 1, 1997, and the requirements of this section (other than subsection (g)(2)) not later than October 1, 1998.

''(2) DEFINITIONS.—As used in this section:

''(A) EMPLOYEE.—The term 'employee'—

''(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

''(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

''(B) EMPLOYER.—

''(i) IN GENERAL.—The term 'employer' has the meaning given such term in section

3401(d) of the Internal Revenue Code of 1986 and includes any governmental entity and any labor organization.

''(ii) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

''(b) EMPLOYER INFORMATION.—

''(1) REPORTING REQUIREMENT.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

''(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

''(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

''(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

''(A) not later than 20 days after the date the employer hires the employee; or

''(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

''(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

''(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

''(1) $25; or

''(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

''(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

''(f) INFORMATION COMPARISONS.—

''(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

''(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

''(g) TRANSMISSION OF INFORMATION.—

''(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

''(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

''(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

''(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

''(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

''(h) OTHER USES OF NEW HIRE INFORMATION.—

''(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

''(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

''(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.''.

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting ''(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))'' after ''employers''; and

(2) by inserting '', and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission'' after ''paragraph (2)''.

SEC. 2314. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

''(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

''(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''.

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

''(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

''(i) that the withholding has commenced; and

''(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

''(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).''.

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows ''administered by'' and inserting ''the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.''.

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking ''to the appropriate agency'' and all that follows and inserting ''to the State disbursement unit within 7 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates.'';

(ii) in clause (ii), by inserting ''be in a standard format prescribed by the Secretary, and'' after ''shall''; and

(iii) by adding at the end the following new clause:

''(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.''.

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking ''any employer'' and all that follows and inserting ''any employer who—

''(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

''(ii) fails to withhold support from wages or to pay such amounts to the State disbursement unit in accordance with this subsection.''.

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

''(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.''.

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 2315. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by inserting after paragraph (11) the following new paragraph:

''(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.''.

SEC. 2316. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows ''subsection (c))'' and inserting '', for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

''(1) information on, or facilitating the discovery of, the location of any individual—

''(A) who is under an obligation to pay child support or provide child custody or visitation rights;

''(B) against whom such an obligation is sought;

''(C) to whom such an obligation is owed,

including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

''(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

''(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.''; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''social security'' and all that follows through ''absent parent'' and inserting ''information described in subsection (a)''; and

(B) in the flush paragraph at the end, by adding the following: ''No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).''.

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking ''support'' and inserting ''support or to seek to enforce orders providing child custody or visitation rights''; and

(2) in paragraph (2), by striking '', or any agent of such court; and'' and inserting ''or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;''.

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting ''in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)'' before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

''(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).''.

(e) CONFORMING AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting ''Federal'' before ''Parent'' each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding ''FEDERAL'' before ''PARENT''.

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

''(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

''(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

''(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

''(i) NATIONAL DIRECTORY OF NEW HIRES.—

''(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1997, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

''(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

''(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

''(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

''(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

''(A) IN GENERAL.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

''(B) VERIFICATION BY SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

''(i) The name, social security number, and birth date of each such individual.

''(ii) The employer identification number of each such employer.

''(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

''(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

''(B) within 2 business days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

''(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

''(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

''(B) disclose information in such registries to such State agencies.

''(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory.

''(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

''(k) FEES.—

''(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

''(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

''(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

''(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

''(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

''(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

''(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

''(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.''.

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

''(B) the Federal Parent Locator Service established under section 453;''.

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting ''and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan'' before the semicolon.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''Secretary of Health, Education, and Welfare'' each place such term appears and inserting ''Secretary of Health and Human Services'';

(B) in subparagraph (B), by striking ''such information'' and all that follows and inserting ''information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;'';

(C) by striking ''and'' at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

''(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and''.

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

''(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

''(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

''(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

''(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

''(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

''(3) For purposes of this subsection—

''(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

''(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.''.

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

''(i) The address and social security account number (or numbers) of such individual.

''(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual.''.

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking ''(l)(12)'' and inserting ''paragraph (6) or (12) of subsection (l)''.

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

''(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations.''.

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking ''subsection (l)(12)(B)'' and inserting ''paragraph (6)(A) or (12)(B) of subsection (l)''.

(h) REQUIREMENT FOR COOPERATION.—The Secretary of Labor and the Secretary of Health and Human Services shall work jointly to develop cost-effective and efficient methods of accessing the information in the various State directories of new hires and the National Directory of New Hires as established pursuant to the amendments made by this subchapter. In developing these methods the Secretaries shall take into account the impact, including costs, on the States, and shall also consider the need to insure the proper and authorized use of wage record information.

SEC. 2317. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

Section 466(a) (42 U.S.C. 666(a)), as amended by section 2315 of this Act, is amended by inserting after paragraph (12) the following new paragraph:

''(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

''(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

''(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

''(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.''.

Subchapter C—Streamlining and Uniformity of Procedures

SEC. 2321. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

''(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

''(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998 by the National Conference of Commissioners on Uniform State Laws.

''(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.''.

SEC. 2322. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking ''subsection (e)'' and inserting ''subsections (e), (f), and (i)'';

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

'' 'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.'';

(3) in subsection (c), by inserting ''by a court of a State'' before ''is made'';

(4) in subsection (c)(1), by inserting ''and subsections (e), (f), and (g)'' after ''located'';

(5) in subsection (d)—

(A) by inserting ''individual'' before ''contestant''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(6) in subsection (e), by striking ''make a modification of a child support order with respect to a child that is made'' and inserting ''modify a child support order issued'';

(7) in subsection (e)(1), by inserting ''pursuant to subsection (i)'' before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting ''individual'' before ''contestant'' each place such term appears; and

(B) by striking ''to that court's making the modification and assuming'' and inserting ''with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume'';

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

''(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

''(1) If only 1 court has issued a child support order, the order of that court must be recognized.

''(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

''(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

''(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

''(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.'';

(11) in subsection (g) (as so redesignated)—

(A) by striking ''PRIOR'' and inserting ''MODIFIED''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting ''including the duration of current payments and other obligations of support'' before the comma; and

(B) in paragraph (3), by inserting ''arrears under'' after ''enforce''; and

(13) by adding at the end the following new subsection:

''(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.''.

SEC. 2323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315 and 2317(a) of this Act, is amended by inserting after paragraph (13) the following new paragraph:

''(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

''(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

''(ii) the term 'business day' means a day on which State offices are open for regular business;

''(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

''(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

''(ii) shall constitute a certification by the requesting State—

''(I) of the amount of support under the order the payment of which is in arrears; and

''(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

''(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

''(D) the State shall maintain records of—

''(i) the number of such requests for assistance received by the State;

''(ii) the number of cases for which the State collected support in response to such a request; and

''(iii) the amount of such collected support.''.

SEC. 2324. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking ''and'' at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(11) not later than October 1, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

''(A) collection of child support through income withholding;

''(B) imposition of liens; and

''(C) administrative subpoenas.''.

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking ''and'' at the end of subparagraph (C);

(2) by inserting ''and'' at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

''(E) not later than March 1, 1997, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;''.

SEC. 2325. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 2314 of this Act, is amended—

(1) in subsection (a)(2), by striking the first sentence and inserting the following: ''Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations.''; and

(2) by inserting after subsection (b) the following new subsection:

''(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

''(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment of paternity or to establishment, modification, or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States to take the following actions:

''(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

''(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

''(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

''(D) ACCESS TO INFORMATION CONTAINED IN CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, and subject to the nonliability of entities that afford such access under this subparagraph, to information contained in the following records (including automated access, in the case of records maintained in automated data bases):

''(i) Records of other State and local government agencies, including—

''(I) vital statistics (including records of marriage, birth, and divorce);

''(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

''(III) records concerning real and titled personal property;

''(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

''(V) employment security records;

''(VI) records of agencies administering public assistance programs;

''(VII) records of the motor vehicle department; and

''(VIII) corrections records.

''(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

''(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing

in customer records of public utilities and cable television companies, pursuant to an administrative subpoena authorized by subparagraph (B); and

''(II) information (including information on assets and liabilities) on such individuals held by financial institutions.

''(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

''(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1)(A) and (b) of section 466.

''(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

''(i) intercepting or seizing periodic or lump-sum payments from—

''(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

''(II) judgments, settlements, and lotteries;

''(ii) attaching and seizing assets of the obligor held in financial institutions;

''(iii) attaching public and private retirement funds; and

''(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

''(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

''(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

''(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

''(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer; and

''(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

''(B) STATEWIDE JURISDICTION.—Procedures under which—

''(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

''(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

''(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.''.

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 2344(a)(2) and as amended by sections 2311 and 2312(c) of this Act, is amended by adding at the end the following new subsection:

''(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).''.

Subchapter D—Paternity Establishment

SEC. 2331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

''(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

''(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

''(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

''(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

''(B) PROCEDURES CONCERNING GENETIC TESTING.—

''(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause and other exceptions for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

''(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

''(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

''(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

''(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

''(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

''(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

''(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

''(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, unless good cause and other exceptions exist which—

''(I) shall be defined, taking into account the best interests of the child, and

''(II) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, title XV, or title XIX.

''(iii) PATERNITY ESTABLISHMENT SERVICES.—

''(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

''(II) REGULATIONS.—

''(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

''(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

''(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit specified by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

''(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

''(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

''(I) the father and mother have signed a voluntary acknowledgment of paternity; or

''(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

''(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

''(I) 60 days; or

''(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

''(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

''(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

''(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

''(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

''(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

''(II) performed by a laboratory approved by such an accreditation body;

''(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

''(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

''(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

''(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

''(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

''(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

''(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

''(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

''(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.''.

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting '', and specify the minimum requirements of an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee'' before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking ''a simple civil process for voluntarily acknowledging paternity and''.

SEC. 2332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting ''and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate'' before the semicolon.

SEC. 2333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF PART A ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(a), and 2313(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting ''; and''; and

(3) by inserting after paragraph (28) the following new paragraph:

''(29) provide that the State agency responsible for administering the State plan—

''(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A, the State program under title XV, or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to good cause and other exceptions which—

''(i) shall be defined, taking into account the best interests of the child, and

''(ii) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, title XV, or title XIX;

''(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

''(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

''(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A, the State program under title XV, or the State program under title XIX; and

''(E) shall promptly notify the individual and the State agency administering the State program funded under part A, the State agency administering the State program under title XV, and the State agency administering the State program under title XIX, of each such determination, and if noncooperation is determined, the basis therefore.''.

Subchapter E—Program Administration and Funding

SEC. 2341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than November 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking ''aid to families with dependent children under a State plan approved under part A of this title'' and inserting ''assistance under a program funded under part A'';

(2) in subsection (b)(1)(A), by striking ''section 402(a)(26)'' and inserting ''section 408(a)(4)'';

(3) in subsections (b) and (c)—

(A) by striking ''AFDC collections'' each place it appears and inserting ''title IV–A collections'', and

(B) by striking ''non-AFDC collections'' each place it appears and inserting ''non-title IV–A collections''; and

(4) in subsection (c), by striking ''combined AFDC/non-AFDC administrative costs'' both places it appears and inserting ''combined title IV–A/non-title IV–A administrative costs''.

(c) CALCULATION OF PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking ''75'' and inserting ''90''.

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;''; and

(B) by adding at the end the following new flush sentence:

''In determining compliance under this section, a State may use as its paternity establishment percentage either the State's IV–D paternity establishment percentage (as defined in paragraph (2)(A)) or the State's statewide paternity establishment percentage (as defined in paragraph (2)(B)).''.

(3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by striking ''paternity establishment percentage'' and inserting ''IV–D paternity establishment percentage''; and

(II) by striking ''(or all States, as the case may be)''; and

(ii) by striking ''and'' at the end thereof;

(B) by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) the term 'statewide paternity establishment percentage' means, with respect to a State for a fiscal year, the ratio (expressed as a percentage) that the total number of minor children—

''(i) who have been born out of wedlock, and

''(ii) the paternity of whom has been established or acknowledged during the fiscal year,

bears to the total number of children born out of wedlock during the preceding fiscal year; and''.

(4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A) (as so redesignated), by striking ''the percentage of children born out-of-wedlock in a State'' and inserting ''the percentage of children in a State who are born out of wedlock or for whom support has not been established''.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1998, except to the extent provided in subparagraph (B).

(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this Act.

SEC. 2342. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking ''(14)'' and inserting ''(14)(A)'';

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

''(15) provide for—

''(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

''(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including paternity establishment percentages) to the extent necessary for purposes of sections 452(g) and 458;''.

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

''(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

''(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

''(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

''(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data and the accuracy of the reporting systems used in calculating performance indicators under subsection (g) of this section and section 458;

''(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

''(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

''(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

''(iii) for such other purposes as the Secretary may find necessary;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

SEC. 2343. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting '', and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures'' before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(a), 2313(a), and 2333 of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting ''; and''; and

(3) by adding after paragraph (29) the following new paragraph:

''(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.''.

SEC. 2344. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking '', at the option of the State,'';

(B) by inserting ''and operation by the State agency'' after ''for the establishment'';

(C) by inserting ''meeting the requirements of section 454A'' after ''information retrieval system'';

(D) by striking ''in the State and localities thereof, so as (A)'' and inserting ''so as'';

(E) by striking ''(i)''; and

(F) by striking ''(including'' and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

''SEC. 454A. AUTOMATED DATA PROCESSING.

''(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

''(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

''(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

''(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

''(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

''(1) use the automated system—

''(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

''(B) to calculate the paternity establishment percentage for the State for each fiscal year; and

''(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

''(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

''(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

''(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

''(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

''(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

''(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

''(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

''(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.''.

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 2303(a)(1) of this Act, is amended to read as follows:

''(24) provide that the State will have in effect an automated data processing and information retrieval system—

''(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

''(B) by October 1, 2000, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 2344(a)(3) of the Personal Responsibility and Work Opportunity Act of 1996;''.

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking ''90 percent'' and inserting ''the percent specified in paragraph (3)'';

(ii) by striking ''so much of''; and

(iii) by striking ''which the Secretary'' and all that follows and inserting '', and''; and

(B) by adding at the end the following new paragraph:

''(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before September 30, 1995. Notwithstanding the preceding sentence, any payment to a State with respect to fiscal year 1997 shall be made in one payment in fiscal year 1998.

''(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

''(ii) The percentage specified in this clause is 80 percent.''.

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 2345. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

''(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year (beginning with fiscal year 1998) an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

''(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

''(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.''.

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 2316 of this Act, is amended by adding at the end the following new subsection:

''(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.''.

SEC. 2346. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking ''this part;'' and inserting ''this part, including—''; and

(B) by adding at the end the following new clauses:

''(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

''(ii) the cost to the States and to the Federal Government of so furnishing the services; and

''(iii) the number of cases involving families—

''(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

''(II) with respect to whom a child support payment was received in the month;''.

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking ''with the data required under each clause being separately stated for cases'' and inserting ''separately stated for cases'';

(ii) by striking ''cases where the child was formerly receiving'' and inserting ''or formerly received'';

(iii) by inserting ''or 1912'' after ''471(a)(17)''; and

(iv) by inserting ''for'' before ''all other'';

(B) in each of clauses (i) and (ii), by striking '', and the total amount of such obligations'';

(C) in clause (iii), by striking ''described in'' and all that follows and inserting ''in which support was collected during the fiscal year;'';

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

''(iv) the total amount of support collected during such fiscal year and distributed as current support;

''(v) the total amount of support collected during such fiscal year and distributed as arrearages;

''(vi) the total amount of support due and unpaid for all fiscal years; and''.

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking ''on the use of Federal courts and''.

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking ''and'';

(B) in subparagraph (I), by striking the period and inserting ''; and''; and

(C) by inserting after subparagraph (I) the following new subparagraph:

''(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).''.

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1997 and succeeding fiscal years.

Subchapter F—Establishment and Modification of Support Orders

SEC. 2351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

''(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—Procedures under which the State shall review and adjust each support order being enforced under this part if there is an assignment under part A or upon the request of either parent, and may review and adjust any other support order being enforced under this part. Such procedures shall provide the following:

''(A) IN GENERAL.—

''(i) 3-YEAR CYCLE.—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

''(ii) METHODS OF ADJUSTMENT.—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

''(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

''(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

''(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

''(B) AUTOMATED METHOD.—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

''(C) REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

''(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.''.

SEC. 2352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

''(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

''(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

''(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

''(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

''(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

''(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.''.

SEC. 2353. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

''SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

''(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

''(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

''(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

''(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

''(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

''(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

''(A) the greater of—

''(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

''(ii) the sum of—

''(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

''(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

''(B) the costs (including attorney's fees) of the action.

''(d) DEFINITIONS.—For purposes of this section—

''(1) FINANCIAL INSTITUTION.—The term 'financial institution' means—

''(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

''(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(u));

''(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

''(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

''(2) FINANCIAL RECORD.—The term 'financial record' has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).''.

Subchapter G—Enforcement of Support Orders

SEC. 2361. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting '', and'';

(3) by adding at the end the following new paragraph:

''(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor.''; and

(4) by striking ''Secretary of Health, Education, and Welfare'' each place it appears and inserting ''Secretary of Health and Human Services''.

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 2362. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

''SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

''(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

''(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

''(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

''(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

''(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

''(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

''(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

''(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

''(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

''(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

''(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

''(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

''(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

''(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

''(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

''(f) RELIEF FROM LIABILITY.—

''(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

''(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

''(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

''(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

''(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

''(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

''(h) MONEYS SUBJECT TO PROCESS.—

''(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

''(A) consist of—

''(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

''(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

''(I) under the insurance system established by title II;

''(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

''(III) as compensation for death under any Federal program;

''(IV) under any Federal program established to provide 'black lung' benefits; or

''(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

''(iii) worker's compensation benefits paid under Federal or State law but

''(B) do not include any payment—

''(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

''(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

''(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

''(A) are owed by the individual to the United States;

''(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

''(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

''(D) are deducted as health insurance premiums;

''(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

''(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

''(i) DEFINITIONS.—For purposes of this section—

''(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

''(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

''(3) ALIMONY.—

''(A) IN GENERAL.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

''(B) EXCEPTIONS.—Such term does not include—

''(i) any child support; or

''(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

''(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

''(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

''(A) which is issued by—

''(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

''(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

''(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

''(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.''.

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking ''sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)'' and inserting ''section 459 of the Social Security Act (42 U.S.C. 659)''.

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding after subparagraph (C) the following new subparagraph:

''(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes

of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.''.

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting ''or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p)),'' before ''which—'';

(B) in subparagraph (B)(i), by striking ''(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))'' and inserting ''(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 659(i)(2)))''; and

(C) in subparagraph (B)(ii), by striking ''(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))'' and inserting ''(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 659(i)(3)))''.

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting ''(OR FOR BENEFIT OF)'' before ''SPOUSE OR''; and

(B) in paragraph (1), in the 1st sentence, by inserting ''(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)'' before ''in an amount sufficient''.

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

''(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 2363. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection—

(A) The term ''court'' has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term ''child support'' has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 2362(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

''(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.''.

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: ''In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act (42 U.S.C. 608(a)(4)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.''.

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

''(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.''.

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 2364. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 2321 of this Act, is amended by adding at the end the following new subsection:

''(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

''(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

''(B) the Uniform Fraudulent Transfer Act of 1984; or

''(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

''(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

''(A) seek to void such transfer; or

''(B) obtain a settlement in the best interests of the child support creditor.''.

SEC. 2365. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

(a) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), and 2323 of this Act, is amended by inserting after paragraph (14) the following new paragraph:

''(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

''(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to issue an order or to request that a court or an administrative process established pursuant to State law issue an order that requires the individual to—

''(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

''(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

''(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.''.

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C. 666(a)) is amended by striking ''and (7)'' and inserting ''(7), and (15)''.

SEC. 2366. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 2316 and 2345(b) of this Act, is amended by adding at the end the following new subsection:

''(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.''.

SEC. 2367. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

''(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

''(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

''(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subparagraph (A), information with respect to a noncustodial parent is reported—

''(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

''(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined).''.

SEC. 2368. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

''(4) LIENS.—Procedures under which—

''(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

''(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, when the State agency, party, or other entity seeking to enforce such a lien complies with the procedural rules relating to recording or serving liens that arise within the State, except that such rules may not require judicial notice or hearing prior to the enforcement of such a lien.''.

SEC. 2369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), 2323, and 2365 of this Act, is amended by inserting after paragraph (15) the following:

''(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.''.

SEC. 2370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 2345 of this Act, is amended by adding at the end the following new subsection:

''(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to paragraph (2).

''(2) The Secretary of State shall, upon certification by the Secretary transmitted under paragraph (1), refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

''(3) The Secretary and the Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.''.

(2) STATE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, and 2343(b) of this Act, is amended—

(A) by striking ''and'' at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting ''; and''; and

(C) by adding after paragraph (30) the following new paragraph:

''(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

''(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

''(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1997.

SEC. 2371. INTERNATIONAL SUPPORT ENFORCEMENT.

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title IV, as amended by section 2362(a) of this Act, is amended by adding after section 459 the following new section:

''SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.

''(a) AUTHORITY FOR DECLARATIONS.—

''(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

''(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

''(A) the procedures established by the foreign country regarding the establishment and enforcement of duties of support have been so changed, or the foreign country's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

''(B) continued operation of the declaration is not consistent with the purposes of this part.

''(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

''(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

''(1) MANDATORY ELEMENTS.—Support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

''(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

''(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

''(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of support payments under such orders.

''(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

''(C) An agency of the foreign country is designated as a Central Authority responsible for—

''(i) facilitating support enforcement in cases involving residents of the foreign country and residents of the United States; and

''(ii) ensuring compliance with the standards established pursuant to this subsection.

''(2) ADDITIONAL ELEMENTS.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

''(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate support enforcement in cases involving residents of the United States and residents of foreign countries that are the subject of a declaration under this section, by activities including—

''(1) development of uniform forms and procedures for use in such cases;

''(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

''(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

''(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal arrangements for the establishment and enforcement of support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.''.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), and 2370(a)(2) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting ''; and''; and

(3) by adding after paragraph (31) the following new paragraph:

''(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

''(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

''(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but

costs may at State option be assessed against the obligor).''.

SEC. 2372. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), 2323, 2365, and 2369 of this Act, is amended by inserting after paragraph (16) the following new paragraph:

''(17) FINANCIAL INSTITUTION DATA MATCHES.—

''(A) IN GENERAL.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

''(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

''(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

''(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

''(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

''(i) for any disclosure of information to the State agency under subparagraph (A)(i);

''(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

''(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

''(D) DEFINITIONS.—For purposes of this paragraph—

''(i) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given to such term by section 469A(d)(1).

''(ii) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.''.

SEC. 2373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), 2323, 2365, 2369, and 2372 of this Act, is amended by inserting after paragraph (17) the following new paragraph:

''(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parent of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parent of such child.''.

SEC. 2374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting ''; or'';

(3) by adding at the end the following:

''(18) owed under State law to a State or municipality that is—

''(A) in the nature of support, and

''(B) enforceable under part D of title IV of the Social Security Act (42 U.S.C. 601 et seq.).'', and

(3) in paragraph (5), by striking ''section 402(a)(26)'' and inserting ''section 408(a)(4)''.

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) (42 U.S.C. 656(b)) is amended to read as follows:

''(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) owed under State law to a State (as defined in such section) or municipality (as defined in such section) that is in the nature of support and that is enforceable under this part is not released by a discharge in bankruptcy under title 11 of the United States Code.''.

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the date of the enactment of this Act.

SEC. 2375. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), 2370(a)(2), and 2371(b) of this Act is amended—

(1) by striking ''and'' at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting ''; and'';

(3) by adding after paragraph (32) the following new paragraph:

''(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement; and

(4) by adding at the end the following new sentence: ''Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1322).''.

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

''(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(33).''.

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting ''and Indian tribes or tribal organizations (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))'' after ''law enforcement officials''.

(d) CONFORMING AMENDMENT.—Subsection (c) of section 428 (42 U.S.C. 628) is amended to read as follows:

''(c) For purposes of this section, the terms 'Indian tribe' and 'tribal organization' shall have the meanings given such terms by subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), respectively.''.

Subchapter H—Medical Support

SEC. 2376. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking ''issued by a court of competent jurisdiction'';

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

''if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1997, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 2377. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), 2323, 2365, 2369, 2372, and 2373 of this Act, is amended by inserting after paragraph (18) the following new paragraph:

''(19) HEALTH CARE COVERAGE.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.''.

Subchapter I—Enhancing Responsibility and Opportunity for Non-Residential Parents

SEC. 2381. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669), as amended by section 2353 of this Act, is amended by adding at the end the following new section:

"SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

''(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

''(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year (beginning with fiscal year 1998) shall be an amount equal to the lesser of—

''(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

''(2) the allotment of the State under subsection (c) for the fiscal year.

''(c) ALLOTMENTS TO STATES.—

''(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to $10,000,000 for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

''(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

''(A) $50,000 for fiscal year 1998 or 1999 or

''(B) $100,000 for any succeeding fiscal year.

''(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

''(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

''(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities;

''(2) shall not be required to operate such programs on a statewide basis; and

''(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.''.

Subchapter J—Effective Dates and Conforming Amendments

SEC. 2391. EFFECTIVE DATES AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this chapter requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this chapter shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this chapter shall become effective with respect to a State on the later of—

(1) the date specified in this chapter, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this chapter if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

(d) CONFORMING AMENDMENTS.—

(1) The following provisions are amended by striking ''absent'' each place it appears and inserting ''noncustodial'':

(A) Section 451 (42 U.S.C. 651).

(B) Subsections (a)(1), (a)(8), (a)(10)(E), (a)(10)(F), (f), and (h) of section 452 (42 U.S.C. 652).

(C) Section 453(f) (42 U.S.C. 653(f)).

(D) Paragraphs (8), (13), and (21)(A) of section 454 (42 U.S.C. 654).

(E) Section 455(e)(1) (42 U.S.C. 655(e)(1)).

(F) Section 458(a) (42 U.S.C. 658(a)).

(G) Subsections (a), (b), and (c) of section 463 (42 U.S.C. 663).

(H) Subsections (a)(3)(A), (a)(3)(C), (a)(6), and (a)(8)(B)(ii), the last sentence of subsection (a), and subsections (b)(1), (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(8), (b)(9), and (e) of section 466 (42 U.S.C. 666).

(2) The following provisions are amended by striking ''an absent'' each place it appears and inserting ''a noncustodial'':

(A) Paragraphs (2) and (3) of section 453(c) (42 U.S.C. 653(c)).

(B) Subparagraphs (B) and (C) of section 454(9) (42 U.S.C. 654(9)).

(C) Section 456(a)(3) (42 U.S.C. 656(a)(3)).

(D) Subsections (a)(3)(A), (a)(6), (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section 466 (42 U.S.C. 666).

(E) Paragraphs (2) and (4) of section 469(b) (42 U.S.C. 669(b)).

CHAPTER 4—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 2400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the Nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this chapter, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of assuring that aliens be self-reliant in accordance with national immigration policy.

Subchapter A—Eligibility for Federal Benefits

SEC. 2401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 2431) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Emergency medical services under title XV or XIX of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(2) Subsection (a) shall not apply to any benefit payable under title II of the Social Security Act to an alien who is lawfully present in the United States as determined by the Attorney General, to any benefit if nonpayment of such benefit would contravene an international agreement described in section 233 of the Social Security Act, to any benefit if nonpayment would be contrary to section 202(t) of the Social Security Act, or to any benefit payable under title II of the Social Security Act to which entitlement is based on an application filed

in or before the month in which this Act becomes law.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this chapter the term ''Federal public benefit'' means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

SEC. 2402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 2431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—Paragraph (1) shall not apply to an alien until 5 years after the date—

(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(ii) an alien is granted asylum under section 208 of such Act; or

(iii) an alien's deportation is withheld under section 243(h) of such Act.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—Paragraph (1) shall not apply to an alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—

(i) SSI.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) REDETERMINATION CRITERIA.—With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after the date of the redetermination with respect to such individual.

(IV) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(ii) FOOD STAMPS.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(B), during the period beginning on the date of enactment of this Act and ending on the date which is 1 year after the date of enactment, the State agency shall, at the time of the recertification, recertify the eligibility of any individual who is receiving benefits under such program as of the date of enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the recertification under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of recertification, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term ''specified Federal program'' means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 2403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 2431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term ''designated Federal program'' means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term ''qualified alien''.

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—Such term does not include the following:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965, and titles III, VII, and VIII of the Public Health Service Act.

(9) Means-tested programs under the Elementary and Secondary Education Act of 1965.

SEC. 2404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 2401, 2402, or 2403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subchapter.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act, as amended by section 2103(a) of this Act, is amended by inserting the following new section after section 411:

"SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

''Each State to which a grant is made under section 403 shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.''.

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103–296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

''(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.''.

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

''Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.''.

Subchapter B—Eligibility for State and Local Public Benefits Programs

SEC. 2411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not—

(1) a qualified alien (as defined in section 2431),

(2) a nonimmigrant under the Immigration and Nationality Act, or

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year,

is not eligible for any State or local public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subchapter the term ''State or local public benefit'' means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 2412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 2431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under

section 2435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

Subchapter C—Attribution of Income and Affidavits of Support

SEC. 2421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 2403(c)), the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (B) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

(d) APPLICATION.—

(1) If on the date of the enactment of this Act, a Federal means-tested public benefits program attributes a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning on the day after the date of the enactment of this Act.

(2) If on the date of the enactment of this Act, a Federal means-tested public benefits program does not attribute a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning 180 days after the date of the enactment of this Act.

SEC. 2422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSORS INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 2412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the appropriate chief State health official determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

SEC. 2423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

''REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

''SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

''(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

''(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

''(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

''(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

''(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

''(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in section 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

''(d) NOTIFICATION OF CHANGE OF ADDRESS.—

''(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

''(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

''(A) not less than $250 or more than $2,000, or

''(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

''(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

''(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

''(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

''(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

''(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

''(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

''(f) DEFINITION.—For the purposes of this section the term 'sponsor' means an individual who—

''(1) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

''(2) is 18 years of age or over;

''(3) is domiciled in any of the 50 States or the District of Columbia; and

''(4) is the person petitioning for the admission of the alien under section 204.

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

''Sec. 213A. Requirements for sponsor's affidavit of support.''.

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 2403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

Subchapter D—General Provisions

SEC. 2431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this chapter, the terms used in this chapter have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this chapter, the term ''qualified alien'' means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

SEC. 2432. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal public benefit (as defined in section 2401(c)), to which the limitation under section 2401 applies, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

SEC. 2433. STATUTORY CONSTRUCTION.

(a) LIMITATION.—

(1) Nothing in this chapter may be construed as an entitlement or a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this chapter, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) Nothing in this chapter may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This chapter does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this chapter or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this chapter and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 2434. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.

Notwithstanding any other provision of Federal, State, or local law, no State or local government entity may be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

SEC. 2435. QUALIFYING QUARTERS.

For purposes of this chapter, in determining the number of qualifying quarters of coverage under title II of the Social Security Act an alien shall be credited with—

(1) all of the qualifying quarters of coverage as defined under title II of the Social Security Act worked by a parent of such alien while the alien was under age 18 if the parent did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter, and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage if the spouse did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter and the alien remains married to such spouse or such spouse is deceased.

Subchapter E—Conforming Amendments Relating to Assisted Housing

SEC. 2441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking ''Secretary of Housing and Urban Development'' each place it appears and inserting ''applicable Secretary'';

(2) in subsection (b), by inserting after ''National Housing Act,'' the following: ''the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,'';

(3) in paragraphs (2) through (6) of subsection (d), by striking ''Secretary'' each place it appears and inserting ''applicable Secretary'';

(4) in subsection (d), in the matter following paragraph (6), by striking ''the term 'Secretary''' and inserting ''the term 'applicable Secretary''''; and

(5) by adding at the end the following new subsection:

''(h) For purposes of this section, the term 'applicable Secretary' means—

''(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

''(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.''.

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking ''(1)'';

(2) by striking ''by the Secretary of Housing and Urban Development''; and

(3) by striking paragraph (2).

Subchapter F—Earned Income Credit Denied to Unauthorized Employees

SEC. 2451. EARNED INCOME CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income credit) is amended by adding at the end the following new subparagraph:

''(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

''(i) such individual's taxpayer identification number, and

''(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.''.

(b) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

''(l) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).''.

(c) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended by striking ''and' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting a comma, and by inserting after subparagraph (E) the following new subparagraphs:

''(F) an omission of a correct taxpayer identification number required under section 32 (relating to the earned income tax credit) to be included on a return, and

''(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

CHAPTER 5—REFORM OF PUBLIC HOUSING

SEC. 2501. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by section 2404(d) of this Act, is amended by adding at the end the following new section:

''SEC. 28. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

''(a) IN GENERAL.—If the benefits of a family are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure of any member of the family to perform an action required under the law or program, the family may not, for the duration of the reduction, receive any increased assistance under this Act as the result of a decrease in the income of the family to the extent that the decrease in income is the result of the benefits reduction.

''(b) EXCEPTION.—Subsection (a) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.''.

SEC. 2502. FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term ''means-tested welfare or public assistance program for which Federal funds are appropriated'' includes the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

CHAPTER 6—TECHNICAL AMENDMENTS RELATING TO CHILD PROTECTION PROGRAMS

SEC. 2601. EXTENSION OF ENHANCED FUNDING FOR IMPLEMENTATION OF STATEWIDE AUTOMATED CHILD WELFARE INFORMATION SYSTEMS.

Section 474(a)(3)(B) of the Social Security Act (42 U.S.C. 674(a)(3)(B)) is amended by inserting ''(of, if the quarter is in fiscal year 1997, 75 percent)'' after ''50 percent'' each place it appears.

SEC. 2602. REDESIGNATION OF SECTION 1123.

The Social Security Act is amended by redesignating section 1123, the second place it appears (42 U.S.C. 1320a–1a), as section 1123A.

SEC. 2603. KINSHIP CARE.

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking ''and'' at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(18) provides that States shall give preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.''.

CHAPTER 7—CHILD CARE

SEC. 2701. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This chapter may be cited as the ''Child Care and Development Block Grant Amendments of 1996''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 2802. GOALS.

(a) GOALS.—Section 658A (42 U.S.C. 9801 note) is amended—

(1) in the section heading by inserting ''AND GOALS'' after ''TITLE'';

(2) by inserting ''(a) SHORT TITLE.—'' before ''This''; and

(3) by adding at the end the following:

''(b) GOALS.—The goals of this subchapter are—

''(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

''(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

''(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

''(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

''(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.''.

SEC. 2703. AUTHORIZATION OF APPROPRIATIONS AND ENTITLEMENT AUTHORITY.

(a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is amended to read as follows:

''SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this subchapter $1,000,000,000 for each of the fiscal years 1996 through 2002.''.

(b) SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by adding at the end the following:

''SEC. 418. FUNDING FOR CHILD CARE.

''(a) GENERAL CHILD CARE ENTITLEMENT.—

''(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to—

''(A) the sum of the total amount required to be paid to the State under former section 403 for fiscal year 1994 or 1995 (whichever is greater) with respect to amounts expended for child care under section—

''(i) 402(g) of this Act (as such section was in effect before October 1, 1995); and

''(ii) 402(i) of this Act (as so in effect); or

''(B) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the sections referred to in subparagraph (A);

whichever is greater.

''(2) REMAINDER.—

''(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (4) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

''(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

''(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under paragraph (1)(A) for such year and the amount of State expenditures in fiscal year 1994 (or fiscal year 1995, whichever is greater) that equal the non-Federal share for the programs described in subparagraph (A) of paragraph (1).

''(D) REDISTRIBUTION.—

''(i) IN GENERAL.—With respect to any fiscal year, if the Secretary determines (in accordance with clause (ii)) that amounts under any grant awarded to a State under this paragraph for such fiscal year will not be used by such State during such fiscal year for carrying out the purpose for which the grant is made, the Secretary shall make such amounts available in the subsequent fiscal year for carrying out such purpose to 1 or more States which apply for such funds to the extent the Secretary determines that such States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'.

''(ii) TIME OF DETERMINATION AND DISTRIBUTION.—The determination of the Secretary under clause (i) for a fiscal year shall be made not later than the end of the first quarter of the subsequent fiscal year. The redistribution of amounts under clause (i) shall be made as close as practicable to the date on which such determination is made. Any amount made available to a State from an appropriation for a fiscal year in accordance with this subparagraph shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for the fiscal year in which the redistribution is made.

''(3) APPROPRIATION.—There are authorized to be appropriated, and there are appropriated, to carry out this section—

''(A) $1,967,000,000 for fiscal year 1997;
''(B) $2,067,000,000 for fiscal year 1998;
''(C) $2,167,000,000 for fiscal year 1999;
''(D) $2,367,000,000 for fiscal year 2000;
''(E) $2,567,000,000 for fiscal year 2001; and
''(F) $2,717,000,000 for fiscal year 2002.

''(4) INDIAN TRIBES.—The Secretary shall reserve not more than 1 percent of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

''(b) USE OF FUNDS.—

''(1) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance. Amounts received by a State under a grant under subsection (a)(1) shall be available for use by the State without fiscal year limitation.

''(2) USE FOR CERTAIN POPULATIONS.—A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

''(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT of 1990.—Notwithstanding any other provision of law, amounts

provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

''(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States or the District of Columbia.''.

SEC. 2704. LEAD AGENCY.

Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''State'' the first place that such appears and inserting ''governmental or nongovernmental''; and

(B) in subparagraph (C), by inserting ''with sufficient time and Statewide distribution of the notice of such hearing,'' after ''hearing in the State''; and

(2) in paragraph (2), by striking the second sentence.

SEC. 2705. APPLICATION AND PLAN.

Section 658E (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking ''implemented—'' and all that follows through ''(2)'' and inserting ''implemented''; and

(B) by striking ''for subsequent State plans'';

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking '', other than through assistance provided under paragraph (3)(C),''; and

(II) by striking ''except'' and all that follows through ''1992'', and inserting ''and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph'';

(ii) in subparagraph (B)—

(I) by striking ''Provide assurances'' and inserting ''Certify''; and

(II) by inserting before the period at the end ''and provide a detailed description of such procedures'';

(iii) in subparagraph (C)—

(I) by striking ''Provide assurances'' and inserting ''Certify''; and

(II) by inserting before the period at the end ''and provide a detailed description of how such record is maintained and is made available'';

(iv) by amending subparagraph (D) to read as follows:

''(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.'';

(v) in subparagraph (E), to read as follows:

''(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

''(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

''(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organizations receiving assistance under this subchapter.''; and

(vi) by striking subparagraphs (H), (I), and (J) and inserting the following:

''(G) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, and families that are at risk of becoming dependent on such assistance program.'';

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''(B) and (C)'' and inserting ''(B) through (D)'';

(ii) in subparagraph (B)—

(I) by striking ''.—Subject to the reservation contained in subparagraph (C), the'' and inserting ''AND RELATED ACTIVITIES.—The'';

(II) in clause (i) by striking ''; and'' at the end and inserting a period;

(III) by striking ''for—'' and all that follows through ''section 658E(c)(2)(A)'' and inserting ''for child care services on sliding fee scale basis, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)''; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

''(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services.''; and

(iv) by adding at the end thereof the following:

''(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 418(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities under this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(F).''; and

(C) in paragraph (4)(A)—

(i) by striking ''provide assurances'' and inserting ''certify'';

(ii) in the first sentence by inserting ''and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access'' before the period; and

(iii) by striking the last sentence.

SEC. 2706. LIMITATION ON STATE ALLOTMENTS.

Section 658F(b) (42 U.S.C. 9858d(b)) is amended—

(1) in paragraph (1), by striking ''No'' and inserting ''Except as provided for in section 658O(c)(6), no''; and

(2) in paragraph (2), by striking ''referred to in section 658E(c)(2)(F)''.

SEC. 2707. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

''SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

''A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 4 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).''.

SEC. 2708. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858f) is repealed.

SEC. 2709. ADMINISTRATION AND ENFORCEMENT.

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking '', and shall have'' and all that follows through ''(2)''; and

(2) in the matter following clause (ii) of paragraph (2)(A), by striking ''finding and that'' and all that follows through the period and inserting ''finding and shall require that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options.''.

SEC. 2710. PAYMENTS.

Section 658J(c) (42 U.S.C. 9858h(c)) is amended by striking ''expended'' and inserting ''obligated''.

SEC. 2711. ANNUAL REPORT AND AUDITS.

Section 658K (42 U.S.C. 9858i) is amended—

(1) in the section heading by striking ''ANNUAL REPORT'' and inserting ''REPORTS'';

(2) in subsection (a), to read as follows:

''(a) REPORTS.—

''(1) COLLECTION OF INFORMATION BY STATES.—

''(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

''(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

''(i) family income;

''(ii) county of residence;

''(iii) the gender, race, and age of children receiving such assistance;

''(iv) whether the family includes only 1 parent;

''(v) the sources of family income, including the amount obtained from (and separately identified)—

''(I) employment, including self-employment;

''(II) cash or other assistance under part A of title IV of the Social Security Act;

''(III) housing assistance;

''(IV) assistance under the Food Stamp Act of 1977; and

''(V) other assistance programs;

''(vi) the number of months the family has received benefits;

''(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

''(viii) whether the child care provider involved was a relative;

''(ix) the cost of child care for such families; and

''(x) the average hours per week of such care; during the period for which such information is required to be submitted.

''(C) SUBMISSION TO SECRETARY.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

''(D) SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

''(2) BIANNUAL REPORTS.—Not later than December 31, 1997, and every 6 months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

''(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(5);

''(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

''(C) the number of payments made by the State through vouchers, contracts, cash, and

disregards under public benefit programs, listed by the type of child care services provided;

''(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

''(E) the total number (without duplication) of children and families served under this subchapter;

during the period for which such report is required to be submitted.''; and

(2) in subsection (b)—

(A) in paragraph (1) by striking ''a application'' and inserting ''an application'';

(B) in paragraph (2) by striking ''any agency administering activities that receive'' and inserting ''the State that receives''; and

(C) in paragraph (4) by striking ''entitles'' and inserting ''entitled''.

SEC. 2712. REPORT BY THE SECRETARY.

Section 658L (42 U.S.C. 9858j) is amended—

(1) by striking ''1993'' and inserting ''1997'';

(2) by striking ''annually'' and inserting ''biennially''; and

(3) by striking ''Education and Labor'' and inserting ''Economic and Educational Opportunities''.

SEC. 2713. ALLOTMENTS.

Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)(1)—

(A) by striking ''POSSESSIONS'' and inserting ''POSSESSIONS'';

(B) by inserting ''and'' after ''States,''; and

(C) by striking '', and the Trust Territory of the Pacific Islands'';

(2) in subsection (c)—

(A) in paragraph (5) by striking ''our'' and inserting ''out''; and

(B) by adding at the end thereof the following new paragraph:

''(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

''(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

''(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

''(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

''(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph.''; and

(3) in subsection (e), by adding at the end thereof the following new paragraph:

''(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs.''.

SEC. 2714. DEFINITIONS.

Section 658P (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting ''or as a deposit for child care services if such a deposit is required of other children being cared for by the provider'' after ''child care services''; and

(2) by striking paragraph (3);

(3) in paragraph (4)(B), by striking ''75 percent'' and inserting ''85 percent'';

(4) in paragraph (5)(B)—

(A) by inserting ''great grandchild, sibling (if such provider lives in a separate residence),'' after ''grandchild,'';

(B) by striking ''is registered and''; and

(C) by striking ''State'' and inserting ''applicable''.

(5) by striking paragraph (10);

(6) in paragraph (13)—

(A) by inserting ''or'' after ''Samoa,''; and

(B) by striking '', and the Trust Territory of the Pacific Islands'';

(7) in paragraph (14)—

(A) by striking ''The term'' and inserting the following:

''(A) IN GENERAL.—The term''; and

(B) by adding at the end thereof the following new subparagraph:

''(B) OTHER ORGANIZATIONS.—Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.''.

SEC. 2715. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter and the amendments made by this chapter shall take effect on October 1, 1996.

(b) EXCEPTION.—The amendment made by section 2803(a) shall take effect on the date of enactment of this Act.

CHAPTER 8—MISCELLANEOUS

SEC. 2801. APPROPRIATION BY STATE LEGISLATURES.

(a) IN GENERAL.—Any funds received by a State under the provisions of law specified in subsection (b) shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(2) Section 27 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

SEC. 2802. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States shall not be prohibited by the Federal Government from testing welfare recipients for use of controlled substances nor from sanctioning welfare recipients who test positive for use of controlled substances.

SEC. 2803. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

(a) IN GENERAL.—Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking ''and'' at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

''(5) $2,800,000,000 for each of the fiscal years 1990 through 1995;

''(6) $2,381,000,000 for the fiscal year 1996;

''(7) $2,240,000,000 for each of the fiscal years 1997 through 2002; and

''(8) $2,800,000,000 for the fiscal year 2003 and each succeeding fiscal year.''.

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter preceding paragraph (1), by inserting ''(a)'' before ''For''; and

(2) by adding at the end the following:

''(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 1 percent of such allotment to fund programs and services that teach minors to avoid out-of-wedlock pregnancies.''.

SEC. 2804. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) ELIGIBILITY FOR ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(l)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

''(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

''(A) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(2) is violating a condition of probation or parole imposed under Federal or State law.''; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking ''and'' at the end;

(B) in clause (iv), by striking the period at the end and inserting ''; and''; and

(C) by adding after clause (iv) the following new clause:

''(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

''(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(II) is violating a condition of probation or parole imposed under Federal or State law;''.

(b) PROVISION OF INFORMATION TO LAW ENFORCEMENT AGENCIES.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by sections 2404(d) and 2601 of this Act, is amended by adding at the end the following:

''SEC. 29. EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.

''Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of assistance under this Act, if the officer—

''(1) furnishes the public housing agency with the name of the recipient; and

''(2) notifies the agency that—

''(A) such recipient—

''(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is

a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(ii) is violating a condition of probation or parole imposed under Federal or State law; or

''(iii) has information that is necessary for the officer to conduct the officer's official duties;

''(B) the location or apprehension of the recipient is within such officer's official duties; and

''(C) the request is made in the proper exercise of the officer's official duties.''.

SEC. 2805. SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that:

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities, and home ownership in the designated communities and zones.

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the One Hundred Fourth Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

SEC. 2806. SENSE OF THE SENATE REGARDING THE INABILITY OF THE NON-CUSTODIAL PARENT TO PAY CHILD SUPPORT.

It is the sense of the Senate that—

(a) States should diligently continue their efforts to enforce child support payments by the non-custodial parent to the custodial parent, regardless of the employment status or location of the non-custodial parent; and

(b) States are encouraged to pursue pilot programs in which the parents of a non-adult, non-custodial parent who refuses to or is unable to pay child support must—

(1) pay or contribute to the child support owed by the non-custodial parent; or

(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non-custodial parent, such as participation in a work program or other related activity.

SEC. 2807. ESTABLISHING NATIONAL GOALS TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) preventing out-of-wedlock teenage pregnancies, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

SEC. 2808. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(1) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offensives; and

(2) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in particular on the commission of statutory rape by predatory older men committing repeat offensives, and any links to teenage pregnancy.

(c) VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offensives.

SEC. 2809. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking ''(d) In the event'' and inserting ''(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

''(1) IN GENERAL.—In the event''; and

(2) by adding at the end the following new paragraph:

''(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

''(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

''(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

''(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

''(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

''(ii) otherwise superseding the application of any State or local law.

''(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

''(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

''(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.''.

SEC. 2810. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—

(1) IN GENERAL.—Paragraph (1) of section 32(i) of the Internal Revenue Code of 1986 (relating to denial of credit for individuals having excessive investment income) is amended by striking ''$2,350'' and inserting ''$2,200''.

(2) ADJUSTMENT FOR INFLATION.—Subsection (j) of section 32 of such Code is amended to read as follows:

''(j) INFLATION ADJUSTMENTS.—

''(1) IN GENERAL.—In the case of any taxable year beginning after 1996, each of the dollar amounts in subsections (b)(2)(A) and (i)(1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—

''(A) IN GENERAL.—If any dollar amount in subsection (b)(2), after being increased under paragraph (1), is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.

''(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount in subsection (i)(1), after being increased under paragraph (1), is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(3) CONFORMING AMENDMENTS.—The table contained in section 32(b)(2)(A) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''$6,000'' and inserting ''$6,330'',

(2) by striking ''$11,000'' both places it appears and inserting ''$11,610'',

(3) by striking ''$8,425'' and inserting ''$8,890'',

(4) by striking ''$4,000'' and inserting ''$4,220'', and

(5) by striking ''$5,000'' and inserting ''$5,280''.

(b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) of such Code (defining disqualified income) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting a comma, and by adding at the end the following new subparagraphs:

''(D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and

''(E) the excess (if any) of—

''(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over

''(ii) the aggregate losses from all passive activities for the taxable year (as so determined). For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) ADVANCE PAYMENT INDIVIDUALS.—In the case of any individual who on or before June 26, 1996, has in effect an earned income eligibility certificate for the individual's taxable year beginning in 1996, the amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2811. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a)(2)(B), (c)(1)(C), and (f)(2)(B) of section 32 of the Internal Revenue Code of 1986 are each amended by striking ''adjusted gross income'' each place it appears and inserting ''modified adjusted gross income''.

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(5) MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The term 'modified adjusted gross income' means adjusted gross income—

''(i) increased by the sum of the amounts described in subparagraph (B), and

''(ii) determined without regard to the amounts described in subparagraph (C).

''(B) NONTAXABLE INCOME TAKEN INTO ACCOUNT.—Amounts described in this subparagraph are—

''(i) interest received or accrued during the taxable year which is exempt from tax imposed by this chapter, and

''(ii) amounts received as a pension or annuity, and any distributions or payments received from an individual retirement plan, by the taxpayer during the taxable year to the extent not included in gross income.

Clause (ii) shall not include any amount which is not includible in gross income by reason of section 402(c), 403(a)(4), 403(b)(8), 408(d) (3), (4), or (5), or 457(e)(10).

''(C) CERTAIN AMOUNTS DISREGARDED.—An amount is described in this subparagraph if it is—

''(i) the amount of losses from sales or exchanges of capital assets in excess of gains from such sales or exchanges to the extent such amount does not exceed the amount under section 1211(b)(1),

''(ii) the net loss from estates and trusts,

''(iii) the excess (if any) of amounts described in subsection (i)(2)(C)(ii) over the amounts described in subsection (i)(2)(C)(i) (relating to nonbusiness rents and royalties), and

''(iv) the net loss from the carrying on of trades or businesses, computed separately with respect to—

''(I) trades or businesses (other than farming) conducted as sole proprietorships,

''(II) trades or businesses of farming conducted as sole proprietorships, and

''(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) ADVANCE PAYMENT INDIVIDUALS.—In the case of any individual who on or before June 26, 1996, has in effect an earned income eligibility certificate for the individual's taxable year beginning in 1996, the amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2812. SUSPENSION OF INFLATION ADJUSTMENTS FOR INDIVIDUALS WITH NO QUALIFYING CHILDREN.

(a) IN GENERAL.—Subsection (j) of section 32 of the Internal Revenue Code of 1986, as amended by section 2911(a)(2) of this Act, is amended by adding at the end the following new paragraph:

''(3) NO ADJUSTMENT FOR INDIVIDUALS WITH NO QUALIFYING CHILDREN.—This subsection shall not apply to each dollar amount contained in subsection (b)(2)(A) with respect to individuals with no qualifying children.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2813. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. ADOPTION EXPENSES.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

''(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

''(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

''(B) $40,000.

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

''(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

''(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

''(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

''Sec. 35. Adoption expenses.

''Sec. 36. Overpayments of tax.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2814. EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

''SEC. 137. ADOPTION ASSISTANCE.

''(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

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

''(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

''(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

''(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

''(4) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

''(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses.''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

''Sec. 137. Adoption assistance.

''Sec. 138. Cross references to other Acts.''.

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2815. WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

''(8) QUALIFIED ADOPTION EXPENSES.—

''(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

''(i) such amount exceeds the sum of—

''(I) the amount excludable under section 137, and

''(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

''(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

''(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

FOOD QUALITY PROTECTION ACT

Mr. MCCONNELL. I ask unanimous consent that the Senate proceed to the consideration of H.R. 1627 which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1627) to amend the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LUGAR. Today, the Senate takes final action on the Food Quality Protection Act. The legislation before us today passed the House on July 23 by a vote of 417 to 0.

I commend our colleagues in the House for this bipartisan compromise to reform the Delaney clause. Chairman BLILEY, Representative DINGELL, and Representative WAXMAN are to be commended for their efforts. I also want to thank my counterparts on the House Agriculture Committee, Chairman ROBERTS and Representative DE LA GARZA.

This bill represents a carefully crafted compromise. A large list of consumer groups, environmental organizations, food industry organizations, and farm groups support the bill. The administration has indicated the President will sign the bill.

The bill reforms the scientifically outdated Delaney clause enacted in 1958. The Delaney clause ignores the concept of risk. As science continues to develop new means of detecting even the smallest amount of substance in food, the Delaney clause would force more and more safe products off the market.

The compromise bill sets a ''safe'' standard for both raw and processed food. Safe is defined as ''a reasonable certainty that no harm will result from aggregate exposure to pesticide chemical residue.''

The bill also allows for the consideration of benefits when setting tolerances, but limits how much additional risk is acceptable as a tradeoff for benefits. As recommended by the National Academy of Sciences in 1993, EPA is required to give special consideration to infants and children when setting pesticide residue tolerances. For pesticides with threshold effects, an additional tenfold margin of safety shall be applied for infants and children, except EPA may use a different margin of safety on the basis of reliable data.

National uniformity of tolerances is maintained with some exceptions. Uniformity does not apply to warning labels like Prop 65.

The bill contains provisions to encourage development of new minor use pesticides without compromising food safety or adversely affecting the environment.

The bill also addresses antimicrobial registrations by expediting registration procedures for antimicrobial pesticides.

The bill extends EPA authorization to collect $14 million annually in reregistration fees—a provision strongly endorsed by the Environmental Protection Agency.

Finally, I want to commend Senator PRYOR for his efforts to reform the Delaney clause and his strong support for the legislation we introduced. Senator KASSEBAUM, chairman of the Labor and Human Resources Committee, has been a strong supporter of Delaney reform as an original cosponsor of S. 1166 and is supportive of our efforts to move forward. I also want to thank Senator LEAHY for his support of this compromise and his willingness to work to move this bill through the Senate.

I am pleased that we have a compromise bill before us that will reform the outdated Delaney clause and help ensure the continued availability of a safe, affordable and abundant food supply in our Nation. I urge my colleagues to support this important legislation.

I ask unanimous consent to have printed in the RECORD three letters from Dr. Lynn Goldman, Assistant Administrator, Environmental Protection Agency.

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

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, July 23, 1996.

Hon. RICHARD LUGAR,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to clarify some questions your staff has raised concerning certain provisions of H.R. 1627 as unanimously approved by the House of Representatives.

The first issue relates to the tenfold additional margin of safety when assessing risks to infants and children during tolerance evaluations. We have clarified this issue through a letter dated July 23, 1996 to Chairman Bliley (enclosed), and would like to clarify one more point:

Under this provision, as an uncertainty factor, we would require an additional tenfold margin of safety if the Agency does not have complete and reliable data to assess pre or postnatal toxicity relating to infants and children, or if the data indicate pre or postnatal effects of concern. When the data are incomplete, we use an additional uncertainty factor between three and ten based on how much information is incomplete. The data EPA would consider include data submitted in compliance with EPA testing requirements, available data published in the scientific literature, and any other data available to EPA and meeting general scientific standards. Where reproductive and developmental data have been found acceptable by EPA, and the data do not indicate potential pre or postnatal effects of concern, the additional tenfold margin of safety would not be applied.

The second issue regards administrative hearings. With respect to hearings under section 408 (g)(2)(B), EPA will determine whether there are issues of material fact on which a public hearing should be held. Issues of material fact may include, for example, issues as to the magnitude of risk or whether an effect is a threshold or non-threshold effect. Where issues of material fact are raised, and relevant factual information is at issue, the Administrator is required to grant a request for a public hearing.

The third issue regards the classification of certain chemicals as threshold or non-threshold effects. For purposes of the determination of safety under Section 408 (b)(2)(A)(ii), chemicals which currently are classified as Category C carcinogens with no quantification of risk would be treated under the standard applicable to threshold effects.

The Office of management and budget advises that there is no objection to the presentation of these views from the standpoint of the President's program.

Sincerely,

LYNN R. GOLDMAN, M.D.,
Assistant Administrator.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, July 23, 1996.

Hon. RICHARD LUGAR,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in response to your question concerning the Agency's Special Review of the pesticide atrazine. As you know, atrazine has been in Special Review since November 1994, and currently we are reviewing the additional information submitted by the registrant and the public comments.

Specifically, you have asked whether possible changes in the Federal Food, Drug, and Cosmetic Act (FFDCA) might obviate the need for completion of the atrazine Special Review under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

H.R. 1627 as enacted by the House of Representatives contains numerous provisions changing the way we assess tolerances for pesticide residues on food. However, should the bill become law, the Special Review of atrazine would continue as we assess the data submitted by the registrant and others. Our plans for completion of the next step in the Special Review process, the issuance of what we call ''Position Document 2/3,'' remains unchanged. Completion of this document is now planned for late 1997.

We would not expect to examine the tolerances associated with the current uses of atrazine until the later stages of the Special Review process, that is at the ''Position Document 4'' stage.

Commonly, as part of our Special Review process, the Agency discusses risk reduction measures on a continuing basis with the registrant and affected grower community. These are often a valuable part of the pesticide regulatory decision process. Obviously, if the risk issues are resolved through this process, we would terminate the Special Review.

The Office of Management and Budget advises that there is no objection to the presentation of these views from the standpoint of the President's program.

Sincerely,

LYNN R. GOLDMAN, M.D.,
Assistant Administrator.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, July 23, 1996.

Hon. THOMAS BLILEY,
Chairman, Committee on Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to clarify questions regarding the provision in H.R. 1627 as passed by the Committee on Commerce concerning the ten-fold additional margin of safety when assessing risks to infants and children during tolerance evaluations. We believe that this language when applied with the general safety standard, would provide EPA with an important tool to implement the recommendations found in the National Academy of Sciences' report, Pesticides in the Diets of Infants and Children.

We believe that this provision is consistent with the recommendations found in that report (see attached), and would allow the Agency to ensure that pesticide tolerances are safe for children in those situations where an additional margin of safety is necessary to account for inadequate or otherwise incomplete data. This language provides the Agency with discretion, based on

sound science, to set the margin of safety at an appropriate level to protect infants and children.

This provision is consistent with current Agency risk assessment practices. We have the been actively working to implement the NAS recommendations, and are using the best available science to assess risks to infants and children in a manner consistent with those recommendations. In doing so, EPA scientists exercise their best judgment, based on reliable data, to determine whether studies accurately reflect the risk to children or if an additional margin of safety of up to ten is required. When the data are incomplete, we use an additional uncertainty factor between three and ten based on how much information is incomplete.

We believe that the language passed by the Committee on Commerce strikes the proper balance in setting a strong standard to protect children while giving EPA the discretion to use the best available science. We are pleased that the children's standard will allow us to assure the public that all foods are safe for children.

The Office of Management and Budget advises that there is no objection to the presentation of these views from the standpoint of the President's program.

Sincerely,

LYNN R. GOLDMAN, M.D.,
Assistant Administrator.

PESTICIDES IN THE DIETS OF INFANTS AND CHILDREN

(National Academy of Sciences Recommendations, page 9)

Uncertainty factors.—For toxic effects other than cancer or heritable mutation, uncertainty factors are widely used to establish guidelines for human exposure on the basis of animal testing results. This is often done by dividing the no-observed-effect level (NOEL) found in animal tests by an uncertainty factor of 100-fold. This factor comprises two separate factors of 10-fold each; one allows for uncertainty in extrapolating data from animals to humans; the other accommodates variation within the human population. Although the committee believes that the latter uncertainty factor generally provides adequate protection for infants and children, this population subgroup may be uniquely susceptible to chemical exposures at particularly sensitive stages of development.

At the present, to provide added protection during early development, a third uncertainty factor of 10 is applied to the NOEL to develop the RfD. This third 10-fold factor has been applied by the EPA and FDA whenever toxicity studies and metabolic/disposition studies have shown fetal developmental effects.

Because there exist specific periods of vulnerability during postnatal development, the committee recommends that an uncertainty factor up to the 10-fold factor traditionally used by EPA and FDA for fetal developmental toxicity should also be considered when there is evidence of postnatal developmental toxicity and when data from toxicity testing relative to children are incomplete. The committee wishes to emphasize that this is not a new, additional uncertainty factor but, rather, an extended application of an uncertainty factor now routinely used by the agencies for a narrower purpose.

In the absence of data to the contrary, there should be a presumption of greater toxicity to infants and children. To validate this presumption, the sensitivity of mature and immature individuals should be studied systematically to expand the current limited data base on relative sensitivity.

Mr. PRYOR. Mr. President, today marks the conclusion of a monumental effort by numerous individuals and organizations to finally update food safety laws of this country. With the help of the Clinton administration, members of both the Agriculture and Labor Committees—particularly Senator LUGAR, the chief sponsor of the bill in the Senate—as well as our colleagues in the House, passage of the Food Quality Protection Act has finally become a reality.

This legislation at long last updates the famed Delaney Clause which was first enacted in the 1950's, but became obsolete with the advances in science and technology. Although the provision served a very useful purpose in its day, we have recently found ourselves in a situation where the outdated law was working against the ability of the crop protection industry to find safer alternatives for our farmers and ranchers to use in the production of food and fiber.

Again, Mr. President, I want to complement the Clinton administration for helping find a bipartisan solution to a problem that has plagued farmers and consumers for a number of years. The result is consumers continue to have a safe and abundant food supply and that farmers and agribusiness will be treated more fairly by government regulators. It is a clear victory for both farmers and consumers and proves once again that when we work in a bipartisan fashion we're all the better.

CONSUMER RIGHT TO KNOW SECTION

Mr. SANTORUM. As we prepare to vote on H.R. 1627, I wish to seek clarification on the consumer right to know section if Chairman LUGAR would be kind enough to respond.

Mr. LUGAR. What clarification is the Senator seeking?

Mr. SANTORUM. It is my understanding that under the consumer right to know section, the administrator of EPA in consultation with the Secretary of Agriculture and the Secretary of Health and Human Services will develop and distribute to large retail grocers information relating to the risks and benefits of pesticide residues in or on food items that are purchased by consumers.

Mr. LUGAR. That is correct.

Mr. SANTORUM. In turn, under this section, grocers are expected to display or make available this information in whatever manner best works for that retail store.

Mr. LUGAR. Yes, the legislation makes this type of information available for display.

Mr. SANTORUM. It is also my understanding under this section that a supermarket would not be held liable for any civil or criminal penalties in the event that the store were to be depleted of its supply of brochures or whatever information is provided by EPA, USDA, and FDA. Nor would a grocer be held liable or have products deemed misbranded if the information is not always available, or in the event the Government fails to provide the information to supermarkets.

Mr. LUGAR. It is clearly not the intent of Congress to penalize supermarkets for failure to display the information. It is our intent, however, for grocery stores to serve as a conduit for the display and dissemination of this information to the greatest extent practical in a manner that will be determined by each store. In other words, we do not intend to impose an unfair burden on grocery stores that would subject them to fines or seizure of products simply because the information is not always available.

Mr. SANTORUM. I appreciate this clarification on the consumer right to know section of the legislation.

Mr. HEFLIN. Mr. President, it would be my understanding that with regard to the authority given the administrator to require a period of not less than 60 days for public comment after issuing a regulation under section 408(e)(1) of the Act that this would apply only to those tolerance petitions submitted after the effective date of the Act.

Mr. LUGAR. The Senator from Alabama is correct.

Mr. MCCONNELL. Mr. President, I ask unanimous consent the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to this measure appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1627) was deemed read a third time, and passed.

OFFICE OF GOVERNMENT ETHICS AUTHORIZATION ACT OF 1996

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 429, H.R. 3235.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3235) to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for three years, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. COHEN. Mr. President, today the Senate will pass H.R. 3235, the Office of Government Ethics [OGE] Authorization Act of 1996. OGE was created by the Ethics in Government Act of 1978 to provide overall direction to the executive branch in developing policies to prevent conflicts of interest and ensure ethical conduct by executive branch officers and employees.

Senator LEVIN and I have long been proponents of strong ethics laws. We serve as the chairman and the ranking minority member on the Subcommittee on Oversight of Government Management and the District of Columbia

which has jurisdiction over ethics matters within the executive branch. Senator LEVIN and I have made many changes to strengthen the ethics laws since OGE was created. We authored the Independent Counsel provisions of the Ethics in Government Act which provides for the appointment of an independent counsel to investigate allegations of criminal wrongdoing by top level executive branch officials, and we worked together to strengthen the revolving door and lobbying disclosure laws.

Last year, I, along with Senator LEVIN, introduced S. 699, a bill to reauthorize OGE. The bill was reported out of the subcommittee with no amendments and approved by the full Committee on Governmental Affairs last August. It is nearly identical to legislation which passed the Senate last Congress.

The legislation makes a number of technical changes to the ethics laws and, for the first time, grants OGE gift acceptance authority to address the problem that arises when Federal Government facilities are not adequate either in terms of size or equipment resources to accommodate OGE's ethics education and training programs which are held around the country. This authority is intended to enable OGE to accept the use of certain non-Federal facilities, such as an auditorium that might be offered by a State or local government or a university, which may be better suited for OGE's needs.

Federal agencies are not permitted to accept gifts unless they have specific statutory authority to do so. While OGE has not had this authority in the past, 23 agencies and departments do have some type of gift acceptance authority. The bill requires the Director of OGE to establish written rules to govern the exercise of this authority to safeguard against conflicts of interest or the appearance of conflicts in the acceptance of gifts.

Currently, other agencies that have gift acceptance authority do not have to prescribe regulations governing its use. While other agencies would not be required to follow the example of OGE's regulations in making their own determinations about their gift authority, OGE's regulations would provide useful guidance to other agencies.

OGE has been without an authorization since September 30, 1994, when the previous authorization expired. In April, Congressman CANADY, Chairman of the Constitution Subcommittee, introduced a bill very similar to the legislation Senator LEVIN and I introduced. In an effort to complete action on this measure as quickly as possible, my staff has been working with Congressman CANADY's staff. I am pleased to say that Senator LEVIN and I support H.R. 3235, the reauthorization bill which has come over from the House.

There are a few differences between the bill that is before us today and the bill Senator LEVIN and I introduced last year. I would like to take a few minutes to outline these differences for my colleagues. First, the House bill reauthorizes OGE for 3 years opposed to the 7 years proposed in the Senate bill. While OGE has been reauthorized for 5 or 6 years in previous years, the House felt this was too long. The 3 year authorization continues to ensure that reauthorization does not occur during the first year of a Presidential term when a large portion of OGE's resources are devoted to the nominee clearance process. I continue to support a longer reauthorization than what has been proposed by the House, and while I will not be here when OGE needs to be reauthorized again, I hope that the Congress will once again move toward a long reauthorization.

Second, the House bill includes a provision to correct an unintended effect of the 1989 Ethics Reform Act with respect to the post employment or revolving door rules applicable to high level executive and legislative branch employees who leave Government to work on political campaigns. Under current law, senior executive and legislative branch employees are subject to a 1-year cooling-off period during which they cannot contact their former offices on behalf of another party. There are some exceptions to the current ban, for example, if a Federal employee leaves to work for a State or local government or for an international organization like the U.N. However, there is no exception for employees who leave to go work for a political campaign. So, if an administrative assistant or legislative director takes a leave of absence from a Senator's staff to work on the Senator's reelection campaign, the former staffer is prohibited from contacting the Senator or his or her staffers with the intent to influence official action.

There is a consensus that the current post-employment law doesn't make sense as it applies to campaign work. In drafting the post-employment rules, no one had the campaign example in mind. Moreover, leaving Government service to work on a campaign doesn't involve the kind of abuse the revolving door rules are intended to address, that is, individuals trading on Government information and access for private gain.

In 1991, there was an effort to fix this problem by adding a new exception to the post employment law for staff who leave Government to work on campaigns. The Bush administration supported this legislation, and it passed the House as part of the honoraria reform bill. A companion amendment was circulated in the Senate, but the provision never became law because honoraria reform stalled in the Senate.

The language contained in the House bill is identical to an amendment Senator LEVIN offered to the OGE bill last Congress which was passed by the Senate. It provides that executive and legislative branch employees who would otherwise be subject to the 1-year cooling-off period are not barred from communications with their former offices on behalf of a candidate, political committee, or political party. To guard against potential abuse of the exception or the appearance of impropriety when former employees represent multiple clients, such as when someone works for a consulting firm rather than directly for a campaign, the exception would apply only to individuals who work, No. 1, solely for candidates, campaigns, or political parties, or No. 2, for entities whose only clients are candidates, campaigns, or political parties. The exemption would not apply to FEC employees because of their duties in overseeing the campaign process and would go into effect when the bill becomes law. Therefore, an employee who left Government within the last year, and is still subject to the 1-year cooling off period, can take advantage of this exception.

Finally, the bill addresses another unintended problem with the post employment restrictions. The 1-year cooling-off provisions apply to senior employees of the executive branch. Senior officials are defined as those serving in positions listed on the executive schedule, positions in the uniformed services ranked 07 or above, particular positions within the White House Office, or a position which the pay is equal to or greater than executive level V. This has included SES employees at levels five and six.

Congress has frozen the executive level pay levels for a number of years. However, the pay levels for SES employees are set by the President through Executive order and have continued to increase. As a result, the pay level for SES level four employees has increased above the pay level of executive level V. What this means is that these SES level four employees will now be treated as senior executive branch employees and be subject to the 1-year cooling off restrictions even though they have not taken on any additional duties or responsibilities. It was not Congress' intent to have SES level four employees subject to these post employment restrictions. H.R. 3235 fixes this problem by amending the statute to read that these restrictions will apply to SES levels five and above not executive level V and above.

In closing, OGE is a small office with large responsibilities. Over the years, we have imposed more responsibilities on OGE and we have not always provided the necessary staff or resources to carry out those responsibilities. Specifically, I would note the additional functions OGE had to perform when it became an independent agency in 1989 and in complying with the Ethics Reform Act of 1989. Congress moved to make OGE a separate agency because it was believed that OGE was not independent enough. In addition, Congress wanted to enhance the agency's prestige and authority within the executive branch given its important and sensitive responsibilities.

While OGE's budget has increased rather significantly since we last reauthorized the agency in 1988, OGE still has a lean budget with which to operate when you consider the critically important responsibilities of the agency. That said, in light of looming budget deficits, OGE, like all agencies will be called upon to meet its responsibilities in the most cost-effective manner possible.

Mr. President, OGE's mission is critically important in ensuring strict ethical standards in Government. I hope my colleagues will move expeditiously to pass this important measure reauthorizing OGE. Finally, I want to take this opportunity to thank Senator LEVIN for his efforts on this legislation and his many years of service on Government ethics issues.

Mr. LEVIN. Mr. President, I am pleased we are considering today, H.R. 3235, the Office of Government Ethics Authorization Act of 1996. This is the same as S.699, the bill sponsored by Senator COHEN and myself and reported by the Governmental Affairs Committee. H.R. 3235 would authorize the appropriation of funds necessary for the Office of Government Ethics to carry out its mission from fiscal years 1997 through 1999.

The Office was first established under the Ethics in Government Act of 1978. Since then, it has been the centerpiece for implementing laws and policies governing the executive branch to ensure that Federal agency officers and employees operate free from conflicts of interest.

Unfortunately, this bill would reauthorize the office for only 3 years. I would have preferred 7 years, but we were told by the House that they wouldn't accept a longer reauthorization. Given the fact that the office has been without a reauthorization since September 30, 1994, and that its work is of fundamental importance to the operations of the executive branch, I think the position of the House is unfortunate. Such a short reauthorization will require more of the valuable time of the OGE staff directed to the legislative process and away from the important work of managing their ethics responsibilities. Because it is so short, it is also likely to result in an authorization gap similar to the one we are experiencing now.

The bill contains a provision which would solve an unintended problem with respect to congressional and Presidential staff leaving office to work on reelection campaigns. In 1989, when we strengthened the post employment restrictions, we prohibited all senior executive branch and congressional staff from contacting their former offices on behalf of someone else for 1 year from the time they left office. What we overlooked at the time was the situation where congressional staff and top executive department officials may leave their Government positions to work on the reelection campaigns of the persons for whom they worked while in the Government. For example, the administrative assistant of one of our colleagues may take a leave of absence and work on the reelection campaign for that same Member. If that happens, that administrative assistant should not be barred from contacting the Member or his staff on behalf of the campaign, since the interests of the campaign and the Member are really the same. Such a bar, which was never intended, would basically make such employment impossible.

The bill would correct this error and permit contacts by a former staff person working for a Member's campaign with the Member and the office of the Member if such contacts are on behalf of the campaign. Such contacts would not be permitted if they were made on behalf of someone or some entity other than the campaign. Should the former staff person work, for example, part time for the campaign and part time as a lobbyist, this bill would not permit that former staff person to contact his or her former office during the 1 year cooling off period on behalf of a client for whom he is serving as a lobbyist. The exception this bill makes is only for contacts by former staff on behalf of the campaign organizations of the Member or President-Vice President for whom the staff person previously worked. This limitation avoids giving an otherwise reasonable exception an unintended consequence.

Mr. President, I would like to thank Senator COHEN, Chairman of the Governmental Affairs Oversight Subcommittee, for his support on this issue; and my colleagues for their support in getting this bill to the floor.

Mr. MCCONNELL. I ask unanimous consent that bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements be placed in the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3235) was deemed read the third time, and passed.

ORDERS FOR THURSDAY, JULY 25, 1996

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 on Thursday, July 25; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date; the morning hour be deemed to have expired; the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume the foreign operations appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MCCONNELL. For the information of all Senators, tomorrow morning beginning at 9:30 the Senate will resume the foreign operations appropriations bill with a time agreement on the McCain amendment of no more than 30 minutes; therefore, a vote will occur on or in relation to the McCain amendment no later than 10 a.m. Several additional amendments are expected to be offered. Therefore, votes are expected to occur throughout the session of the Senate on Thursday.

Following the disposition of the foreign operations bill, the Senate is then expected to turn to the HUD/VA appropriations bill. Therefore, votes are expected during the session of the Senate on Friday of this week.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MCCONNELL. Mr. President, if there is no further business to come before the Senate, I ask that the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 7:47 p.m., adjourned until Thursday, July 25, 1996, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 24, 1996:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

SUSAN FORD WILTSHIRE, OF TENNESSEE, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 25, 2002, VICE HENRY H. HIGUERA, TERM EXPIRED.

NATIONAL INSTITUTE FOR LITERACY

JON DEVEAUX, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 12, 1998. (REAPPOINTMENT)

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

MICHAEL A. NARANJO, OF NEW MEXICO, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2002, VICE BEATRICE RIVAS SANCHEZ, TERM EXPIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 24, 1996:

THE JUDICIARY

NANETTE K. LAUGHREY, OF MISSOURI, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN AND WESTERN DISTRICTS OF MISSOURI.

DEAN D. PREGERSON, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA.