HOUSE OF REPRESENTATIVES—*Monday, June 18, 1990*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. MAZZOLI].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 14, 1990.

I hereby designate the Honorable ROMANO L. MAZZOLI to act as Speaker pro tempore on Monday, June 18, 1990.

THOMAS S. FOLEY,
Speaker, House of Representatives.

PRAYER

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

You have told us, O God, that we should care for those among us who are in any special need of our support or our prayerful intercession. We remember their names in our hearts and pray that Your abiding peace will give hope to any who know despair or loneliness and give assurance to every person who calls on You. Bless all Your people, O gracious God, and may Your abundant grace and Your ever present spirit be with us today and every day. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentleman from New Hampshire [Mr. DOUGLAS] will lead the Members in the Pledge of Allegiance.

Mr. DOUGLAS led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3545. An act to amend the Chesapeake and Ohio Canal Development Act to make certain changes relating to the Chesapeake and Ohio Canal National Historical Park Commission; and

H.R. 3834. An act to amend the National Trails System Act to designate the route from Selma to Montgomery for study for potential addition to the national trails system.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1271. An act to amend title 17, United States Code, to change the fee schedule of the Copyright Office, and to make certain technical amendments; and

S. 1272. An act to amend chapter 8 of title 17, United States Code, to reduce the number of Commissioners on the Copyright Royalty Tribunal, to provide for lapsed terms of such Commissioners, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives,
WASHINGTON, DC.
June 15, 1990.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 10:25 a.m. on Friday June 15, 1990 and said to contain H.R. 20, "Hatch Act Reform Amendments of 1990" and a veto message thereon.

With great respect, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

FEDERAL EMPLOYEES POLITICAL ACTIVITIES ACT OF 1989—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-203)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.R. 20, the "Hatch Act Reform Amendments of 1990." This bill would alter unacceptably the provisions of Federal law, commonly known as the Hatch Act, that bar Federal employees from active participation in partisan politics.

As one who has devoted much of his life to public service, I take great pride in the integrity of our Federal work force. Thus, to protect Federal employees from political pressure and preserve the impartial, evenhanded conduct of Government business, I am obligated to disapprove H.R. 20.

Originally enacted in 1939 as a bulwark against political coercion, the Hatch Act has successfully insulated the Federal service from the undue political influence that would destroy its essential political neutrality. It has been manifestly successful over the years in shielding civil servants, and the programs they administer, from political exploitation and abuse. The Hatch Act has upheld the integrity of the civil service by assuring that Federal employees are hired and promoted based upon their qualifications and not their political loyalties. It also has assured that Federal programs are administered in a nonpartisan manner, which is critical to maintaining the public's confidence and trust in the operations of Government.

H.R. 20 would effectively repeal the Hatch Act's essential prohibitions on partisan political activity by Federal civil servants. It also would convert the present rule that partisan politicking by Federal civil servants is prohibited, into a presumption that such partisan campaigning should be encouraged.

Under this legislation, Federal employees would be able to participate actively in partisan political campaigns and hold official positions in political parties; actively endorse partisan political candidates in the public media; and solicit political contributions in most situations from other employees who are members of the same "employee labor organization" for that organization's political action committee. The obvious result of the enactment of H.R. 20 would be unstated but enormous pressure to participate in partisan political activity.

History shows that such a reversal in the role of partisan politics in the ethic of public service would inevitably lead to repoliticizing the Federal work force. The sanctions provided in the bill would add little if anything to the effectiveness of existing criminal prohibitions. Moreover, experience with enforcement of criminal anti-patronage laws shows that the Federal criminal justice process is ill-suited to the task of protecting Federal employees from subtle political coercion. Public servants who are subjected to direct or indirect partisan political pressures understandably would often be reluc-

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tant to file criminal complaints against their superiors or peers, possibly putting their livelihoods in jeopardy. They deserve better protection than that.

Overt coercion is difficult enough by itself to guard against and detect. The more subtle forms of coercion are almost impossible to regulate, especially when they arise in a climate in which the unspoken assumption is that political conformity is the route to achievement and security. Such a climate leads inexorably to subtle, self-imposed pressures on employees to conform, or appear to conform, to whatever political tendency will assure greater job security.

After all the debate, no real need to repeal the existing Hatch Act has been demonstrated. Under present law, the Hatch Act allows Federal employees to engage in a variety of forms of political expression. Only forms of active participation on behalf of partisan political causes and candidates are barred. The Supreme Court has twice determined that these limits on active partisan political activity are constitutional. These rules provide reasonable balance between participation in the political process by Federal civil servants and the need to protect them from harassment and coercion that would jeopardize the fair and impartial operation of the Government. H.R. 20 poses a grave threat to that delicate balance.

Indeed, the lack of any grass-roots clamor for repeal of the Hatch Act either now, or at any time during its 50-year existence, testifies to the support this statute has received within the ranks of the Federal civil service and among the general public.

I am firmly convinced that any appreciable lessening of the current protections afforded to Federal civil servants by the Hatch Act will lead to the repoliticization of the civil service and of the programs its administers. We cannot afford, in the final decade of this century, to embark on a retreat into the very worst aspects of public administration from the last century.

GEORGE BUSH.

THE WHITE HOUSE, *June 15, 1990.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and without objection, the veto message and the bill will be printed as a House document.

There was no objection.

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that further consideration of the veto message of the President on the bill (H.R. 20) to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solications, and for other purposes, be postponed until Wednesday, June 20, 1990.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

REPORT ON NATIONAL INSTITUTES OF HEALTH

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, today the Government Accounting Office came in with their report on the National Institutes of Health. The report is absolutely devastating, I think.

It says that the National Institutes of Health in 1985 looked at the research they were doing on women's health, and realized they were not doing any research on women's health. So they implemented a new program to say they were going to take into account how these things affected women before they continued allocating grants.

□ 1210

Well, guess what? They have not paid any attention to their very own policy that their very own scientists said they should follow. It turns out to be a total "paper tiger." Therefore, we have none of the women in the heart disease studies, and heart disease is the No. 1 killer of women. We have had really a total ignoring of women's issues, vis-a-vis breast cancer. In fact, the breast cancer studies were done on men. In fact, there were all sorts of travesties that I think people would find very shocking.

When NIH gets $7.6 billion a year and less than 13 percent of it is allocated to anything dealing with women's health, I would say they are playing fast and loose and leaving women at risk.

Mr. Speaker, I think, since women contribute a very high and significant portion of the taxes that fund these studies, they are going to be very shocked by this report today, and we must do something to remedy it and make NIH follow its own scientific guidelines that they feel are important.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote for the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Rollcall votes, if postponed, will be taken on Tuesday, June 19, 1990.

DEFENSE REPORTS REDUCTION ACT OF 1990

Mr. ASPIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4736) to reduce the number of reports that the Department of Defense is required by law to submit to Congress, and for other purposes.

The Clerk read as follows:

H.R. 4736

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 "Defense Reports Reduction Act of 1990".

TITLE I—ELIMINATION AND MODIFICATION OF REPORTS REQUIRED BY LAW

PART A—REPEAL OF EXISTING REPORT REQUIREMENTS

SEC. 101. REPORTS REQUIRED BY TITLE 10, UNITED STATES CODE.

Title 10, United States Code, is amended as follows:

(1) Sections 117 and 118 are repealed.

(2) Section 125 is amended by striking out the second sentence of subsection (c).

(3) Section 836(b) is amended by striking out "and shall be reported to Congress".

(4) Section 946(c)(1) is amended by striking out "a report—" and all that follows through "(B) to the" and inserting in lieu thereof "a report to the".

(5) Section 1051 is amended—

(A) by striking out subsections (e) and (f); and

(B) by redesignating subsection (g) as subsection (e).

(6) Section 2208 is amended by striking out subsection (k).

(7) Section 2313 is amended by striking out the last sentence of subsection (c).

(8) Section 2330 is amended—

(A) by striking out subsection (c); and

(B) by redesignating subsection (d) as subsection (c).

(9) Sections 2349 and 2357 are repealed.

(10) Section 2367 is amended by striking out subsection (c).

(11) Section 2394(b) is amended—

(A) by striking out "only—" and all that follows through "after the approval" and inserting in lieu thereof "only after the approval";

(B) by striking out "; and" and inserting in lieu thereof a period; and

(C) by striking out paragraph (2).

(12) Section 2463 is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsection (c) as subsection (b).

(13) Section 2779(b) is amended by striking out paragraph (4).

(14) Section 2805(b) is amended by striking out paragraph (3).

(15) Section 2834 is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsection (c) as subsection (b).

(16) Section 2891 is repealed.

SEC. 102. REPORTS REQUIRED BY ANNUAL DEFENSE AUTHORIZATION ACTS.

(a) PUBLIC LAW 101-189.—The National Defense Authorization Act for Fiscal Years

1990 and 1991 (Public Law 101-189; 103 Stat. 1352 et seq.) is amended as follows:

(1) Section 852 (103 Stat. 1517) is amended by striking out subsection (b).

(2) Section 1604 (103 Stat. 1598) is repealed.

(b) PUBLIC LAW 100-180.—The National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180; 101 Stat. 1019 et seq.) is amended as follows:

(1) Section 273 (15 U.S.C. 4603) is amended by striking out paragraph (3) of subsection (b).

(2) Section 1201 (as amended by section 1202 of Public Law 100-456) is amended by striking out subsection (e).

(c) PUBLIC LAW 99-661.—The National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661) is amended as follows:

(1) Section 1207(g)(4) (10 U.S.C. 2301 note) is amended—

(A) by striking out subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 1362 (100 Stat. 4001) is repealed.

(d) PUBLIC LAW 99-145.—Section 106(a)(2) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 596) is amended by striking out "may be obligated—" and all that follows through "(B) for" and inserting in lieu thereof "may be obligated for".

(e) PUBLIC LAW 98-115.—Section 803(b) of the Military Construction Authorization Act, 1984 (10 U.S.C. 2821 note), is amended—

(1) by striking out "in any year" and all that follows through "the Secretary determines" and inserting in lieu thereof "in any year if the Secretary determines";

(2) by striking out "; and" and inserting in lieu thereof a period; and

(3) by striking out paragraph (2).

SEC. 103. REPORTS REQUIRED BY OTHER ACTS.

(a) DEFENSE INDUSTRIAL RESERVE ACT.—Section 5 of the Defense Industrial Reserve Act (50 U.S.C. 454) is repealed.

(b) MILITARY SELECTIVE SERVICE ACT.—Section 18 of the Military Selective Service Act (50 U.S.C. App. 468) is amended in subsection (h)—

(1) by striking out "(1)" at the beginning of the text of such subsection; and

(2) by striking out paragraph (2).

PART B—MODIFICATIONS TO EXISTING REPORT REQUIREMENTS

SEC. 121. REPORTS REQUIRED BY TITLE 10, UNITED STATES CODE.

Title 10, United States Code, is amended as follows:

(1) Section 128(d) is amended by striking out "on a quarterly basis" and inserting in lieu thereof "on an annual basis".

(2) Section 2215 is amended—

(A) in subsection (a), by striking out "reports (at the times specified under subsection (d))" and inserting in lieu thereof "an annual report (at the time specified in subsection (d))"; and

(B) by amending subsection (d) to read as follows:

"(d) TIMING OF REPORT.—A report shall be submitted to Congress under this section concurrent with the President's budget each year.".

(3) Section 2361(c) is amended—

(A) by striking out "a semiannual report" in paragraph (1) and inserting in lieu thereof "an annual report"; and

(B) by striking out "the six-month periods" in paragraph (2) and all that follows in that paragraph and inserting in lieu thereof "the preceding calendar year and shall be submitted not later than February 1 of the year after the year covered by the report.".

(4) Section 2457(d) is amended by striking out "Before February 1 of each year," and inserting in lieu thereof "Before February 1, 1989, and biennially thereafter,".

(5) Section 2662(b) is amended by striking out "$5,000" and inserting in lieu thereof "$25,000".

(6) Section 2822(b)(4) is amended—

(A) by striking out "if—" and all that follows through "the Secretary concerned provides" and inserting in lieu thereof "if the Secretary concerned provides";

(B) by striking out "; and" and inserting in lieu thereof a period; and

(C) by striking out subparagraph (B).

(7) Section 7434 is amended to read as follows:

"§ 7434. Semiannual reports to Armed Services Committees

"The Secretary shall submit to the Committee on Armed Services of the Senate and House of Representatives a semiannual report on the production from the naval petroleum reserves during the preceding six months. Each such report shall be submitted within 30 days after the end of a fiscal year and the end of the second quarter of a fiscal year.".

SEC. 122. REPORTS REQUIRED BY ANNUAL AUTHORIZATION ACTS.

(a) PUBLIC LAW 101-189.—Section 121(d) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1379) is amended—

(1) by striking out "BIMONTHLY" in the subsection heading and inserting in lieu thereof "QUARTERLY";

(2) by striking out "a report every two months" in paragraph (1) and inserting in lieu thereof "at the end of each fiscal-year quarter a report"; and

(3) by striking out the first sentence of paragraph (3).

(b) PUBLIC LAW 100-456.—Section 317(c) of the National Defense Authorization Act for Fiscal Year 1989 (Public Law 100-456; 102 Stat. 1952) is amended by striking out "semiannual" each place it appears and inserting in lieu thereof "annual".

(c) PUBLIC LAW 99-661.—Section 1207(g) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 10 U.S.C. 2301 note) is amended by transferring subparagraph (C) of paragraph (3) to the end of paragraph (4) (as amended by section 102(c)(1)).

(d) PUBLIC LAW 98-525.—Section 1002(d) of the Department of Defense Authorization Act, 1985 (Public Law 98-525), is amended—

(1) in paragraph (1), by striking out "April 1, 1985, and each year thereafter," and inserting in lieu thereof "April 1, 1990, and biennially thereafter,";

and

(2) by adding at the end of paragraph (2)(A) the following new clause:

"(xi) Other selected indicators of NATO capability.".

TITLE II—REPORT PROVISIONS PREVIOUSLY TERMINATED UNDER GOLDWATER-NICHOLS ACT

SEC. 201. PURPOSE.

(a) PURPOSE OF TITLE.—This title, with respect to Goldwater-Nichols terminations described in subsection (b)—

(1) in section 202, repeals certain provisions of law containing terminated report requirements; and

(2) in section 203, restores the effectiveness of selected other provisions of law containing such requirements.

(b) DESCRIPTION OF GOLDWATER-NICHOLS TERMINATIONS.—For purposes of subsection (a), Goldwater-Nichols terminations are those provisions of law that—

(1) set forth requirements for reports to Congress; and

(2) by reason of section 602(c) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433; 10 U.S.C. 111 note), are no longer effective.

SEC. 202. REPEAL OF STATUTORY PROVISIONS TERMINATED BY GOLDWATER-NICHOLS ACT.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 113 is amended—

(A) by striking out subsection (i); and

(B) by redesignating subsections (j), (k), and (l) as subsections (i), (j), and (k), respectively.

(2) Section 115(b) is amended by striking out the last sentence of paragraph (4).

(3) Section 2113(j) is amended—

(A) by striking out "subject to paragraph (2)," in subparagraphs (B), (C), and (E) of paragraph (1);

(B) by striking out paragraph (2); and

(C) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

(4) Section 2307 is amended by striking out subsection (d).

(5) Section 2359 is repealed.

(6) Section 2388 is amended by striking out subsection (d).

(7) Section 2394a is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsection (c) as subsection (b).

(8) Section 2404 is amended—

(A) by striking out subsection (d); and

(B) by redesignating subsection (e) as subsection (d).

(9) Section 2455 is repealed.

(10) Section 2547 is amended—

(A) by striking out subsection (d); and

(B) by redesignating subsection (e) as subsection (d).

(11) Section 2675 is amended—

(A) by striking out "(a)" at the beginning of the text of such section; and

(B) by striking out subsection (b).

(12) Section 2690(b) is amended—

(A) by striking out "the Secretary—" and all that follows through "determines" and inserting in lieu thereof "the Secretary determines";

(B) by redesignating clauses (A) and (B) as clauses (1) and (2), respectively;

(C) by striking out "; and" and inserting in lieu thereof a period; and

(D) by striking out paragraph (2).

(13) Section 2721 is amended—

(A) by striking out "(a)"; and

(B) by striking out subsection (b).

(14) Section 4314 is amended by striking out the last sentence.

(15) Section 6956 is amended—

(A) by striking out subsection (a); and

(B) by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively.

(16) Section 7217 is repealed.

(b) TITLE 32, UNITED STATES CODE.—Section 314 of title 32, United States Code, is amended by striking out the last sentence of subsection (d).

(c) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended as follows:

(1) Sections 301a and 301c are amended by striking out subsection (e).

(2) Section 303a(c) is amended by striking out the last sentence.

(3) Section 306 is amended by striking out subsection (f).

(4) Section 308b is amended—

(A) by striking out subsection (e); and

(B) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(5) Section 308c is amended—

(A) by striking out subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(6) Section 310 is amended by striking out subsection (d).

(7) Section 312b is amended—

(A) by striking out subsection (c); and

(B) by redesignating subsection (d) as subsection (c).

(8) Section 312c is amended—

(A) by striking out subsection (d); and

(B) by redesignating subsection (e) as subsection (d).

(d) PUBLIC LAW 99-145.—The Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 583 et seq.), is amended as follows:

(1) Section 913 (10 U.S.C. 2301 note) is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsection (c) as subsection (b).

(2) Section 915 (10 U.S.C. 2431 note) is repealed.

(e) PUBLIC LAW 98-94.—Section 1260 of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 703), is amended by striking out the second sentence of subsection (b).

(f) PUBLIC LAW 96-418.—Section 802 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 10 U.S.C. 2431 note), is amended by striking out subsection (e).

(g) PUBLIC LAW 94-106.—Section 808 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 7291 note), is repealed.

SEC. 203. RESTORATION OF CERTAIN REPORTING REQUIREMENTS OF TITLE 10, UNITED STATES CODE, TERMINATED BY GOLDWATER-NICHOLS ACT.

(a) RESTORAL.—The effectiveness of the report and notification provisions named in subsection (b), previously terminated by section 602(c) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433; 10 U.S.C. 111 note), is hereby restored.

(b) COVERED PROVISIONS.—Subsection (a) applies to the following report and notification provisions set forth in title 10, United States Code:

(1) The quarterly report required by section 127(c) of that title, relating to emergency and extraordinary expenses.

(2) The quadrennial report required by section 2006(e)(3) of that title, relating to the Department of Defense Education Benefits Fund.

(3) The reports required by paragraphs (1)(B) and (3) of section 2438(a) of that title, relating to acquisitions strategies for major defense acquisition programs.

(4) The notifications required by section 2672a(b) of that title, relating to urgent acquisitions of interests in land.

(5) The notifications required by section 7308(c) of that title, relating to the transfer or gift of obsolete, condemned, or captured vessels.

(6) The notifications required by section 7309(b) of that title, relating to construction or repair of vessels in foreign shipyards.

SEC. 204. REPEAL OF GOLDWATER-NICHOLS REPORTS TERMINATION SECTION.

Section 602(c) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433; 10 U.S.C. 111 note), is repealed.

TITLE III—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 301. CLERICAL AMENDMENTS.

Title 10, United States Code, is amended as follows:

(1) The table of sections at the beginning of chapter 2 is amended by striking out the items relating to sections 117 and 118.

(2) The table of sections at the beginning of chapter 138 is amended by striking out the item relating to section 2349.

(3) The table of sections at the beginning of chapter 139 is amended by striking out the items relating to section 2357 and 2359.

(4) The table of sections at the beginning of chapter 145 is amended by striking out the item relating to section 2455.

(5) The table of sections at the beginning of chapter 171 is amended by striking out the item relating to section 2891.

(6) The table of sections at the beginning of chapter 631 is amended by striking out the item relating to section 7217.

(7) The item relating to section 7434 in the table of sections at the beginning of chapter 641 is amended to read as follows:

"7434. Semiannual reports to Armed Services Committees.".

SEC. 302. EXTENSION OF DEADLINE.

Section 166(b)(2) of Public Law 101-189 (103 Stat. 1391) is amended by striking out "July 1, 1990" and inserting in lieu thereof "January 1, 1993".

SEC. 303. CLARIFICATION OF PROCEDURES FOR REVIEW OF CERTAIN VESSEL TRANSFERS.

Section 7308(c) of title 10, United States Code, is amended—

(1) by inserting "and" at the end of paragraph (1);

(2) by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period; and

(3) by striking out paragraph (3).

The SPEAKER pro tempore. Under the rule, a second is not required on this motion.

The gentleman from Wisconsin [Mr. ASPIN] will be recognized for 20 minutes and the gentleman from Utah [Mr. HANSEN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, it is not too often that I come down on the floor to admit that the Pentagon or the Secretary of Defense are correct on something, but today is one of those exceptions.

Defense Secretary Dick Cheney—and before him Secretary Weinberger—have long complained that Congress makes the Pentagon write too many reports. Earlier this year, I asked the Armed Services Committee staff to look into these complaints. As a result we found that, to a large degree, Secretary Cheney has a legitimate gripe. We are requiring too many reports of the Pentagon—reports which cost time and money to produce and are sometimes not even used or read by Congress.

Based on this finding, I approached our committee's ranking Republican, BILL DICKINSON, and we decided it was time to apply some spring cleaning to the laws that require congressional reports from the Department of Defense.

We went through the United States Code, Defense authorization bills and other relevant laws and identified 210 recurring reporting requirements that fall under the exclusive jurisdiction of our committee. We then reviewed every single one of these 210 reports to determine whether they still served a useful purpose or could be eliminated. If a member needed a report, we wanted to keep that report. but we suspected that many reports were orphans. We were right.

The outcome of this exercise is contained in the bill before the House, H.R. 4736. Out of the base of 210 recurring reports, we determined that 59, or roughly one-fourth, could be eliminated. We also determined that 11 additional reports could be modified to reduce their frequency thereby further reducing the administrative burden on the Department of Defense.

In the course of this exercise we also came across the embarrassing fact that the House Armed Services Committee is by far the worst offender in Congress in terms of generating congressional reports. For instance, during fiscal year 1990 the Pentagon is required to submit a grand total of 861 reports, when you include both recurring and one-time reports. Our committee was directly responsible for 133 of these and shares responsibility for another 308 that came out of the defense authorization conference. This means that, of the four committees that levy reporting requirements on the Pentagon, we had a hand in generating over 51 percent of the 861 reports required of the Pentagon.

The point is this: We need to get a better handle on our own process to make sure that we only require those reports absolutely necessary to fulfill our oversight and legislative responsibilities. As a strong step in this direction, I have decided to institute a report tracking system internal to the Armed Services Committee to identify, quantify and screen all of the reports which are generated as part of the authorization process. BILL DICKINSON and I intend to use this system as a tool to impose more discipline on the system in order to be more selective in determining which reports should make it into law.

I want to commend my colleague BILL DICKINSON for his support and assistance in pursuing this project. I also want to recognize the role of NICK MAVROULES, chairman of the Investigations Subcommittee, and LARRY HOP-

KINS, ranking Republican on Investigations, for their help and support in crafting this legislation.

Mr. Speaker, H.R. 4736 deals with only a small aspect of the broad defense management issue. But I believe it does show that Congress remains sensitive to the many challenges facing the Department of Defense and is committed to working with the administration in finding constructive solutions to problem areas that have been jointly identified as needing attention.

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

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume and I rise in support of H.R. 4736, the Defense Reports Reduction Act of 1990.

Mr. Speaker, the bipartisan leadership of the Armed Services Committee brings this legislation to the floor for consideration by our colleagues today as a sincere effort to reduce the burden imposed by Congress on the efficient operation of the Department of Defense.

Earlier this year, Secretary Cheney sent over a legislative proposal asking for a number of report requirements to be either terminated or modified to reduce the Pentagon's administrative burden. Although the Armed Services Committee did not agree with the entire package sent over by DOD, I am pleased to note that the bill before the House today does incorporate a good majority of those report items Secretary Cheney identified for elimination. In fact, this bill goes farther by eliminating a whole batch of reports that the Department did not even ask us to look at.

But, as this legislation only deals with one type of defense report—recurring reports—it has to be considered as only a first step in addressing the problem of proliferating defense reports. The real problem in terms of numbers still lies with the hundreds and hundreds of one-time reports that the Congress requires every year—over 700 last year alone—that this legislation does not address.

So while H.R. 4736's elimination of 59 out of the base of 210 recurring reports is indeed a positive step, we still have a long way to go in relieving DOD of the spiraling number of one-time reports that Congress requires.

In this regard, I am greatly encouraged by the announced policy that the gentleman from Wisconsin described earlier. By having the chairman and the ranking minority member of the Armed Services Committee maintain a list of all of the reports created during the defense authorization process, it is hoped that better control can be brought to this area in order to trim back those items which are found to be superfluous and unnecessary.

Mr. Speaker, I believe that the Department of Defense under Secretary Cheney is making an honest attempt to streamline and reform its ways to better address the revolutionary changes sweeping the world. While the Pentagon may still have a ways to go in certain areas, I also believe that Congress has an equal obligation to take a hard look at its role and contribution to the management or mismanagement of our defense establishment.

Mr. Speaker, I support this legislation as a definite, although modest, step in that direction and urge my colleagues to vote in favor of the measure.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ASPIN. Mr Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin [Mr. ASPIN] that the House suspend the rules and pass the bill, H.R. 4736.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1220

GENERAL LEAVE

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include therein extraneous material on H.R. 4736.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REREFERRAL OF EXECUTIVE COMMUNICATION 2785 TO COMMITTEE ON INTERIOR AND INSULAR AFFAIRS AND COMMITTEE ON ENERGY AND COMMERCE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that Executive Communication 2785 be rereferred jointly to the Committee on Interior and Insular Affairs and the Committee on Energy and Commerce.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TUBERCULOSIS PREVENTION AMENDMENTS OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4273) to amend the Public Health Service Act to extend the program of grants for preventive health services with respect to tuberculosis, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4273

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 "Tuberculosis Prevention Amendments of 1990".

SEC. 2. EXTENSION OF PROGRAM OF GRANTS FOR PREVENTIVE HEALTH SERVICES WITH RESPECT TO TUBERCULOSIS.

(a) PROGRAM FOR ELIMINATING TUBERCULOSIS.—Section 317 of the Public Health Service Act (42 U.S.C. 247b) is amended—

(1) in subsection (j)(2), in the first sentence, by striking "preventive health service programs for tuberculosis" and inserting the following: "preventive health service programs for the prevention, control, and elimination of tuberculosis"; and

(2) in subsection (k)(2), in each of subparagraphs (A) through (D), by striking "prevention and control" each place such terms appears and inserting "prevention, control, and elimination".

(b) ADVISORY COUNCIL ON ELIMINATING TUBERCULOSIS.—Section 317 of the Public Health Service Act (42 U.S.C. 247b) is amended by adding at the end the following new subsection:

"(1)(1) The Secretary shall establish an advisory council to be known as the Advisory Council for the Elimination of Tuberculosis (hereafter in this subsection referred to as the 'Council'). The Council shall provide advice and recommendations regarding the elimination of tuberculosis to the Secretary, the Assistant Secretary for Health, and the Director of the Centers for Disease Control.

"(2) With respect to the elimination of tuberculosis, the Council shall—

"(A) in making recommendations under paragraph (1), make recommendations regarding policies, strategies, objectives, and priorities;

"(B) address the development and application of new technologies; and

"(C) review the extent to which progress has been made toward eliminating tuberculosis.

"(3) The Secretary shall determine the size and composition of the Council, and the frequency and scope of official meetings of the Council.

"(4) The Secretary shall provide to the Council such staff, information, and other assistance as may be necessary to carry out the duties of the Council.".

"(c) AUTHORIZATION OF APPROPRIATIONS.—Section 317(j)(2) of the Public Health Service Act (42 U.S.C. 274b(j)(2)) is amended in the first sentence by striking "and" after "1989,", and by inserting before the period the following: "$36,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1995".

The SPEAKER pro tempore. Is there a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes and the gentleman from Illi-

nois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

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

Mr. Speaker, H.R. 4273 would reauthorize the Tuberculosis Prevention and Control Program of the Centers for Disease Control. This program provides grants to public agencies for the prevention and control of TB.

The authority for the program expires at the end of fiscal year 1990. The current authorization level is for $36 million. As introduced by myself and our colleague, Mr. NIELSON, H.R. 4273 would extend this authorization and would keep the amount of funding at the $36 million mark for fiscal year 1991. For fiscal years 1992 through 1995, the program would be authorized at an amount of "such sums as may be necessary."

TB is a disease that should have been eradicated in this country, but it continues to infect and kill Americans. With the aid of this legislation, there is a hope of eliminating this 19th-century plague from our Nation.

I urge all Members to support H.R. 4273.

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

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

Mr. Speaker, tuberculosis is often thought of as a disease of the past. While substantial progress has been made in controlling the disease, TB continues to persist as a public health problem in the United States. Unfortunately, there are about 20,000 new cases of tuberculosis and 2,000 deaths caused by the disease each year in the United States. And it is a disease that disproportionately affects the disenfranchised members of our society—poor minorities, the homeless, the elderly, and HIV-infected individuals.

I fully support the effort by the centers for disease control to eliminate tuberculosis by the year 2010. Tuberculosis is a highly infectious, potentially fatal disease, but most importantly, it is a preventable and curable disease. The fact that tuberculosis is retreating into geographically and demographically defined pockets should enable greater prevention and control.

For these reasons, I am willing to support H.R. 4273 and I urge my colleagues to join me.

Mr. Speaker, I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 4273, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

BREAST AND CERVICAL CANCER MORTALITY PREVENTION ACT OF 1990

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4790) to amend the Public Health Service Act to establish a program of grants for the prevention and control of breast and cervical cancer, as amended.

The Clerk read as follows:

H.R. 4790

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Breast and Cervical Cancer Mortality Prevention Act of 1990".

SEC. 2. ESTABLISHMENT OF PROGRAM OF GRANTS TO STATES FOR DETECTION AND CONTROL OF BREAST AND CERVICAL CANCER.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by inserting after title XIV the following new title:

"TITLE XV—PREVENTIVE HEALTH MEASURES WITH RESPECT TO BREAST AND CERVICAL CANCERS

"SEC. 1501. ESTABLISHMENT OF PROGRAM OF GRANTS TO STATES.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control, may make grants to States for the purpose of carrying out programs—

"(1) to screen women for breast and cervical cancer as a preventive health measure;

"(2) to provide appropriate referrals for medical treatment of women screened pursuant to paragraph (1) and to ensure, to the extent practicable, the provision of appropriate follow-up services;

"(3) to develop and disseminate public information and education programs for the detection and control of breast and cervical cancer;

"(4) to improve the education, training, and skills of health professionals (including allied health professionals) in the detection and control of breast and cervical cancer;

"(5) to establish mechanisms through which the States can monitor the quality of screening procedures for breast and cervical cancer, including the interpretation of such procedures; and

"(6) to evaluate activities conducted under paragraphs (1) through (5) through appropriate surveillance or program-monitoring activities.

"(b) PREFERENCES IN MAKING GRANTS.—In making grants under subsection (a), the Secretary shall give preference to any State in which—

"(1) there is a substantial rate of mortality associated with breast or cervical cancer (relative to the national rate of such mortality); and

"(2) there is an inadequate availability of services or activities described in such subsection.

"(c) GEOGRAPHIC DISTRIBUTION OF GRANTS.—In making grants under subsection (a), the Secretary shall ensure that the grants are equitably distributed among the principal geographic regions of the United States.

"(d) GRANT AND CONTRACT AUTHORITY OF STATES.—A State receiving a grant under subsection (a) may expend the grant to carry out the purpose described in such subsection through grants to, and contracts with, public or nonprofit private entities.

"SEC. 1502. REQUIREMENT OF MATCHING FUNDS.

"(a) IN GENERAL.—The Secretary may not make a grant under section 1501 unless the State involved agrees, with respect to the costs to be incurred by the State in carrying out the purpose described in such section, to make available non-Federal contributions (in cash or in kind under subsection (b)) toward such costs in an amount equal to not less than $1 for each $3 of Federal funds provided in the grant. Such contributions may be made directly or through donations from public or private entities.

"(b) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—

"(1) IN GENERAL.—Non-Federal contributions required in subsection (a) may be in cash or in kind, fairly evaluated, including equipment or services (and excluding indirect or overhead costs). Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(2) MAINTENANCE OF EFFORT.—In making a determination of the amount of non-Federal contributions for purposes of subsection (a), the Secretary may include only non-Federal contributions in excess of the average amount of non-Federal contributions made by the State involved toward the purpose described in section 1501 for the 2-year period preceding the first fiscal year for which the State is applying to receive a grant under such section.

"(3) INCLUSION OF RELEVANT NON-FEDERAL CONTRIBUTIONS FOR MEDICAID.—In making a determination of the amount of non-Federal contributions for purposes of subsection (a), the Secretary shall, subject to paragraphs (1) and (2) of this subsection, include any non-Federal amounts expended pursuant to title XIX of the Social Security Act by the State involved toward the purpose described in paragraphs (1) and (2) of section 1501(a).

"SEC. 1503. REQUIREMENTS WITH RESPECT TO TYPE AND QUALITY OF SERVICES.

"(a) REQUIREMENT OF PROVISION OF ALL SERVICES BY DATE CERTAIN.—The Secretary may not make a grant under section 1501 unless the State involved agrees—

"(1) to ensure that, initially and throughout the period during which amounts are received pursuant to the grant, not less than 60 percent of the grant is expended to provide each of the services or activities described in paragraphs (1) and (2) of section 1501(a), including making available screening procedures for both breast and cervical cancers;

"(2) subject to subsection (b), to ensure that—

"(A) in the case of breast cancer, both a physical examination of the breasts and the screening procedure known as a mammography are conducted; and

"(B) in the case of cervical cancer, both a pelvic examination and the screening procedure known as a pap smear are conducted;

"(3) to ensure that, by the end of any second fiscal year of payments pursuant to the grant, each of the services or activities described in section 1501(a) is provided; and

"(4) to ensure that not more than 40 percent of the grant is expended to provide the services or activities described in paragraphs (3) through (6) of such section.

"(b) USE OF IMPROVED SCREENING PROCEDURES.—The Secretary may not make a grant under section 1501 unless the State involved agrees that, if any screening procedure superior to a procedure described in subsection (a)(2) becomes commonly available and is recommended for use, any entity providing screening procedures pursuant to the grant will utilize the superior procedure rather than the procedure described in such subsection.

"(c) QUALITY ASSURANCE REGARDING SCREENING FOR BREAST CANCER.—The Secretary may not make a grant under section 1501 unless the State involved agrees that the State will assure the quality of any screening procedure for breast cancer conducted pursuant to such section and, in the case of mammography, will provide that—

"(1) the equipment used to perform the mammography will be specifically designed for mammography and will meet appropriate radiologic standards for mammography;

"(2) the mammography will be performed by an individual who—

"(A) is licensed by a State to perform radiological procedures; or

"(B) is certified as qualified to perform radiological procedures by an appropriate organization;

"(3) the results of the mammography will be interpreted by a physician who—

"(A) is certified as qualified to interpret radiological procedures by an appropriate board; or

"(B) is certified as qualified to interpret screening mammography procedures by an appropriate program for assuring the qualifications of the individual with respect to such interpretations; and

"(4) with respect to the first screening mammography performed on a woman for which payment is made pursuant to section 1501(a), there are satisfactory assurances that the results of the mammography will be placed in permanent medical records maintained with respect to the woman.

"(d) QUALITY ASSURANCE REGARDING SCREENING FOR CERVICAL CANCER.—The Secretary may not make a grant under section 1501 unless the State involved agrees that the State will assure the quality of any screening procedure for cervical cancer conducted pursuant to such section and, in the case of the pap smear (or other cytological screening procedure replacing the pap smear pursuant to subsection (b)), will provide—

"(1) the maximum number of cytology slides that any individual may screen in a 24-hour period;

"(2) requirements that a clinical laboratory maintain a record of—

"(A) the number of cytology slides screened during each 24-hour period by each individual who examines cytology slides for the laboratory; and

"(B) the number of hours devoted during each 24-hour period to screening cytology slides by such individual;

"(3) criteria for requiring rescreening of cytological preparations, such as—

"(A) random rescreening of cytology specimens determined to be in the benign category;

"(B) focused rescreening of such preparations in high risk groups; and

"(C) for each abnormal cytological result, rescreening of all prior cytological specimens for the patient, if available;

"(4) periodic confirmation and evaluation of the proficiency of individuals involved in screening or interpreting cytological preparations, including announced and unannounced on-site proficiency testing of such individuals, with such testing to take place, to the extent practicable, under normal working conditions;

"(5) procedures for detecting inadequately prepared slides, for assuring that no cytological diagnosis is rendered on such slides, and for notifying referring physicians of such slides;

"(6) requirements that all cytological screening be done on the premises of an appropriately qualified laboratory;

"(7) requirements for the retention of cytology slides by laboratories for appropriate periods of time; and

"(8) requirements of periodic inspection of cytology services by persons capable of evaluating the quality of cytology services.

"(e) ISSUANCE BY SECRETARY OF GUIDELINES WITH RESPECT TO QUALITY OF MAMMOGRAPHY AND CYTOLOGICAL SERVICES.—

"(1) IN GENERAL.—The Secretary shall establish guidelines for assuring the quality of any mammography and cytological screening procedure conducted pursuant to section 1501(a). Such guidelines with respect to mammography shall include the provisions of paragraphs (1) through (4) of subsection (c), and such guidelines with respect to cytological screening procedures shall include the provisions of paragraphs (1) through (8) of subsection (d).

"(2) APPLICABILITY WITH RESPECT TO GRANTS.—The Secretary may not make a grant under section 1501 unless the State involved agrees that the State will, with respect to any mammography or cytological screening procedure conducted pursuant to such section, ensure that the procedure is conducted in accordance with the guidelines issued by the Secretary under paragraph (1).

"(3) RESPONSIBILITY OF STATES IN ABSENCE OF GUIDELINES.—With respect to circumstances in which a State receives a grant under section 1501 before the issuance of guidelines under paragraph (1), this subsection may not be construed to affect in such circumstances the obligation of the State pursuant to subsection (a)(1) to provide for screening procedures and referrals or the obligations under subsections (c) and (d) with respect to providing for quality in the screening procedures.

"SEC. 1504. ADDITIONAL REQUIRED AGREEMENTS.

"(a) PRIORITY FOR LOW-INCOME WOMEN.—The Secretary may not make a grant under section 1501 unless the State involved agrees that low-income women will be given priority in the provision of services and activities pursuant to paragraphs (1) and (2) of section 1501(a).

"(b) LIMITATION ON IMPOSITION OF FEES FOR SERVICES.—The Secretary may not make a grant under section 1501 unless the State involved agrees that, if a charge is imposed for the provision of services or activities under the grant, such charge—

"(1) will be made according to a schedule of charges that is made available to the public;

"(2) will be adjusted to reflect the income of the woman involved; and

"(3) will not be imposed on any woman with an income of less than 100 percent of the official poverty line, as established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"(c) STATEWIDE PROVISION OF SERVICES.—

"(1) IN GENERAL.—The Secretary may not make a grant under section 1501 unless the State involved agrees that services and activities under the grant will be made available throughout the State, including availability to members of any Indian tribe or tribal organization (as such terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act).

"(2) WAIVER.—The Secretary may waive the requirement established in paragraph (1) for a State if the Secretary determines that compliance by the State with the requirement would result in an inefficient allocation of resources with respect to carrying out the purpose described in section 1501(a).

"(d) RELATIONSHIP TO ITEMS AND SERVICES UNDER OTHER PROGRAMS.—The Secretary may not make a grant under section 1501 unless the State involved agrees that the grant will not be expended to make payment for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to such item or service—

"(1) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

"(2) by an entity that provides health services on a prepaid basis.

"(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—The Secretary may not make a grant under section 1501 unless the State involved agrees that not more than 10 percent of the grant will be expended for administrative expenses with respect to the grant.

"(f) RESTRICTIONS ON USE OF GRANT.—The Secretary may not make a grant under section 1501 unless the State involved agrees that the grant will not be expended to provide inpatient hospital services for any individual.

"(g) RECORDS AND AUDITS.—The Secretary may not make a grant under section 1501 unless the State involved agrees that—

"(1) the State will establish such fiscal control and fund accounting procedures as may be necessary to ensure the proper disbursal of, and accounting for, amounts received by the State under such section; and

"(2) upon request, the State will provide records maintained pursuant to paragraph (1) to the Secretary or the Comptroller of the United States for purposes of auditing the expenditures by the State of the grant.

"(h) REPORTS TO SECRETARY.—The Secretary may not make a grant under section 1501 unless the State involved agrees to submit to the Secretary such reports as the Secretary may require with respect to the grant.

"SEC. 1505. DESCRIPTION OF INTENDED USES OF GRANT.

"The Secretary may not make a grant under section 1501 unless—

"(1) the State involved submits to the Secretary a description of the purposes for which the State intends to expend the grant;

"(2) the description identifies the populations, areas, and localities in the State with a need for the services or activities described in section 1501(a); and

"(3) the description provides information relating to the services and activities to be provided, including a description of the manner in which the services and activities will be coordinated with any similar services or activities of public or nonprivate entities.

"SEC. 1506. REQUIREMENT OF SUBMISSION OF APPLICATION.

"The Secretary may not make a grant under section 1501 unless an application for the grant is submitted to the Secretary, the application contains the description of intended uses required in section 1505, and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this title.

"SEC. 1507. TECHNICAL ASSISTANCE AND PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.

"(a) TECHNICAL ASSISTANCE.—The Secretary may provide training and technical assistance with respect to the planning, development, and operation of any program or service carried out pursuant to section 1501. The Secretary may provide such technical assistance directly or through grants to, or contracts with, public and private entities.

"(b) PROVISION OF SUPPLIES AND SERVICES IN LIEU OF GRANT FUNDS.—

"(1) IN GENERAL.—Upon the request of a State receiving a grant under section 1501, the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purpose of aiding the State in carrying out such section and, for such purpose, may detail to the State any officer or employee of the Department of Health and Human Services.

"(2) CORRESPONDING REDUCTION IN PAYMENTS.—With respect to a request described in paragraph (1), the Secretary shall reduce the amount of payments under the grant under section 1501 to the State involved by an amount equal to the costs of detailing personnel (including pay, allowances, and travel expenses) and the fair market value of any supplies, equipment, or services provided by the Secretary. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

"SEC. 1508. EVALUATIONS AND REPORTS.

"(a) EVALUATIONS.—The Secretary shall, directly or through contracts with public or private entities, provide for annual evaluations of programs carried out pursuant to section 1501.

"(b) REPORT TO CONGRESS.—The Secretary shall, not later than 1 year after the date on which amounts are first appropriated pursuant to section 1509(a), and annually thereafter, submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report summarizing evaluations carried out pursuant to subsection (a) during the preceding fiscal year and making such recommendations for administrative and legislative initiatives with respect to this title as the Secretary determines to be appropriate.

"SEC. 1509. FUNDING.

"(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated $50,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993.

"(b) SET-ASIDE FOR TECHNICAL ASSISTANCE AND PROVISION OF SUPPLIES AND SERVICES.—Of the amounts appropriated under subsection (a) for a fiscal year, the Secretary shall reserve not less than 20 percent for carrying out section 1507.

"(c) LIMITATION ON NUMBER OF INITIAL GRANTS.—For fiscal year 1991, the Secretary may not make more than 7 grants under section 1501.".

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

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

Mr. Speaker, on Saturday, thousands of people gathered for a marathon race that was to call attention symbolically to the race for the cure to breast cancer. Today, it is necessary for the Congress to take an important step to make the prevention and treatment of such cancer a reality.

H.R. 4790 would establish a new State grants program within the Public Health Service Act to provide preventive mammography and Pap smear screening services for low-income women for the early detection of breast and cervical cancer. In addition, this program would support public information activities relating to the detection and control of breast and cervical cancer; in-service education for health care providers; and quality control standards for mammography and pap smear screening procedures.

H.R. 4790 reflects the work and the commitment of Members from both sides of the aisle. It was introduced by myself, Mr. MADIGAN, Chairman DINGELL, and Congressman LENT, as well as 21 other members of the committee. Since it was first proposed earlier this year, the legislation has been endorsed by consumers, physicians, States, and public health officials alike.

At our hearings on this legislation last month, Marilyn Tucker Quayle, the wife of the Vice President, came before the subcommittee "to declare all-out war against the tragedy of breast cancer." I think all of us share Mrs. Quayle's concern that we have waited far too long in addressing this major public health problem. I believe H.R. 4790 will help us finally to mobilize our public health forces and to win our war against both breast and cervical cancer.

There is a technical amendment added to the bill as reported to clarify that the program is for the detection of breast cancer, because, unfortunately, the means of prevention of such cancer are not known to us now. This amendment has been shared with the minority and is agreed upon.

I urge all Members to support H.R. 4790.

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

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

Mr. Speaker, I am very pleased to be a cosponsor of H.R. 4790 because I believe that providing Federal funds for early detection of breast and cervical cancer for low-income women is an appropriate role for the Federal Government. As Marilyn Quayle testified to so eloquently at our subcommittee hearing, many women die needlessly each year whose lives could have been saved if they only had access to early medical screening and detection.

Last year an estimated 43,000 women died from breast cancer and 6,000 died from cervical cancer. Many of these women died because they did not have access to early screening, and their cancers were not discovered until too late. H.R. 4790 attempts to prevent this situation and reduce the mortality from breast and cervical cancer.

While much is not known about these diseases, two facts concerning them are clear:

First, when treated in their earliest stages, both types of cancers have a 90- to 100-percent 5-year survival rate; and

Second, low-income women tend to have the lowest survival rates because of their inaccessibility to early medical screening and detection.

I urge my colleagues to join me in supporting H.R. 4790.

Mrs. VUCANOVICH. Mr. Speaker, I rise in support of H.R. 4790, a bill which is very important to me. In fact, I have made the fight against death from breast cancer one of my legislative priorities. My primary goal has been to work at the Federal level to make screening mammography available and affordable to women around the country.

My interest in helping to drive down the tragic number of deaths from breast cancer stems from my own personal experience. In February 1983, I followed the recommendation of the Office of the Capitol Physician, and went for my first screening mammogram. Although I always had been very conscientious about regular physical checkups, and although I was 61 years old, no one had ever mentioned anything about mammograms to me before. Unfortunately, that first mammogram detected a tumor, and prompt surgery saved my life. Early detection of my breast cancer allowed me to continue living an active and satisfying life, and caused me to dedicate myself to reducing breast cancer mortality.

Until there is a cure, early detection is the only means to turn breast cancer from a death sentence into a disease that can be survived in 90 percent of cases.

Mr. Speaker, last September I introduced H.R. 3285, to mandate State coverage for screening mammography within Medicaid. H.R. 4790, of which I am an original cosponsor, takes the first step by authorizing the benefits of providing breast and cervical screening on a limited basis. I am confident that the results of this study will lead to wide-

spread coverage of breast and cervical screening within State Medicaid programs.

In 1989, more than 43,000 American women died from breast cancer, and it is expected that more than 44,000 women will die this year, from a disease that is usually survivable if detected early enough. Recent statistics on this chronic, epidemic disease show that one woman in nine must now face the prospect of breast cancer in her lifetime; almost 3 times the number of incidences only 20 years ago.

We must declare war on breast cancer, and this time it is not a fight to the death, but a fight until there are no more deaths. Already, we have lost too many fine and courageous women, women like Rose Kushner and Nina Hyde, who have used their years of battling breast cancer as a crusade to save other women's lives. We cannot afford to lose more loved ones, and more women of this calber.

Mr. Speaker, we cannot allow the number of breast cancer deaths to steadily increase. Until there is a cure, we can reduce the number of deaths at least by half, starting this year, if every woman who needed a mammogram would routinely get one.

H.R. 4790 is a firm step in the right direction. I am hopeful that, before the 101st Congress adjourns, we can reinstate the screening mammography benefit in Medicare. If this is done, we can be truly proud that this Congress is committed not just to words, but to action.

Mr. BLILEY. Mr. Speaker, last year an estimated 43,000 women died from breast cancer and 6,000 died from cervical cancer. While much is not known about these cancers, two facts concerning them are clear: First, when treated in their earliest stages, both have a 90 to 100 percent 5-year survival rate; and second, low-income women tend to have the lowest survival rates because of their inaccessibility to early medical screening and detection.

The bill attempts to remedy this situation by providing Federal moneys for early detection in low-income women. I urge my colleagues to join me in supporting this bill which will help save the lives of many women by detecting early two very serious but treatable diseases—breast and cervical cancer.

Mrs. COLLINS. Mr. Speaker, everyone is vulnerable to the deadly scourge of cancer. However, the key to minimizing its effects is early detection. Early detection requires regular medical care, and that requires money. Since low-income people have less of it than more affluent individuals, they suffer greater consequences from cancer. H.R. 4790 addresses that inequity by committing dollars to health services for those who are most in need of medical assistance: low-income women.

Breast cancer has become the second leading cause of death from that disease for American women. It is estimated that there will be 150,000 new cases of cancer diagnosed in 1990, 44,000 of which are expected to result in death. Breast cancer incidence rates have increased about 1 percent per year since the early 1970's, including a 20-percent jump in the first half of the 1980's. It is estimated that 1 in every 10 American women will be diagnosed with cancer of the breast.

While the incidence of breast cancer remains at a staggering level with no decrease in sight, the rate of breast cancer mortality is entirely subject to change.

Early detection through self-examinations, clinical examinations, and screening mammography, can significantly minimize its consequences and result in a 5-year survival rate of nearly 100 percent. Studies have documented the decrease in breast cancer deaths attributable to early detection, by mammography which can detect cancers too small to be felt by even experienced examiners. Similarly, mammograms can reveal additional lesions too small to be felt once an initial lump has been detected.

Yet, vast numbers of American women still do not regularly avail themselves of the advantages of early detection procedures. In the case of low-income women, it is primarily due to the cost of examinations and mammograms, as well as a lack of access to facilities for mammography screening.

Cervical and uterine cancers also poses great dangers. An estimated 46,500 new cases of these 2 forms of cancer are anticipated for 1990. It is estimated that there will be 6,000 deaths from cervical cancer, and 4,000 from uterine cancer this year. Statistically, low-income women have been the most frequent victims of cervical cancer.

The Pap test, however, has had a profound effect in decreasing the consequences of cervical cancer. The death rate for these cancers has decreased more than 70 percent over the past 40 years, due largely to these tests and regular checkups. As in the case of screening mammographies, the main reasons why low-income women do not take advantage of Pap tests are the costs and the limited access.

I have been involved in expanding coverage for screening mammographies and Pap tests through Federal programs for many years. In 1988, my effort to offer mammography benefits to Medicare patients was successful, as coverage was extended through the Catastrophic Care Act. But, with the act's repeal last year, no mammography benefits remained. Consequently, I introduced H.R. 3701 to restore those benefits. My effort to institute coverage for Pap tests was successful last year, as coverage was included through the Omnibus Budget Reconciliation Act of 1989.

Today, however, we have the opportunity to further address these needs in an area where there remains a gaping hole: assistance targeted toward low-income women for these two procedures. H.R. 4790 presents a laudable grant program that will enable States to provide mammography and Pap test services to a much greater number of women than are presently receiving them. Of course, a program such as this would reach even more women through even greater funding; but this is at least a good start that will result in greatly improved cancer treatment for many women. There will even be substantial long-term savings since treatment after early detection is much less expensive than treatment of cancer in a critical stage.

Mr. Speaker, I compliment my good friend and colleague, Chairman WAXMAN, on his expeditious treatment of H.R. 4790 and his reponsiveness toward these needs which must be addressed. I encourage all of our colleagues to support this bill.

Mrs. SAIKI. Mr. Speaker, the native Hawaiian women of the State of Hawaii have a very keen interest in the bill we are voting on today, H.R. 4790, the Breast and Cervical Cancer Mortality Prevention Act of 1990.

According to the Hawaii Cancer Society, Hawaiian women have the highest incidence of breast cancer of any other ethnic group in the United States. This year alone, 125 native Hawaiian women will die of breast cancer. It is believed that racial differences in cancer survival are primarily a function of socioeconomic factors.

I suspect that all of my colleagues have similar groups of women in their districts. Women, who cannot afford private health insurance, who do not have access to information on the importance of early detection methods of cancer screening.

Financial hardship is a terrible and unnecessary reason to forgo medical treatment, especially when the cost is eventually paid for by the loss of a life.

Medical science has the tools to prevent and reduce deaths due to breast and cervical cancer. Through the use of mammography, breast cancer can be found at an early stage when it is most responsive to treatment. If treatment begins at this point the survival rate exceeds 90 percent.

The news on cervical cancer is even better, if detected in its early stages through the administration of pap smears, it is 100 percent curable.

Unfortunately, these screening methods are of no use to women who fail to take advantage of them.

H.R. 4790, by eliminating the problem of cost, will encourage more women to have these medical screenings done. This bill will provide grants to States for education, prevention, and treatment of breast and cervical cancer.

The end result will be that women, like the native Hawaiian women of my district, will live healthier and longer lives.

Ms. PELOSI. Mr. Speaker, I rise today in support of H.R. 4790, the Breast and Cervical Cancer Mortality Prevention Act of 1990. This important legislation would establish a new program of grants to States for funding preventative health screening and referral services for low-income women for breast and cervical cancer, and for related activities. I commend my colleague, Congressman HENRY WAXMAN for his leadership on this important bill and the difference it will make in many women's lives.

Mr. Speaker, the American Cancer Society estimates that 1 in every 10 women will develop breast cancer at some time and also estimates that there will be, as a result of breast cancer, 43,300 deaths in 1990. In 1989, 6,000 women died of cervical cancer. Until these diseases can be prevented the best way a woman can protect herself is through early detection. A mammogram can detect breast cancer that is too small to be felt. And a pap test is highly effective in detecting early

cancer of the cervix. The survival rate of cervical cancer is 88 percent if diagnosed early and if the disease is in situ, the rate is virtually 100 percent.

It is imperative that Congress take action and provide low-income women with preventative health screening and referral health services assistance. This legislation will not solve all the problems of breast and cervical cancer, but it is a step forward in helping people in need and helping people live dignified lives while perhaps going through a very degrading and deadly disease. It is also a way in which to educate women on the seriousness of breast and cervical cancer and that help is available to women.

I urge my colleagues to support this important legislation.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, we have no further requests for time, and I yield back the balance of our time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 4790, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend the Public Health Service Act to establish a program of grants for the detection and control of breast and cervical cancer."

A motion to reconsider was laid on the table.

□ 1230

EXPLANATION OF H.R. 4609, COAST GUARD SUPPLEMENTAL AUTHORIZATION

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, in just a few minutes we are going to take up the Coast Guard Reauthorization Act for this year. I wanted to point out in advance of that effort that we will be taking up the ordinary and regular authorizations for the Coast Guard in this bill, but there is something occurring in America that will require and I hope will have the attention of the budget process here in the Congress and also the attention of OMB and the President, and that is that more and more we are seeing in the news events like the spill in Alaska and the spill in the Gulf of Mexico that will require some additional attention that the Coast Guard needs in this very special area.

It is not like we are now collecting the funds necessary to take care of those needs. The funds are being collected. The 5-cents-per-barrel tax was implemented in January. It has now something like $50 million to $60 million on account. Unfortunately, all that money is scheduled to be used against the deficit through 1991.

I call the attention of the House now that as we take up the ordinary authorization act, we will at some point have to think about allocating some of those funds in that trust fund for the special needs of oilspill prevention.

COAST GUARD SUPPLEMENTAL AUTHORIZATION

Mr. TAUZIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4609) to amend the Coast Guard Authorization Act of 1989 (Public Law 101-225) as amended.

The Clerk read as follows:

H.R. 4609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of Public Law 101-225, the Coast Guard Authorization Act of 1989, is amended—

(1) in subsection (1), by striking "$2,381,500,000" and inserting "$2,391,000,000"; and

(2) by adding a new subsection to read as follows:

"(6) ENVIRONMENTAL COMPLIANCE AND RESTORATION.—For environmental compliance and restoration at Coast Guard facilities, $30,000,000.".

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana [Mr. TAUZIN] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. TAUZIN].

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

Mr. Speaker, H.R. 4609, is a noncontroversial bill to amend Public Law 101-225, the Coast Guard Authorization Act of 1989.

The bill will assure that sufficient funds are authorized to fund current Coast Guard operations, and to begin the cleanup of pollution at current and some former Coast Guard facilities. Without this bill, the Appropriations Committee may be constrained from appropriating the higher amount the President requested.

Public Law 101-225 authorized funds for the 1990 and 1991 fiscal years. When Congress passed Public Law 101-225 we relied on the 2-year budget the Coast Guard presented early in the last session. In fact, Congress authorized almost $40 million more for Coast Guard operations than the projected needs at that time.

When the President submitted his budget request for fiscal year 1991, he requested $10 million more for Coast Guard operating expenses than Congress authorized in Public Law 101-225. The bill before the House amends current law to bring the authorized level in line with the President's request.

The bill also authorizes $30 million for the Coast Guard's Environmental Compliance and Restoration Program. This program directs the Coast Guard to clean up hazardous waste at current and some former Coast Guard facilities. The environmental compliance and restoration account was established during the closing days of the last session, but funds to support this program were not authorized. The administration requested $22 million for environmental compliance and restoration. This includes $15 million for operating expenses, and $7 million for the environmental compliance and restoration account.

H.R. 4609, as amended, authorizes $8 million more than the President requested for environmental compliance and restoration. These additional funds will ensure the Coast Guard is equipped to continue the cleanup of PCB's and ground water contaminants at a number of sites. An examination of contaminated facilities leads to the conclusion that this $8 million is just a drop in the bucket. Two of the most polluted Coast Guard facilities are located at Elizabeth City, NC, and Traverse City, MI. The estimated cost of cleanup at those sites is in the area of $50 million. Similarly, at a former Coast Guard site in Kodiak, AK, it is estimated that the cost of cleaning up PCB contamination may reach $100 million. This legislation will assure the Coast Guard has authorized funds to continue to address these serious environmental problems.

In closing, I wish to thank the President for his commitment to the Coast Guard. President Bush has not only budgeted significantly more for Coast Guard operations than the prior administration projected, but he has also requested funds so the Coast Guard can clean up its own environmental mess.

I strongly urge my colleagues to support this important legislation, that will assure the Coast Guard has the necessary operational and environmental cleanup funds.

□ 1240

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

Mr. Speaker, the legislation before us today, H.R. 4609, to amend the Coast Guard Authorization Act of 1989, is an essential component of the

process to assure full funding for the Coast Guard for fiscal year 1991. When the act was originally enacted last December, it was the inception of a 2-year authorization cycle and, as such, it was based upon Coast Guard estimates. More recent calculations have shown that there were minor errors in underestimating two accounts in the Coast Guard budget.

The President's request for fiscal year 1991 specifies an additional $10 million for the Coast Guard's operating expenses account. This is to accommodate new equipment which has since come on line, and to meet new mission requirements. This is the primary account for the Coast Guard and because this agency bases all operations on a multimission concept, any shortage in funding can affect the status of several mission areas.

The second account affected by this increase to the authorization is the newly created environmental response and compliance account. This is the first time for this account, which is the result of hard work by two of our minority members, Mr. DAVIS and Mr. YOUNG. Mr. YOUNG first introduced H.R. 1327, the Coast Guard Environmental Compliance Act, to establish an environmental compliance program for the Coast Guard that is similar to the Department of Defense's Environmental Restoration Program. This program requires the Coast Guard to clean up hazardous wastes and restore any of its sites to meet all local, State, and Federal environmental compliance laws. Mr. DAVIS of Michigan introduced H.R. 1341, the Coast Guard environmental response compliance account authorization, to establish a new budgetary account through which to fund all environmental compliance activities.

The President's total request for the Coast Guard's environmental compliance activities was $22 million. This request mistakenly left $15 million in costs for cleanup, personnel, and administration of those efforts in the operating expenses account. Our authorization, at $30 million, will place all of these funds within the correct account and include sufficient money to cover additional corrective actions recently planned by the Coast Guard of Kodiak, AK. It is critical that the Coast Guard have the funds to begin this cleanup process.

I urge my colleagues to join with me in supporting H.R. 4609, to amend the Coast Guard Authorization Act of 1989. Your support confirms the confidence that the American people place in the U.S. Coast Guard.

The SPEAKER pro tempore (Mr. MAZZOLI). Without objection, the gentleman from Kentucky [Mr. BUNNING] will be recognized for 20 minutes on this bill in place of the gentleman from Illinois [Mr. MADIGAN].

There was no objection.

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

Mr. Speaker, I want to point out again what we are talking about is authorizing the Coast Guard sufficient funds to clean up hazardous waste sites on its own facilities. I point out again that this bill, while it authorizes an important aspect of the Coast Guard activities, does not begin to authorize the Coast Guard in its needs to cover hazardous spills such as are occurring around our coastlines.

Just this last week, 37 Coast Guard personnel, the entire east and gulf coast strike team, one team, was spread thin between four different major events, including the *Mega Borg* in the Gulf of Mexico, four major events, one of which could have been 3½ times as catastrophic as the *Exxon Valdez*, serviced with 37 Coast Guards men and women, serving the one strike team available for the entire east coast and the Gulf of Mexico.

Does the Coast Guard need some help here? I think the answer is self-explanatory. Is the money available? Yes. Where is it? It is in a trust fund. Can we shake it loose? We need to shake loose that money from OMB and from the budget process. Should we do it? Absolutely.

Those trust funds are collected and are meant for those Coast Guard strike teams, and they ought to be appropriated for that purpose.

As we take up this authorization bill, I call that serious problem to this House's attention, and I hope that one day soon we can address it.

Mr. JONES of North Carolina. Mr. Speaker, I rise in support of H.R. 4609, legislation to amend the Coast Guard Authorization Act of 1989. That act authorized funds for fiscal years 1990 and 1991 for all Coast Guard operations. The figures were based on the President's budget request last year.

H.R. 4609 would increase the amount authorized for the Coast Guard in fiscal year 1991 by $10 million, thereby bringing the total authorized to $2,391,500,000. This change mirrors the increase the President requested in his fiscal year 1991 budget request for operating expenses. Without this change, the Appropriations Committee may be constrained from appropriating the higher amount the President requested.

The bill also authorizes $30 million for the Coast Guard's Environmental Compliance and Restoration Program; this is $8 million more than the President requested. This program directs the Coast Guard to clean up hazardous wastes at current and some former Coast Guard facilities.

The committee recommends these additional funds to assure that the Coast Guard is equipped to begin the cleanup of PCB's and other contaminants at a number of sites. The need for these additional funds is graphically demonstrated by the following statistics. It is estimated that cleanup costs at current Coast Guard facilities in Elizabeth City, NC, and Traverse City, MI, will exceed $50 million. Similarly, at the former Coast Guard site in Kodiak, AK, it is estimated that the cleanup of PCB contamination will cost over $100 million. The additional $8 million we recommend will demonstrate our commitment to cleaning up these polluted facilities.

In summary, passage of this legislation will accomplish two important goals. First, it will fully fund Coast Guard operational programs; and, second, it will make a start toward cleaning up major environmental damage at a number of Coast Guard facilities. I strongly urge my colleagues to support this important legislation.

Mr. DAVIS. Mr. Speaker, I rise with the chairman of the Subcommittee on Coast Guard and Navigation, Mr. TAUZIN, in support of H.R. 4609, to amend the Coast Guard Authorization Act of 1989.

The U.S. Coast Guard. We say it, we visualize it, and it fits right up there with mom and apple pie. As a group, there are no finer or more dedicated men and women than those found in the ranks of the Coast Guard. They do not ask for great rewards, but only for the opportunity to do their work and recognition for a job well done. We owe it to these dedicated members of the Coast Guard to make certain that they have the funding to accomplish the multitude of missions which we have assigned to them. My intention today is to impress upon you the need to support this increased authorization to fully fund the Coast Guard in fiscal year 1991. By matching the President's request in this authorization, we avoid jeopardizing final appropriations for lack of sufficient authorization.

The second provision in H.R. 4609 increases the authorization for the environmental compliance account to the level intended by the President. This particular account was originally introduced last year in my H.R. 1341, the Coast Guard environmental response and compliance account authorization, and enacted in the Coast Guard Authorization Act of 1989. This required the Coast Guard to create an account specifically to fund the cleanup of hazardous wastes and restore all present and former Coast Guard owned sites to comply with all environmental laws. Because this is a new account, the accounting procedures necessary to accurately predict expenditures for fiscal year 1990 were not yet in place.

As is the case with many other Federal agencies, the Coast Guard has discovered that it owns several sites suffering from severe hazardous waste contamination. The full scope of the problem is just now being understood, and in one instance, Kodiak, AK, the total reclamation effort may cost $100 million. Under these circumstances it is apparent that the funding must be provided and maintained in a separate, and shielded, account dedicated to the cleanup and restoration effort.

I ask all of you to join with me in supporting H.R 4609, to amend the Coast Guard Authorization Act of 1989. We should not risk the trust the men and women of the Coast Guard have placed in us to provide them with the resources necessary to do their job, and this legislation provides the basis for enacting a full appropriation.

Mr. YOUNG of Alaska. Mr. Speaker, this authorization of appropriations for the new Coast

Guard environmental compliance account represents years of work on my part. Last year, legislation establishing an environmental compliance program for the Coast Guard was enacted as part of the Coast Guard Authorization Act of 1989, Public Law 101-225. This legislation was based on my bill, H.R. 1327, which created a Coast Guard Environmental Compliance Program similar to the successful Department of Defense Environmental Restoration Program.

Under the Coast Guard Environmental Compliance Program, the Coast Guard is required to clean up environmental facilities. In this regard, the Coast Guard has agreed with the Kodiak Electric Association in Kodiak, AK, to cleanup PCB contamination involving electrical devices, including transformers and switching equipment, transferred by the Coast Guard to the Kodiak Electric Association in 1984. The PCB cleanup there will involve installing electrical devices and disposing of contaminated electrical devices and PCB's in the Kodiak Electric Association electrical distribution system.

Included in the $30 million authorized for the Coast Guard Environmental Compliance Program in this bill is $4 million to implement the Coast Guard agreement to clean up the PCB contamination in the Kodiak Electric Association equipment.

I urge my colleagues to support this worthwhile program and vote in favor of this bill.

Mr. TAUZIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Louisiana [Mr. TAUZIN] that the House suspend the rules and pass the bill, H.R. 4609, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4609, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

REPEAL OF U.N. GENERAL ASSEMBLY RESOLUTION 3379

Mr. LEVINE of California. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S.J. Res. 246) calling upon the United Nations to repeal General Assembly Resolution 3379.

The Clerk read as follows:

S.J. RES. 246

Whereas the United Nations will celebrate the forty-fifth anniversary of its charter on June 26, 1990;

Whereas Article I of the United Nations Charter establishes the United Nations as "a center for harmonizing the actions of nations";

Whereas on November 10, 1990, fifteen years will have passed since the adoption of United Nations General Assembly Resolution 3379 which formally declared Zionism to be "a form of racism and racial discrimination";

Whereas Zionism is a national movement of the Jewish people for self-determination, a legitimate and moral aspiration characteristic of many national groups in the modern world;

Whereas United Nations General Assembly Resolution 3379 has had as its overt purpose the delegation of the State of Israel;

Whereas United Nations General Assembly Resolution 3379 has impeded the struggle against real forms of racial bigotry and has had the incendiary effect of stimulating and encouraging anti-semitism;

Whereas United Nations General Assembly Resolution 3379 has been used to justify terrorist attacks against innocent people;

Whereas United Nations General Assembly Resolution 3379 is violative of the principles of the United Nations Charter and makes it impossible for the General Assembly to play a credible role in the peaceful resolution of the Arab-Isreli conflict; and

Whereas Public Laws 99-90 (S.J. Res. 98, 1985) and 100-169 (S.J. Res. 205, 1987) and earlier expressions of congressional concern bearing on this subject demonstrate that the United States condemns, denounces, and repudiates United Nations General Assembly Resolution 3379: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the United States calls upon all member states of the United National General Assembly to take immediate action to repeal United Nations General Assembly Resolution 3379;

(2) the President shall periodically report to the Congress on progress made toward the repeal of United Nations General Assembly Resolution 3379; and

(3) the Congress commends the President for his commitment to achieving this goal.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California [Mr. LEVINE] will be recongized for 20 minute, and the gentleman from New York [Mr. GILMAN] will be recongized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. LEVINE of California asked and was given permission to revise and extend his remarks.)

GENERAL LEAVE

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 246, the Senate joint resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEVINE of California. Mr. Speaker, one of the most ignominious acts in the history of the United Nations is the General Assembly's adoption of Resolution 3379 declaring Zionism to be racism.

Mr. Speaker, tragically this notorious resolution has now stood as a black stain upon the charter of the United Nations for nearly 15 years. During this time, General Assembly Resolution 3379 has been used in outrageous efforts to delegitimize and attack the State of Israel. It has been used to support and justify the Arab states' unwillingness to recognize Israel's right to exist as well as their perpetuation of hostility and conflict with the State of Israel. It has been used in a tragic and unfortunate way that hardly advances any positive cause and that frequently retards the cause of peace in the region.

Mr. Speaker, Senate Joint Resolution 246 expresses our overwhelming condemnation of the U.N. resolution and calls for its repeal.

Mr. Speaker, Resolution 3379 is hardly the only hateful anti-Israel resolution passed by the General Assembly of the United Nations. It is, however, unique in that it singles out the nationalistic dream that gave birth to the State of Israel for condemnation. It makes the outrageous claim that the 4,000-year history of Jewish nationalism alone among all nationalistic aspirations of people throughout the world is somehow not to be viewed as legitimate.

Mr. Speaker, the twin evils of hatred and ignorance which are manifested in this U.N. General Assembly resolution will not be eliminated simply by this Congress' condemnation of this resolution nor by our call for its repeal. But our repeated and forceful condemnation, repudiation, and denunciation are the necessary tools to fight the persistent plague of anti-Semitism and anti-Zionism that infect the United Nations.

With newfound support from the former nations of the East bloc and strong and sustained pressure from the United States, we may at long last make headway in undoing the injustice, hate, and lies which form the basis of U.N. General Assembly Resolution 3379.

I applaud Vice President QUAYLE's announcement last December that the United States would lead a push in the United Nations to declare the 1975 resolution null and void.

Our call today for the repeal of 3379 will storngly support those efforts, and that is precisely what this resolution before us will enunciate.

Mr. Speaker, I would like to commend the gentleman from Pennsylvania [Mr. YATRON], the chairman of the subcommittee, for his leadership in

this important issue; the gentleman from Flordia [Mr. FASCELL], the chairman of the full committee; the gentleman from Michigan [Mr. BROOMFIELD], the ranking member; and the author of the House resolution, the gentleman from New York [Mr. GREEN], for their very strong support and their leadership in bringing this resolution on a bipartisan basis before the floor today.

I am very pleased that the gentleman from New York [Mr. GILMAN] is here on the floor to speak in support of this resolution, because he has been a leader in this fight for many, many years and one of the stalwart supporters of this and so many other important human rights efforts before the United States Congress.

Mr. Speaker, I strongly urge my colleagues to give their complete endorsement to this important measure.

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

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

Mr. Speaker, I rise to express my strong support for Senate Joint Resolution 246, calling upon the United Nations to repeal General Assembly Resolution 3379, which equated Zionism with racism which is violative of the U.N. Charter.

I wish to commend Chairman FASCELL, Congressman YATRON, and Mr. BEREUTER, for their work on this resolution and the leadership of the distinguished gentleman from New York [Mr. GREEN] for his sponsorship of House Joint Resolution 457, which is similar to Senate Joint Resolution 246.

Article I of the U.N. Charter establishes the United Nations as a "center for harmonizing the actions of nations". On June 26, 1990, that charter celebrates its 45th anniversary. Fifteen years have passed since the adoption of U.N. Resolution 3379. It is an anti-Semitic, bigoted and despicable resolution which has served to malign the legitimate and moral aspiration of the Jewish people for a homeland. It is a resolution which has as its purpose the overt intent of delegitimizing the State of Israel and has been used to justify terrorist actions against innocent people.

Webster defines Zionism as "a theory, plan or movement to set up a Jewish homeland." That is completely incongruous with any racist theory which suggests that race is the primary determinant of human traits and capacities, and that racial characteristics produce an inherent superiority of a particular race. The State of Israel was born of the most heinous form of racism ever perpetrated upon human kind by itself. The Nazi holocaust, which annihilated 12 million people, 6 million of whom were Jews brought about the necessity for establishing a Jewish homeland.

U.N. General Assembly Resolution 3379 has impeded the struggle against racial and ethnic bigotry which was epitomized by the Nazi holocaust. Resolution 3379 is a clear violation of the principles of the U.N. Charter and for that reason, it prohibits the United Nations from playing a credible role in the peaceful resolution of the Arab-Israeli conflict.

Mr. Speaker, this measure asserts that Zionism is "a National movement of the Jewish people for self-determination, a legitimate and norm aspiration characteristic of many national groups in the modern world."

Senate Joint Resolution 246 calls upon all United Nations member states to take immediate action to repeal General Assembly Resolution 3379. The administration strongly supports this measure, and I commend President Bush for his efforts in support of this initiation, and in the words of Vice President QUAYLE, the repeal would: "send a positive signal to the Middle East peace process." The Vice President went on to add that "you can't move forward when you have these types of resolutions."

This resolution was reported by the Committee on Foreign Affairs by voice vote on May 17, 1990, and I urge its unanimous adoption.

Mr. BROOMFIELD. Mr. Speaker, for nearly 15 years, United Nations General Assembly Resolution 3379—a resolution which formally declares Zionism to be a "form of racism and racial discrimination"—has brought disgrace to the United Nations.

Resolution 3379 is more than just an irritant. It seeks to undermine the legitimacy of the State of Israel, and invites bigots everywhere to express overt anti-Semitism by sanctioning it with the General Assembly's action.

We clearly have been witness to acts of anti-Semitism and terrorism directed against Israel and the Jewish people. The administration is to be commended for the strong stand that it took in expressing America's deep opposition to such acts and to the leaders of the PLO and those in that organization who advocate such atrocities.

For 15 years, U.N. Resolution 3379 has served as an obstacle to progress in the Mideast peace process. It flies in the face of the spirit and the intent of the United Nations. Senate Joint Resolution 246 calls for the repeal of this odious U.N. resolution, and commends the President for his efforts to achieve this goal. If the peace process in the Middle East is to succeed, it will take cooperation on all sides, and obstacles such as this U.N. resolution must be abandoned.

I wish to commend Chairman FASCELL and Congressmen YATRON and BEREUTER for their work in bringing this resolution before us today. I also wish to commend our colleague, Congressman BILL GREEN, for his leadership in the House in moving this issue.

For the past several years, Congress has joined the administration in expressing its opposition to this U.N. resolution, and has called for its repeal. We should do so again.

I urge our colleagues to join the Senate in approving Senate Joint Resolution 246.

Mr. GREEN. Mr. Speaker, I am very pleased to speak in support of Senate Joint Resolution 246, which is the Senate version of my legislation, House Joint Resolution 457. As you know, earlier this year I intoduced House Joint Resolution 457, calling on the United Nations to repeal once and for all the unconscionable General Assembly Resolution 3379.

The year 1990 marks 15 years during which it has been official U.N. policy to include Zionism as "a form of racism and racial discrimination." Since 1975, Congress has passed several resolutions denouncing and condemning General Assembly Resolution 3379, and I am extremely pleased that the 101st Congress has moved quickly to adopt this resolution, encouraging the administration's efforts to achieve outright repeal.

Article I of the United Nations Charter establishes the United Nations as "a center for harmonizing the actions of nations." As we approach the 45th anniversary of the U.N. Charter later this month, citizens of every member nation should be able to look to the United Nations with a sense of pride and admiration. Until General Assembly Resolution 3379 is repealed, however, the reputation of the United Nations will continue to be marred by the terrible misjudgment that resolution carries.

When the General Assembly adopted Resolution 3379, a terrible mistake was made. In the subsequent decade and a half, it has been used as an excuse to commit horrible acts of terrorism and has been ironically counterproductive in eradicating bigotry and racism.

Repealing General Assembly Resolution 3379 would restore important credibility to the United Nations and allow it to be a source of true leadership in working to achieve a peaceful resolution of the Arab-Israeli conflict.

I am encouraged that leaders such as Vaclav Havel of Czechoslovakia have spoken out in support of repealing the odious 1975 resolution. The Berlin Wall has fallen, and I believe we shall begin to hear new voices in the United Nations speaking out in support of repealing Resolution 3379.

It is with disappointment, however, that I note that the Soviets still oppose repeal of Resolution 3379. It has taken courage for Mikhail Gorbachev to move forward in his policies of glasnost. The Soviet should apply the same spirit of reform to the United Nations and their relations with Israel as they have within their own borders and in Eastern Europe. I believe President Gorbachev is missing an important opportunity to send a message of peace to members of the Jewish community, who, for decades, have suffered a legacy of anti-Semitism and discrimination within Soviet borders.

I recommend President Bush and the administration for their commitment to achieving repeal of Resolution 3379. U.S. Ambassador Morris Abram, addressing the 46th session of the U.N. Commission on Human Rights, stated on March 6:

The United Nations was founded in the wake of the defeat of Hitler's crimes, which resulted, in part, because of his pernicious brand of racism. It would be an awful twist of history if the United Nations became the

executor of Hitler's prophecy, and incidentally, branded as a criminal Hitler's longest and most persistent opponent—Winston Churchill—who proudly proclaimed repeatedly that he was a Zionist. This resolution 3379 was, and is, a disgrace.

Thank you, again, Mr. Speaker, for bringing this very important issue to the attention of the House.

Mr. YATRON. Mr. Speaker, on April 19, the Subcommittee on Human Rights and International Organizations, approved, by voice vote, House Joint Resolution 457, calling upon the United Nations to repeal General Assembly Resolution 3379.

House Joint Resolution 457 was introduced by our good friend and colleague Congressman BILL GREEN of New York. The resolution calls on the member states of the United Nations to repeal General Assembly Resolution 3379. Senate Joint Resolution 246, introduced by Senator BOSCHWITZ, is the companion bill to Mr. GREEN's resolution and was recently passed by the other body. In order to expeditiously consider this legislation, the Foreign Affairs Committee took up the Senate resolution which is the legislative vehicle the House is considering today.

On November 10, 1975, the U.N. General Assembly by a vote of 72 to 35 with 32 abstentions passed a repugnant and hateful resolution which declared Zionism as a form of racism.

This resolution was but one of a series of anti-Israeli and anti-Zionist initiatives which dominated the U.N. agenda throughout much of the 1970's and 1980's. While such ill-conceived resolutions have declined in recent years, last year's failed effort at the U.N. General Assembly to expel Israel underscores the reality that anti-democratic and anti-Israeli forces remain committed to either eliminating or isolating the State of Israel. That reality is further evidenced by Iraqi President Saddam Hussein's threat to burn half of Israel.

Mr. Speaker, U.N. Resolution 3379 was adopted within the context of the United Nations efforts to promote the decade against racism. This resolution promoted racism.

At the time of the General Assembly's action on this initiative, the U.S. Ambassador who spoke out eloquently in behalf, of our country against its passage was Senator PATRICK MOYNIHAN of New York. Throughout his tenure in the Senate, he has energized Congress to repeatedly call for the repeal of this deplorable resolution. As a cosponsor of the House version of Senate Joint Resolution 246, I commend both Senators MOYNIHAN, BOSCHWITZ, and Congressman GREEN for their tireless efforts in this regard. I also want to commend the ranking minority member of the subcommittee, Congressman BEREUTER, who played an important role in expediting this legislation.

Finally, I want to commend the chairman of the Foreign Affairs Committee, Congressman FASCELL, the ranking minority member of the committee, Congressman BROOMFIELD, and the ranking minority member of the Europe and the Middle East Subcommittee, Congressman GILMAN, for their leadership in bringing this legislation to the floor and for ongoing efforts over the years to get the U.N. resolution repealed.

Mr. Speaker, I urge my colleagues to unanimously support this resolution.

Mr. FASCELL. Mr. Speaker, I rise in support of Senate Joint Resolution 246 which calls upon the United Nations to repeal a General Assembly resolution which has long been an anathema to U.S. policymakers. This is the resolution which formally declared zionism to be "a form of racism and racial discrimination".

I think we can all agree that this resolution went a long way in tainting the American view of the United Nations and its purposes. It is hard to think of the United Nations as an institution which seeks peace among nations when its membership approves resolutions of this caliber. Such language can only seek to legitimize anti-Semitism and terrorism. The U.N. should take this opportunity to repeal this inflammatory language, and set the stage for a credible U.N. role in the search for peace in the Middle East.

Mr. Speaker, this resolution commends the President for his continued efforts to seek the repeal of this U.N. resolution. It also asks the President to report to the Congress periodically on progress made in this regard.

This is not the first time the Congress has expressed its concern on this issue. I hope it may be the last time we are compelled to act.

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in support of the joint resolution. Passage of General Assembly Resolution 3379 was one of the United Nations lowest moments, and was indicative of the common violations of American values during the 1970's that led to the low esteem in which many Americans hold the United Nations. When the United Nations passed resolution 3379, an editorial cartoon by Jeff MacNelly summed up the situation best. It showed Idi Amin at the United Nations saying, "Now that Zionism has been considered a form of racism, I propose that ignorance be considered a form of intelligence."

Indeed, this Zionism-equals-racism resolution is acceptable only in a world of Orwellian newspeak where ignorance is strength and freedom is slavery. Repeal of this resolution is necessary for the United Nations to play a useful role in bringing peace to the Middle East. The United Nations cannot be taken seriously as a force for peace when it has passed a resolution that denies the legitimacy of one of the major parties to the dispute.

I commend President Bush and Vice President QUAYLE for their leadership in urging the repeal of this noxious resolution. I urge the House to pass Senate Joint Resolution 246 unanimously so that America can speak with one voice on this issue.

Mrs. LOWEY of New York. Mr. Speaker, as a cosponsor of the House version of this legislation, I rise today in strong support of Senate Joint Resolution 246. This important resolution calls upon all member states of the U.N. General Assembly to take immediate action to repeal U.N. General Assembly Resolution 3379, which equates Zionism with racism.

Mr. Speaker, the U.N. resolution that equates Zionism with racism is a shameful lie that has provoked and perpetuated fear, hatred, and violence. Zionism is emphatically not racism. Zionism embodies the legitimate aspiration of the Jewish people for self-determination and freedom from discrimination. Racism is the systematic subjugation of one race by another based on the theory of racial superiority. These two concepts could not be any more different. The former liberates the Jewish people from the oppression that has been inflicted upon them throughout history. The latter enslaves a people based on hatred.

Not only is this resolution factually wrong, but it contradicts the very principles under which the United Nations was founded. The U.N. Charter calls for "harmonizing the actions of nations." This resolution does quite the opposite. It has served to divide nations by denying the legitimate right of Israel to exist, encouraging despicable terrorist acts against the State of Israel and the Jewish people, and promoting anti-Semitism around the world.

The struggle against racism is of utmost importance. It is a crucial battle for the well-being of oppressed people everywhere. The U.N. resolution impedes this struggle and diverts attention away from real examples of racism and racial intolerance. This resolution is an affront to every human being committed to wiping racism from the face of the Earth.

Mr. Speaker, we have a moral imperative to act against this resolution. I urge my colleagues to vote against injustice by approving Senate Joint Resolution 246 and sending a strong message that the United States will not tolerate this slander which continues to place a stain on the work of the United Nations as a whole.

Mr. PORTER. Mr. Speaker, success will come in the Middle East peace process when trust is restored among all negotiating parties. Chances for the establishment of that trust were destroyed when, on November 10, 1975, the United Nations equated racism with Zionism, the national movement of the Jewish people for self-determination. The people of Israel rightly doubt the motives of those who voted for this resolution and now seek to negotiate "peace."

Senate Joint Resolution 246 asserts that Zionism is a legitimate and moral aspiration characteristic of many national groups in the modern world. The resolution finds that U.N. Resolution 3379 overtly aims to delegitimize the State of Israel, has stimulated and encouraged anti-Semitism, impeding the fight against real racial bigotry, has been used to justify terrorist actions and is violative of the U.N. Charter.

The resolution resolves that the United States calls upon all members of the U.N. General Assembly to immediately repeal 3379. This is the only acceptable and reasonable step, and the only way to provide a solid foundation of trust necessary to establish for Israel a secure peace. I urge all Members to support .

Mr. SMITH of Florida. Mr. Speaker, for many years, the United States delegation to the United Nations had a clear understanding of how this country conducted its foreign policy with regard to Israel. The United States has unequivocably maintained that Israel was and has been our ally, our friend, and the only democratic country in the Middle East. There was no misunderstanding that message. Un-

fortunately, I am afraid that we are sending our emissaries in New York and Geneva a confused message: Israel is our ally, but we'll talk to a terrorist organization actively working to destroy her. Israel is our ally, but we will question the historical and political foundations of a united Jerusalem, capital of the country. Israel is our ally, but we will use the media and public forums to communicate with her leadership, rather than traditional diplomatic/direct channels. Israel is our ally, and supports our position in the United Nations more consistently than any other nation, yet our administration seems to constantly question United States-Israel common interests.

It is no secret that the collective sentiment toward Israel in the world has changed dramatically since the United Nations legitimized and the United States immediately recognized the creation of the State of Israel in 1948. U.N. Resolution 3379, equating Zionism to racism, best exemplifies the changes that have taken place within this international body.

Because the United States is such a powerful member of this international organization, it is vital that we send to the United Nations a clear, direct and strong message: Zionism is not racism. It is a century-old intellectual movement of the Jewish people for self-determination—a legitimate and moral aspiration characteristic of many national groups in the modern world. United Nations Resolution 3379 alienates the State of Israel, breeds hatred and anti-Semitism, and undermines the legitimacy of the State of Israel. I ask my colleagues to join me in supporting Senate Joint Resolution 246, urging the repeal of U.N. Resolution 3379.

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Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEVINE of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from California [Mr. LEVINE] that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 246).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate joint resolution was passed.

A motion to reconsider was laid on the table.

EDUCATION OF THE HANDICAPPED ACT AMENDMENTS OF 1990

Mr. OWENS of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1013) to amend the Education of the Handicapped Act to extend certain authorities contained in such act through the fiscal year 1992; as amended.

The Clerk read as follows:

H.R. 1013

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 "Education of the Handicapped Act Amendments of 1990".

TITLE I—GENERAL PROVISIONS

SEC. 101. DEFINITIONS.

(a) HANDICAPPED CHILDREN.—Section 602(a)(1) of the Education of the Handicapped Act (20 U.S.C. 1402(a)(1)) is amended to read as follows:

"(1) The term 'children with disabilities' means children—

"(A) with mental retardation, hearing impairments including deafness, speech or language impairments, visual impairments including blindness, serious emotional disturbance, orthopedic impairments, autism, traumatic brain injury, other health impairments including attention deficit disorder, or specific learning disabilities; and

"(B) who, by reason thereof, need special education and related services.".

(b) SPECIAL EDUCATION.—Section 602(a)(16) of the Education of the Handicapped Act (20 U.S.C. 1402(a)(16)) is amended by striking "including classroom instruction" and all that follows and inserting the following: "including—

"(A) instruction conducted in the classroom, in the home, in hospitals and institutions, and in other settings; and

"(B) instruction in physical education.".

(c) RELATED SERVICES.—Section 602(a)(17) of the Education of the Handicapped Act (20 U.S.C. 1402(a)(17)) is amended—

(1) by striking "recreation," and inserting "recreation including therapeutic recreation, social work services,"; and

(2) by inserting "including rehabilitation counseling," after "counseling services,".

(d) TRANSITION SERVICES.—Section 602(a) of the Education of the Handicapped Act (20 U.S.C. 1401(a)) is amended by redesignating paragraphs (19) through (23) as paragraphs (20) through (24), respectively, and by inserting after paragraph (18) the following new paragraph:

"(19) The term 'transition services' means a coordinated set of activities for a student, designed within an outcome-oriented process, which promotes movement from school to integrated employment (including supported employment), post-secondary education, vocational training, continuing and adult education, adult services, independent living, or community participation. The coordinated set of activities shall be based upon the individual student's needs, taking into account the student's preferences and interests, and shall include, but not be limited to, instruction, community experiences, the development of employment and other post-school adult living objectives, and when appropriate acquisition of daily living skills and functional vocational evaluation.".

(e) INDIVIDUALIZED EDUCATION PROGRAM.—Section 602(a)(20) of the Education of the Handicapped Act, as redesignated by subsection (d) of this section, is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

"(D) a statement of the needed transition services for students beginning no later than age 16 and annually thereafter (and when determined appropriate for the individual, beginning at age 14 or younger), including when appropriate, a statement of the interagency responsibilities or linkages (or both) before the student leaves the school setting,".

(f) PUBLIC OR PRIVATE NONPROFIT AGENCY OR ORGANIZATION.—Section 602(a)(24)(A) of the Education of the Handicapped Act, as redesignated by subsection (d) of this section, is amended by inserting before the period the following: "and the Bureau of Indian Affairs of the Department of the Interior (when acting on behalf of schools operated by the Bureau for children and students on Indian reservations) and tribally controlled schools funded by the Department of the Interior".

(g) ASSISTIVE TECHNOLOGY DEVICE.—Section 602(a) of the Education of the Handicapped Act, as amended by subsection (d) of this section, is amended by adding at the end the following new paragraph:

"(25) The term 'assistive technology device' means any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities.".

(h) ASSISTIVE TECHNOLOGY SERVICE.—Section 602(a) of the Education of the Handicapped Act, as amended by subsection (g) of this section, is amended by adding at the end the following new paragraph:

"(26) The term 'assistive technology service' means any service that directly assists an individual with a disability in the selection, acquisition, or use of an assistive technology device. Such term includes—

"(A) the evaluation of the needs of an individual with a disability, including a functional evaluation of the individual in the individual's customary environment;

"(B) purchasing, leasing, or otherwise providing for the acquisition of assistive technology devices by individuals with disabilities;

"(C) selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing, or replacing of assistive technology devices;

"(D) coordinating and using other therapies, interventions, or services with assistive technology devices, such as those associated with existing education and rehabilitation plans and programs;

"(E) training or technical assistance for an individual with disabilities, or, where appropriate, the family of an individual with disabilities; and

"(F) training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers, or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of individuals with disabilities.".

SEC. 102. ABROGATION OF STATE SOVEREIGN IMMUNITY.

Part A of the Education of the Handicapped Act (20 U.S.C. 1400 et seq.) is amended by inserting after section 603 the following new section:

"ABROGATION OF STATE SOVEREIGN IMMUNITY

"SEC. 604. (a) A State shall not be immune under the eleventh amendment to the Constitution of the United States from suit in Federal court for a violation of this Act.

"(b) In a suit against a State for a violation of this Act, remedies (including remedies both at law and in equity) are available for such a violation to the same extent as such remedies are available for such a violation in the suit against any public entity other than a State.

"(c) The provisions of subsections (a) and (b) shall take effect with respect to violations that occur in whole or part after the date of the enactment of the Education of the Handicapped Act Amendments of 1990.".

SEC. 103. REPORTS, EVALUATIONS, FINDINGS, AND OTHER PROVISIONS GENERALLY APPLICABLE TO PARTS C THROUGH G.

Part A of the Education of the Handicapped Act (20 U.S.C. 1400 et seq.) is amended by adding at the end the following new section:

"ADMINISTRATIVE PROVISIONS APPLICABLE TO PARTS C THROUGH G AND SECTION 618

"SEC. 610. (a) The Secretary shall maintain a program planning process for the implementation of each of the programs authorized under section 618 and parts C through G. The process shall include the establishment of goals, objectives, strategies, and priorities. In conducting the process, the Secretary shall involve individuals with disabilities, parents, professionals, and representatives of State and local educational agencies, private schools, institutions of higher education, and national organizations who have interest and expertise in the program.

"(b) The Secretary shall conduct directly, or by contract or cooperative agreement with appropriate entities, independent evaluations of the programs authorized under section 618 and under parts C through G, and may for such purpose use funds appropriated to carry out such provisions. The findings of the evaluators shall be utilized in the planning process under subsection (a) for the purpose of improving the programs. The evaluations shall determine the degree to which the program is being conducted consistent with the program plan and meeting its goals and objectives. The Secretary shall submit to the appropriate committees of the Congress the results of the evaluations required by this subsection.

"(c) The Secretary shall report the program plans required in subsection (a) and findings from the evaluations under subsection (b) in the annual report to the Congress required under section 618.

"(d) The Secretary shall develop effective procedures for acquiring and disseminating information derived from programs and projects funded under parts C through G, as well as information generated from studies conducted and data collected under section 618.

"(e) The Secretary shall, where appropriate, require recipients of grants, contracts, or cooperative agreements under section 618 and parts C through G to prepare reports describing their procedures, findings, and other relevant information in a form that will maximize their dissemination and use and shall require their delivery, as appropriate, to the Regional and Federal Resource Centers, the Clearinghouses, and the Technical Assistance to Parents Programs (TAPP) assisted under parts C and D of this Act, as well as the National Diffusion Network, the ERIC Clearinghouse on the Handicapped and Gifted, and the Child and Adolescent Service Systems Program (CASSP) under the National Institute of Mental Health, and such other networks as the Secretary may determine to be appropriate.

"(f)(1) The Secretary shall convene, in accordance with paragraph (2), panels of experts who are competent, by virtue of their training or experience, to evaluate proposals under section 618 and parts C through G.

"(2) Panels under paragraph (1) shall be composed of individuals with disabilities, parents of such individuals, individuals from the fields of special education, related services, and other relevant disciplines.

"(3) The Secretary shall convene panels under paragraph (1) for any application that includes a total funding request exceeding $60,000 and may convene or otherwise appoint panels for applications that include funding requests that are less than such amount.

"(4) Panels under paragraph (1) shall include a majority of non-Federal members. Such non-Federal members shall be provided travel and per diem not to exceed the rate provided to other educational consultants used by the Department of Education and shall be provided consultant fees at such a rate.

"(5) The Secretary may use funds available under section 618 and parts C through G to pay expenses and fees of non-Federal members of the panels.

"(g) GOALS FOR MINORITIES AND UNDERSERVED PERSONS.—(1) With respect to the discretionary programs authorized by parts C through G, the Congress finds as follows:

"(A)(i) The Federal Government must be responsive to the growing needs of an increasingly more diverse society. A more equitable allocation of resources is essential for the Federal Government to meet its responsibility to provide an equal educational opportunity for all individuals.

"(ii) America's racial profile is rapidly changing. While the rate of increase for white Americans is 3.2 percent, the rate of increase for racial and ethnic minorities is much higher: 38.6 percent for Hispanics, 14.6 percent for African-Americans, and 40.1 percent for Asians and other ethnic groups.

"(iii) By the year 2000, this Nation will have 260,000,000 people, one of every three of whom will be either African-American, Hispanic, or Asian-American.

"(iv) Taken together as a group, it is a more frequent phenomenon for minorities to comprise the majority of public school students. Large city school populations are overwhelmingly minority, e.g., Miami, 71 percent; Philadelphia, 73 percent; Baltimore, 80 percent.

"(v) Recruitment efforts within special education at the level of preservice, continuing education, and practice must focus on bringing larger numbers of minorities into the profession in order to provide appropriate practitioner knowledge, role models, and sufficient manpower to address the clearly changing demography of special education.

"(vi) The limited English proficient population is the fastest growing in our Nation, and the growth is occurring in many parts of our Nation. In the Nation's 2 largest school districts limited-English students make up almost half of all students initially entering school at the kindergarten level. Studies have documented apparent discrepancies in the levels of referral and placement of limited-English proficient children in special education. The Department of Education has found that services provided to limited-English proficient students often do not respond primarily to the pupil's academic needs. These trends pose special challenges for special education in the referral, assessment, and services for our Nation's students from non-English language backgrounds.

"(B)(i) Greater efforts are needed to prevent the intensification of problems connected with mislabeling and high dropout rates among minority children with disabilities.

"(ii) More minority children continue to be served in special education that would be expected from the percentage of minority students in the general school population.

"(iii) Poor African-American children are 3.5 times more likely to be identified by their teacher as mentally retarded than their white counterpart.

"(iv) Although African-Americans represent 12 percent of elementary and secondary enrollments, they constitute 28 percent of total enrollments in special education.

"(v) The drop out rate is 68 percent higher for minorities than for whites.

"(vi) More than 50 percent of minority students in large cities drop out of school.

"(C)(i) The opportunity for full participation in awards for grants and contracts; boards of organizations receiving funds under this Act; and peer review panels; and training of professionals in the area of special education by minority individuals, organizations, and historically Black colleges and universities is essential if we are to obtain greater success in the education of minority children with disabilities.

"(ii) In 1989, of the 661,000 college and university professors, 4.6 percent were African-American and 3.1 percent were Hispanic. Of the 3,600,000 teachers, prekindergarten through high school, 9.4 percent were African-American and 3.9 percent were Hispanic.

"(iii) Students from minority groups comprise more than 50 percent of K-12 public school enrollment in seven States yet minority enrollment in teacher training programs is less than 15 percent in all but six States.

"(iv) As the number of African-American and Hispanic students in special education increases, the number of minority teachers and related service personnel produced in our colleges and universities continues to decrease.

"(v) Ten years ago, 12.5 percent of the United States teaching force in public elementary and secondary schools were members of a minority group. Minorities comprised 21.3 percent of the national population at that time and were clearly underrepresented then among employed teachers. Today, the elementary and secondary teaching force is 3 to 5 percent minority, while one-third of the students in public schools are minority children.

"(vi) As recently as 1984-85, Historically Black Colleges and Universities (HBCUs) supplied nearly half of the African-American teachers in the Nation. However, in 1988, HBCUs received only 2 percent of the discretionary funds for special education and related services personnel training.

"(vii) While African-American students constitute 28 percent of total enrollment in special education, only 11.2 percent of preservice special education teachers are African-American.

"(viii) In 1986-87, of the degrees conferred in education at the B.A., M.A., and Ph.D levels, only 6, 8, and 8 percent, respectively, were awarded to African-American or Hispanic students.

"(D)(1) Minorities and underserved persons are socially disadvantaged because of the lack of opportunities in training and educational programs, undergirded by the discriminatory practices in the private sector that impede their full participation in the mainstream of society.

"(2) That these conditions can be greatly improved by providing opportunities for the full participation of minorities through the implementation of the following recommendations:

"(A) Implementation of a policy to mobilize the Nation's resources to prepare minorities for careers in special education and related services.

"(B) This policy should focus on—

"(i) the recruitment of minorities into teaching; and

"(ii) financially assisting HBCUs and other institutions of higher education (whose minority student enrollment is at least 25 percent) to prepare students for special education and related service careers.

"(C)(i) With respect to entities described in clause (ii), establishing the highest priority in each of the fiscal years 1991 through 1994 for awarding to such entities grants, contracts, and cooperative agreements that are authorized in any of parts C through G for purposes of research, training, technical assistance, dissemination of information, development, demonstration, or other activities.

"(ii) The entities referred to in clause (i) are applicants for grants, contracts, and cooperative agreements under any of parts C through G that—

"(I) have appropriate qualifications for conducting the activity for which the financial assistance is to be provided; and

"(II) have expertise in, and a record of, successfully recruiting, retaining, graduating, and promoting minority individuals and individuals with disabilities.

"(D)(i) The Secretary shall develop a plan for providing outreach services to the entities described in clause (ii) in order to increase the participation of such entities in competitions for grants, contracts, and cooperative agreements under any of parts C through G.

"(ii) The entities referred to in clause (i) are—

"(I) Historically Black Colleges and Universities and other institutions of higher education whose minority student enrollment is at least 25 percent;

"(II) minority institutions (as defined in the Higher Education Act of 1965);

"(III) nonprofit and for-profit agencies at least 51 percent owned or controlled by one or more minority individuals; and

"(IV) underrepresented populations.

"(iii) For the purpose of implementing the plan required in clause (i), the Secretary shall, for each of the fiscal years 1991 through 1994, expend 1 percent of the funds appropriated for the fiscal year involved for carrying out parts C through G.

"(3) The Secretary shall exercise his/her utmost authority, resourcefulness, and diligence to meet the requirements of this subsection.

"(4) Not later than January 31 of each year, starting with fiscal year 1991, the Secretary shall submit to Congress a final report on the progress toward meeting the agreements of this subsection during the preceding fiscal year. The report shall include—

"(i) a full explanation of any progress toward meeting the requirements of this subsection;

"(ii) a plan to meet the requirements, if necessary; and

"(iii) a description of the percentage of contracts, grants, and cooperative agreements, the total dollar amount, and the number of different entities relative to the requirement of this subsection.

"(5) For purposes of this Act:

"(i) The term 'minority' means—

"(I) persons who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities, such as African-Americans, Hispanic Americans, Native Americans, and Asian Americans, and

"(II) individuals with disabilities.

"(ii) The term 'underserved' means populations such as minorities, the poor, and the limited-English proficient.".

TITLE II—ASSISTANCE FOR EDUCATION OF ALL HANDICAPPED INDIVIDUALS

SEC. 201. SETTLEMENTS AND ALLOCATIONS.

Section 611(f) of the Education of the Handicapped Act (20 U.S.C. 1411(f)) is amended—

(1) in paragraph (1), in the first sentence, by inserting "(A)" after "reservations" and by inserting before the period the following: ", and (B) for whom services were provided through contract with an Indian tribe or organization prior to fiscal year 1989"; and

(2) by adding at the end the following new paragraph:

"(3) Before March 1, 1991, the Secretary of the Interior shall submit to the appropriate Committees of the Congress a plan for the provision of services under this Act to all handicapped children residing on reservations, whether or not such reservation is served by a B.I.A. funded school. Such plan shall provide for the coordination of services benefiting these children from whatever source, including but not limited to, Tribe(s), the State in which the child resides and entities of such State, the Indian Health Service, other B.I.A. divisions and other Federal agencies. In developing such a plan, the Secretary shall consult with all interested and involved parties. Such a plan may not be based upon a blanket assumption or interpretation which denies Federal or Interior responsibility for any group(s) or class(es) of children or settings, but shall be based upon the needs of the children and the system best suited for meeting those needs, and may involve the establishment of service agreements between the B.I.A. and other entities.".

SEC. 202. STATE PLANS.

Section 613(a)(3) of the Education of the Handicapped Act (20 U.S.C. 1413(a)(3)) is amended to read as follows:

"(3)(A) set forth, consistent with the purposes of this part, a comprehensive system of personnel development that shall include a description of the plan the State will carry out to ensure an adequate supply of qualified personnel to administer, support, and provide special education and related services to children and youth with disabilities. At a minimum, the State shall develop a plan and update it annually as part of its requirements under this section. As appropriate, the State shall describe how it intends to respond to the requirements of this paragraph for the upcoming year and report what activities it completed and information it compiled in response to the requirements of this paragraph for the year just ending. Specifically—

"(i) the State shall determine and document in the plan the number and type of personnel by area of specialization, including leadership personnel: who are employed; who are employed on an emergency, provisional, or other basis, or other form of exemption from State certification or licensure; and who are needed currently and over a 5-year time frame to adequately respond to current and projected needs of children with disabilities, taking into account projected rates of personnel attrition and other factors;

"(ii) the State shall determine and document the number of personnel being trained and the number graduating with certification or licensure in special education or related services, including leadership personnel, from institutions of higher education within the State, and the extent to which this meets or will meet State personnel needs;

"(iii) the State shall describe how it intends to recruit and retain qualified personnel in order to overcome current and projected personnel shortages, including shortages caused by use of personnel without certification or licensure, and the extent to which it was successful in overcoming personnel shortages;

"(iv) the State shall describe how it intends to identify and meet the continuing education needs of special education and related services personnel, including leadership personnel, and the extent to which it has been successful in meeting those needs;

"(v) the State shall describe how it intends to disseminate information about both research and effective practice to special education and related services personnel, including leadership personnel, and the extent to which it has done so; and

"(vi) the State shall include provisions to increase the supply of special education and related services personnel from racial and ethnic minority groups and individuals with disabilities.

"(B) States shall take steps toward compliance with this paragraph in fiscal year 1991; full compliance with this paragraph shall be required in State Plans or amendments to State Plans required for such plans submitted beginning for fiscal year 1992;".

SEC. 203. ADMINISTRATION.

Section 617 of the Education of the Handicapped Act (20 U.S.C. 1417) is amended by adding at the end the following new subsection:

"(e)(1) The Secretary shall, based on the findings and recommendations of the evaluation study conducted under paragraph (2), submit the results of the study and a detailed plan for the development and implementation of a common computerized information management system within the Office of Special Education and Rehabilitative Services (OSERS) that would allow all administrative components of OSERS to categorize, index, and abstract program information for the purpose of making this information accessible to Congress, the Department of Education, and other interested parties consistent with the requirements of paragraph (2). The Secretary may enter into any contract or cooperative agreement to implement and maintain this system.

"(2)(A) The Secretary shall conduct an evaluation study to determine the effectiveness of current planning and the feasibility for developing and implementing the system described above. In carrying out this study, the Secretary shall, before the end of the 9-month period beginning on the date of the enactment of these amendments, enter into a contract or cooperative agreement necessary to conduct the study with a nonprofit or profit organization having expertise in and knowledge of information management systems. The study shall report on the following:

"(i) timelines for implementation,

"(ii) staff training and personnel needs,

"(iii) costs for dimensions of the system,

"(iv) design of the system,

"(v) ability to analyze program information to permit trend identification, projec-

tions, and inferences both in qualitative and quantitative terms,

"(vi) method of utilization of information of the data base,

"(vii) methodologies utilized by other Federal agencies,

"(viii) capability to assist OSERS to improve the exchange of information on programs and projects within and outside OSERS, the communication between projects, the defining of priorities, and grant management within OSERS, and

"(ix) recapture program and fiscal information from projects funded since fiscal year 1985 to current year.

"(B) Any contract or cooperative agreement entered into under subparagraph (A) shall require the study to be completed and a report concerning such study to be submitted to the Secretary and the appropriate committees of Congress before the end of the 12-month period beginning on the date of the contract or cooperative agreement.

"(3)(A) Beginning within 6 months after the submission of the report required under paragraph (2), and being completed no later than 18 months after such date, the Secretary shall establish within OSERS a detailed plan for the implementation of the computerized information management system required under this subsection. The system shall include all design capabilities stipulated in paragraph (2)(A).

"(B) For the 2 fiscal years that begin after the date of enactment of these amendments, the Secretary is authorized to use funds appropriated for the National Institute on Disability and Rehabilitation Research (NIDRR) to fund the above study.

"(4) The Secretary is directed to utilize, to the maximum extent allowable by law, the resources of the Rehabilitative Services Administration, the Office of Special Education Programs, and the National Institute on Disability and Rehabilitation Research including, but not limited to, staff, expertise, materials, and equipment, either developed, or to be developed, for the system under this subsection and all other resources available.".

SEC. 204. EVALUATION.

(a) AMENDMENTS TO SECTION HEADING.—Section 618 of the Education of the Handicapped Act (20 U.S.C. 1418) is amended in the heading for such section by inserting "AND PROGRAM INFORMATION" after " EVALUATION".

(b) AMENDMENTS TO SUBSECTION (a).—Section 618(a) of the Education of the Handicapped Act (20 U.S.C. 1418(a)) is amended—

(1) in the matter preceding paragraph (1), by inserting "analyses," after "investigations,"; and

(2) in paragraph (3)(B), by inserting "delivery" before "effectiveness".

(c) AMENDMENTS TO SUBSECTION (b).—Section 618(b) of the Education of the Handicapped Act (20 U.S.C. 1418(b)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by inserting after "local educational agencies," the following: "lead agencies designated or established under part H,"; and

(B) by inserting before "including—" the following: "(except that, during fiscal year 1991, such entities may not under this subsection be required to provide data regarding traumatic brain injury or autism),";

(2) in paragraph (3)—

(A) by striking "otherwise—" and all that follows and inserting the following: "otherwise for each age 14 and above by disability category, and a sampling of data on the age group 3-13 from State agencies, including State and local educational agencies, and"; and

(B) by inserting "(A)" after the paragraph designation and by adding at the end the following new subparagraph:

"(B) the number of children with disabilities exiting preschool programs under part B who enter regular education programs at the first grade level,"; and

(C) in paragraph (5), by amending such paragraph to read as follows:

"(5)(A) information on the implementation, in each State, of the comprehensive systems of personnel development required by sections 613(a)(3) and 676(b)(8); and

"(B) by fiscal year 1992, the Secretary may require that data authorized by this paragraph be reported in the section of the State's Plan pertaining to its comprehensive system of personnel development, authorized under section 613(a)(3), and".

(d) AMENDMENTS TO SUBSECTION (c).—Section 618(c) of the Education of the Handicapped Act (20 U.S.C. 1418(c)) is amended to read as follows:

"(c) IMPLEMENTATION INQUIRIES.—(1) The Secretary shall make grants to, or enter into contracts or cooperative agreements with, State and local educational agencies, institutions of higher education, other public agencies, and private organizations for the purpose of conducting studies (including case studies), secondary data analyses, syntheses, and investigations (including program implementation inquiries), to improve the administration, management, delivery, and effectiveness of special education and related services, and early intervention services.

"(2) In providing such support, the Secretary shall give first consideration to efforts that seek to improve—

"(A) criteria and procedures used to identify, locate, and evaluate infants, toddlers, children, and youth with disabilities for the purposes of eligibility, program planning, and placement (including working with parents), especially for those from minority backgrounds;

"(B) the relationships between the placement procedures used and the outcomes of placement decisions, by disability category and severity of disability, as in the case of infants, toddlers, children, and youth with the most severe disabilities;

"(C) planning and delivery of services to infants, toddlers, children, and youth with disabilities at points of transition, especially for youth with disabilities; and

"(D) planning and developing effective early intervention services, special education, and related services to meet the complex and changing needs of infants, toddlers, children, and youth with disabilities.

"(3) In providing funds under this subsection, the Secretary shall require recipients to prepare their procedures, findings, and other relevant information in a form that will maximize their dissemination and use, especially through dissemination networks and mechanisms authorized by this Act, and in a form for inclusion in the annual report to Congress authorized under subsection (f).

"(4) The Secretary, in order to increase the benefits to infants, toddlers, children, and youth with disabilities, may support efforts to improve comprehensive systems of personnel development, to improve ways in which resources are allocated and used, to improve interagency coordination and collaboration, to improve continuity in services, and to improve parent-school communication and collaboration.

"(5) In order to facilitate understanding of and support for program improvement information, as addressed in this subsection, the Secretary shall, every 3 years beginning in fiscal year 1991, publish funding priorities in the Federal Register for review and comment. Such review and comment shall be taken into account when setting priorities for any 3-year period.".

(e) AMENDMENTS TO SUBSECTION (d).—Section 618(d)(1) of the Education of the Handicapped Act (20 U.S.C. 1418(d)(1)) is amended by inserting ", policies, and procedures" after "programs"

(f) AMENDMENTS TO SUBSECTION (e).—Section 618(e) of the Education of the Handicapped Act (20 U.S.C. 1418(e)) is amended to read as follows:

"(e) SPECIAL STUDIES.—(1) The Secretary shall by grant, contract, or cooperative agreement, provide for special studies to assess progress in the implementation of this Act, and to assess the impact and effectiveness of State and local efforts and efforts by the Secretary of the Interior to provide free appropriate public education to children and youth with disabilities, and early intervention services to infants and toddlers with disabilities. Reports from such studies shall include recommendations for improving programs and services to such individuals. The Secretary shall, not later than July 1 of each year, beginning in fiscal year 1991, submit to the appropriate committees of each House of the Congress and publish in the Federal Register proposed priorities for review and comment.

"(2) In selecting priorities for fiscal years 1991 through 1994, the Secretary may give first consideration to:

"(A) The longitudinal study of students with disabilities shall be completed.

"(B) A study that examines the factors that have contributed to the decline in the number of children classified as mentally retarded since the implementation of this Act, and examines the current disparity among States in the percentage of children so classified.

"(C) A study that examines the degree to which and the reasons why children and youth with disabilities, especially those with mental retardation, are educated in separate educational facilities.

"(D) A study that examines the status, progress, and variation in the implementation of policies, procedures, and programs affecting early intervention, special education, and related services for young children with disabilities—birth through age five.

"(E) A study of the types, number, and intensity of related services provided to children and youth with disabilities by disability category.

"(F) A study that examines the extent to which out-of-community residential programs are used for children and youth who are seriously emotionally disturbed, the factors that influence the selection of such placements, the degree to which such individuals transition back to education programs in their communities, and the factors that facilitate or impede such transition.

"(G) A study that examines (i) the factors that influence the referral and placement decisions and types of placements, by disability category and English language proficiency, of minority children relative to other children, (ii) the extent to which these children are placed in regular education environments, (iii) the extent to which the parents of these children are involved in placement decisions and the implementation of the individualized education program and the results of such participation, and (iv) the type of support provided to par-

ents of these children that enable these parents to understand and participate in the educational process.".

(g) AMENDMENTS TO SUBSECTION (f).—Section 618(f) of the Education of the Handicapped Act (20 U.S.C. 1418(f)) is amended—

(1) by striking "(f)(1)" and inserting "(f) ANNUAL REPORT.—(1)";

(2) in paragraph (1) (as amended by paragraph (1) of this subsection), by amending such paragraph to read as follows: "(1) The Secretary, directly or through grants, contracts, or cooperative agreements, shall prepare an annual report on the progress being made toward the provision of a free appropriate public education to children and youth with disabilities and early intervention services to infants and toddlers with disabilities. Not later than 120 days after the end of each fiscal year, the Secretary shall transmit this report to the appropriate committees of each House of Congress. Copies of such report shall be produced in sufficient quantities in order to permit dissemination to the education and disability communities and other interested parties."; and

(3) in paragraph (2)—

(A) in subparagraph (A), by inserting "and under part H" before the comma; and

(B) in subparagraph (B), by amending such subparagraph to read as follows:

"(B) an index and summary of each activity, including results of evaluations and studies, related to program information authorized under subsections (c) and (e),".

(h) NEW SUBSECTION.—Section 618 of the Education of the Handicapped Act (20 U.S.C. 1418) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) The Secretary shall make grants to, or enter into contracts or cooperative agreements with, State and local education agencies, institutions of higher education, other public agencies, and nonprofit organizations to support activities that organize, synthesize, interpret, and integrate information obtained under this section with information developed through other sources. Such activities shall include the selection and design of content, formats, and means for communicating such information effectively to specific or general audiences, in order to promote the use of such information in improving program administration and management, and service delivery and effectiveness.".

(i) FUNDING.—Section 618(h) of the Education of the Handicapped Act, as redesignated by subsection (h) of this section, is amended to read as follows:

"(h) For each of the fiscal years 1991 through 1994, of the amounts appropriated for grants under section 611(a), 1 percent shall be reserved to carry out the purposes of this section and, of the 1 percent reserved each year, not more than 25 percent may be used to carry out the purposes of subsection (e) of this section.".

TITLE III—CENTERS AND SERVICES TO MEET SPECIAL NEEDS OF HANDICAPPED INDIVIDUALS

SEC. 301. REGIONAL RESOURCE AND FEDERAL CENTERS.

(a) AMENDMENTS TO SUBSECTION (a).—Section 621(a) of the Education of the Handicapped Act (20 U.S.C. 1421(a)) is amended—

(1) in the first sentence, by striking "regional resource centers." and inserting the following: "regional resource centers that focus on special education and related services and early intervention services.";

(2) in the second sentence—

(A) by striking "training to State" and inserting "training, as requested, to State"; and

(B) by inserting after "agencies providing" the following: "special education and related services and";

(3) in the third sentence, by striking "center" the second place such term appears and all that follows and inserting "center."; and

(4) in paragraph (3), by striking "relevant projects conducted by" and inserting "relevant programs and projects conducted under parts C through G and by".

(b) AMENDMENTS TO SUBSECTION (b).—Section 621(b) of the Education of the Handicapped Act (20 U.S.C. 1421(b)) is amended by striking "shall consider" and inserting "shall utilize criteria for setting criteria that are consistent with the needs identified by States within the region served by such center, consistent with requirements established by the Secretary under subsection (f), and, to the extent appropriate, consistent with requirements under section 610, and shall consider".

(c) AMENDMENTS TO SUBSECTION (d).—Section 621(d) of the Education of the Handicapped Act (20 U.S.C. 1421(d)) is amended by striking "the Secretary" the second place such term appears and all that follows and inserting the following: "the Secretary. The Secretary may assist the regional resource centers in the delivery of technical assistance consistent with the priority needs identifed by the States.".

(d) NEW SUBSECTION.—Section 621 of the Education of the Handicapped Act (20 U.S.C. 1421) is amended by adding at the end the following new subsection:

"(f)(1) The Secretary shall develop guidelines and criteria for the operation of Regional and Federal Resource Centers. In developing such criteria and guidelines, the Secretary shall establish a panel representing the Office of Special Education Programs staff, State special education directors, representatives of disability advocates, and, when appropriate, consult with the regional resource center directors.

"(2) Such guidelines and criteria shall include—

"(A) a description of how the Federal and Regional Resource Centers Program will be administered by the Secretary;

"(B) a description of the geographic region each Center is expected to serve;

"(C) a description of the role of a Center in terms of expected leadership and dissemination efforts;

"(D) a description of expected relationships with State agencies, research and demonstration centers, and with other entities deemed necessary;

"(E) a description of how a Center will be evaluated; and

"(F) other guidelines and criteria deemed necessary.

"(3) The Secretary shall publish in the Federal Register by July 1, 1991, for review and comment, proposed and (then following such review and comment) final guidelines developed by the panel.".

SEC. 302. SERVICES FOR DEAF-BLIND CHILDREN AND YOUTH.

(a) AMENDMENTS TO SUBSECTION (a).—Section 622(a) of the Education of the Handicapped Act (20 U.S.C. 1422(a)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting "and local" after "State"; and

(B) in subparagraph (B), by amending such subparagraph to read as follows:

"(B) make available to deaf-blind youth (who are in the process of transitioning into adult services) programs, services, and supports to facilitate such transition, including assistance related to independent living and competitive employment.";

(2) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) For purposes of this section, the term 'deaf-blind', with respect to children and youth, means having auditory and visual impairments, the combination of which creates such severe communication and other developmental and learning needs that they cannot be appropriately educated in special education programs solely for children and youth with hearing impairments, visual impairments, or severe disabilities, without supplementary assistance to address their educational needs due to these dual, concurrent disabilities.";

(3) in paragraph (3) (as redesignated by paragraph (2) of this subsection)—

(A) in the first sentence—

(i) in subparagraph (C), by striking "and" after the semicolon;

(ii) in subparagraph (D), by striking the period and inserting "; or"; and

(iii) by adding at the end the following new subparagraph: "(E) pilot projects designed to expand local school district capabilities by providing services to deaf-blind children that are supplementary to services already provided to children through State and local resources; such projects must be designed to ensure eventual assumption of funding responsibility by State and local authorities."; and

(B) in the second sentence, in clause (i), by striking "at risk of being certified" and inserting "likely to be diagnosed as";

(4) in paragraph (4) (as so redesignated)—

(A) in subparagraph (A), by striking "organizations serving, or proposing to serve," and inserting the following: "organizations that are preparing deaf-blind adolescents for adult placements, or that are preparing to receive deaf-blind young adults into adult living and work environments, and that serve, or propose to serve,"; and

(B) in subparagraph (C), by inserting "supervised," after "rehabilitative,";

(5) in paragraph (5) (as so redesignated), by amending such paragraph to read as follows:

"(5) In carrying out this subsection, the Secretary is authorized to enter into a number of grants or cooperative agreements to establish and support single and multi-State centers for the provision of technical assistance and pilot supplementary services, for the purposes of program development and expansion, for children and youth with deaf-blindness and their families.".

(b) AMENDMENTS TO SUBSECTION (c).—Section 622(c)(1) of the Education of the Handicapped Act (20 U.S.C. 1422(c)(1)) is amended—

(1) in subparagraph (A), by inserting "sex," after "severity,";

(2) in subparagraph (C), by inserting before the period the following: "and the setting in which the services are provided"; and

(3)(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 at the end the following new subparagraph: "(D) student outcomes, where appropriate.".

(c) AMENDMENTS TO SUBSECTION (d).—Section 622(d) of the Education of the Handicapped Act (20 U.S.C. 1422(d)) is amended to read as follows:

"(d) The Secretary shall make a grant, or enter into a contract or cooperative agreement, for a national clearinghouse for children and youth with deaf-blindness—

"(1) to identify, coordinate, and disseminate information on deaf-blindness;

"(2) to interact with educators, professional groups, and parents to identify areas for programming, materials development, training, and expansion of specific services;

"(3) to maintain a computerized data base on local, regional, and national resources; and

"(4) to respond to information requests from professionals, parents, and members of the community.".

(d) AMENDMENTS TO SUBSECTION (e).—Section 622(e) of the Education of the Handicapped Act (20 U.S.C. 1422(e)) is amended by striking "severely handicapped" and all that follows and inserting the following: "children and youth with deaf-blindness.".

(e) AMENDMENTS TO SUBSECTION (f).—Section 622(f) of the Education of the Handicapped Act (20 U.S.C. 1422(f)) is amended by striking "with," and all that follows and inserting the following: "with organizations or public or nonprofit private agencies, as determined by the Secretary to be appropriate, to address the needs of children and youth with deaf-blindness, for—

"(1) research to identify and meet the full range of special needs of such children and youth; and

"(2) the development and demonstration of new, or improvements in existing methods, approaches, or techniques that would contribute to the adjustment and education of children and youth with deaf-blindness.".

SEC. 303. EARLY EDUCATION FOR HANDICAPPED CHILDREN.

(a) AMENDMENTS TO SUBSECTION (a).—Section 623(a)(1) of the Education of the Handicapped Act (20 U.S.C. 1423(a)(1)) is amended—

(1) in the matter preceding subparagraph (A), in the first sentence, by striking "problems of such children." and inserting "needs of these children.";

(2) in subparagraph (A), by striking "speech," and inserting "communication,"; and

(3) in subparagraph (B), by inserting before "encourage" the following: "provide family education and include a parent or their representative of such child, as well as";

(4) in subparagraph (C), by striking "problems" and insert "special needs";

(5) in subparagraph (D)—

(A) by inserting after "practices" the following: ", including interdisciplinary models and practices,"; and

(B) by inserting before the comma the following: "and to the parents of such children"; and

(6) in subparagraph (E), by inserting before the period the following: ", including the involvement of adult role models with disabilities at all levels of the program".

(b) AMENDMENTS TO SUBSECTION (b).—Section 623(b) of the Education of the Handicapped Act (20 U.S.C. 1423(b)) is amended by adding at the end the following: "This technical assistance development system shall provide assistance to parents of and advocates for infants, toddlers, and children with disabilities, as well as direct service and administrative personnel involved with such children. Information from the system should be aggressively disseminated through established information networks and other mechanisms to ensure both an impact and benefits at the community level. The Secretary shall ensure that the technical assistance provided under this subsection includes assistance to part H State agencies on procedures for use by primary referral sources in referring a child to the appropriate agency within the system for evaluation, assessment, or service.".

(c) AMENDMENTS TO SUBSECTION (c).—Section 623(c) of the Education of the Handicapped Act (20 U.S.C. 1423(c)) is amended by adding at the end the following: "Such institutes shall disseminate this information by utilizing existing networks, such as the Regional and Federal Resource Centers, the Clearinghouses, and the Technical Assistance to Parents Programs (TAPP) assisted under parts C and D, as well as the National Diffusion Network, the ERIC Clearinghouse on the Handicapped and Gifted, and the Child and Adolescent Service Systems Program (CASSP) under the National Institute of Mental Health, and other appropriate networks.".

(d) AMENDMENTS TO SUBSECTION (d).—Section 623(d) of the Education of the Handicapped Act (20 U.S.C. 1423(d)) is amended by inserting before the period the following: ", including programs to integrate children with disabilities into regular preschool programs".

(e) AMENDMENTS TO SUBSECTION (f).—Section 623(f) of the Education of the Handicapped Act (20 U.S.C. 1423(f)) is amended by inserting before the period the following: "including infants and toddlers with disabilities".

SEC. 304. PROGRAMS FOR SEVERELY HANDICAPPED CHILDREN.

(a) AMENDMENTS TO SUBSECTION (a).—Section 624(a) of the Education of the Handicapped Act (20 U.S.C. 1424(a)) is amended—

(1) in the matter preceding paragraph (1), by amending such matter to read as follows: "The Secretary may make grants to, or enter into contracts or cooperative agreements with, appropriate public agencies and nonprofit organizations to address the special education, related services, and integration needs of infants, toddlers, children, and youth with severe disabilitites through—";

(2) in paragraph (1), by inserting before the comma the following: ", including transportation to and from school";

(3) in paragraph (3), by striking "youth, and" and inserting the following: "youth, including training of regular teachers, instructors, and administrators in strategies (the goal of which is to serve infants, toddlers, children, and youth with disabilities) that include integrated settings for educating such children along side their nondisabled peers,";

(4) in paragraph (4), by striking "children and youth." and inserting the following: "children and youth by utilizing existing networks, such as the Regional and Federal Resource Centers, the Clearinghouses, and the Technical Assistance to Parent Programs (TAPP) assisted under parts C and D, as well as the National Diffusion Network, the ERIC Clearinghouse on the Handicapped and Gifted, and the Child and Adolescent Service Systems Program (CASSP) under the National Institute of Mental Health, and other appropriate networks, and"; and

(5) by adding at the end the following new paragraph:

"(5) statewide projects, in conjunction with the State's plan under part B, to improve the quality of special education and related services for children and youth with severe disabilities, and to change the delivery of those services from segregated to integrated environments.".

(b) NEW SUBSECTION.—Section 624 of the Education of the Handicapped Act (20 U.S.C. 1424) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

"(b) The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, public or private nonprofit private agencies, institutions, or organizations for the development and operation of extended school year demonstration programs for infants, toddlers, children, and youth with severe disabilities. The Secretary may fund grants that include participation of nondisabled infants, toddlers, children and youth, but in such cases matching funds from a non-Federal source from the grantee would be required.".

(c) FURTHER NEW SUBSECTION.—Section 624 of the Education of the Handicapped Act, as amended by subsection (b) of this section, is amended by adding at the end the following new subsection:

"(e) In awarding such grants and contracts under this section, the Secretary shall include a priority on programs that increase the likelihood that these children and youth will be educated with their nondisabled peers.".

SEC. 305. POSTSECONDARY EDUCATION.

(a) AMENDMENTS TO SUBSECTION (a).—Section 625(a) of the Education of the Handicapped Act (20 U.S.C. 1424a(a)) is amended—

(1) in paragraph (1), by adding at the end the following new sentence: "Such model programs may include joint projects that coordinate with special education and transition services.";

(2) in paragraph (2)—

(A) in subparagraph (A), by striking "and" after the semicolon;

(B) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(C) for outreach activities that include the provision of technical assistance to strengthen efforts in the development, operation, and design of model programs that are adapted to the special needs of individuals with disabilities."; and

(3) in paragraph (6), by striking "$2,000,000" and inserting "$4,000,000".

(b) AMENDMENTS TO SUBSECTION (b).—Section 625(b) of the Education of the Handicapped Act (20 U.S.C. 1424a(b)) is amended to read as follows:

"(b) For purposes of subsection (a), the term 'children with disabilities' means children—

"(1) with mental retardation, hearing impairments including deafness, speech or language impairments, visual impairments including blindness, serious emotional disturbance, orthopedic impairments, autism, traumatic brain injury, other health impairments including attention deficit disorder, or specific learning disabilities; and

"(2) who, by reason thereof, need special education and related services.".

SEC. 306. SECONDARY EDUCATION AND TRANSITIONAL SERVICES FOR HANDICAPPED YOUTH.

(a) AMENDMENTS TO SUBSECTION (a).—Section 626(a)(1) of the Education of the Handicapped Act (20 U.S.C. 1425(a)(1)) is amended by inserting "independent and community living," after "continuing education,".

(b) AMENDMENTS TO SUBSECTION (b).—Section 626(b) of the Education of the Handicapped Act (20 U.S.C. 1425(b)) is amended—

(1) in paragraph (8), by striking "handicapped youth" and all that follows and inserting the following: "some youth with disabilities remain to complete school programs while others drop out,";

(2) in paragraph (9), by striking "developing" and all that follows through "techniques" and inserting "developing curriculum and instructional techniques in special education and related services"; and

(3) in paragraph (10)—

(A) by inserting "or adapted" after "specially designed"; and

(B) by striking "to increase" and all that follows and inserting the following: "to facilitate the full participation of youths with disabilities in community programs.".

(c) AMENDMENTS TO SUBSECTION (d).—Section 626(d)(3) of the Education of the Handicapped Act (20 U.S.C. 1425(d)(3)) is amended by striking "to the extent appropriate".

(d) NEW SUBSECTION (e).—Section 626 of the Education of the Handicapped Act (20 U.S.C. 1425) is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e)(1) The Secretary shall make one-time, 5-year grants, on a competitive basis, to States in which the State vocational rehabilitation agency and State education agency submit a joint application to develop, implement, and improve systems to provide transition services for youth with disabilities from age 14 through the age they exit school.

"(2) In the case of a State whose vocational rehabilitation agency does not participate regarding a joint application described in paragraph (1), the Secretary may make a grant under such paragraph to the State if a joint application for the grant is submitted by the State education agency and one other State agency that provides transition services to individuals who are leaving programs under this Act.

"(3) States that receive grants shall use grant funds to:

"(A) Increase the availability, access, and quality of transition assistance through the development and improvement of policies, procedures, systems, and other mechanisms for youth with disabilities and their families as such youth prepare for and enter adult life.

"(B) Improve the ability of professionals, parents, and advocates to work with such youth in ways that promote the understanding of and the capability to successfully make the transition from 'student' to 'adult'.

"(C) Improve working relationships among education personnel, both within LEAs and in postsecondary training programs, relevant State agencies, the private sector, especially employers, rehabilitation personnel, local and State employment agencies, local Private Industry Councils (PICS) authorized by the Job Training Partnership Act (JTPA), and families of students with disabilities and their advocates to identify and achieve consensus on the general nature and specific application of transition services to meet the needs of youth with disabilities.

"(D) Create an incentive for accessing and using the expertise and resources of programs, projects, and activities related to transition funded through this section and with other sources.

"(4)(A) In order to receive funding under this subsection, a State vocational rehabilitation agency and State education agency shall describe in their application how they will use the first year, if necessary, to plan how to implement transition services, the second through fourth years to develop and implement transition services, and the fifth year to evaluate transition services. The application shall describe how the grant funds will be used during the planning period and phased-out during the evaluation period to ensure the continuation of transition services. Such applications shall also include—

"(i) a description of the current availability, access, and quality of transition services for eligible youth and a description of how, over 5 years, the State will improve and expand the availability, access, and quality of transition services for youth with disabilities and their families as such youth prepare for and enter adult life;

"(ii) a description of how the State will improve and increase the ability of professionals, parents, and advocates to work with such youth in ways that promote the understanding of and the capability to successfully make the transition from 'student' to 'adult';

"(iii) a description of how the State will improve and increase working relationships among education personnel, both within LEAs and in postsecondary training programs, relevant State agencies, the private sector, especially employers, rehabilitation personnel, local and State employment agencies, local Private Industry Councils (PICS) authorized by the JTPA, and families of students with disabilities and their advocates to identify and achieve consensus on the general nature and specific application of transition services to meet the needs of youth with disabilities; and

"(iv) a description of how the State will use grant funds as an incentive for accessing and using the expertise and resources of programs, projects, and activities related to transition funded through this section and with other sources.

"(B) The Secretary shall give preference to those applications that, in addition to clearly addressing the requirements under subparagraph (A), describe how the State will—

"(i) target resources to school settings, such as providing access to rehabilitation counselors for students with disabilities who are in school settings;

"(ii) target a substantial amount of grant funds, received under this subsection, to case management, program evaluation and documentation of, and dissemination of information about, transition services;

"(iii) provide incentives for interagency and private sector resource pooling and otherwise investing in transition services, especially in the form of cooperative agreements, particularly with PICS authorized by the JTPA and local branches of State employment agencies;

"(iv) provide for early, ongoing information and training for those involved with or who could be involved with transition services—professionals, parents, youth with disabilities, including self-advocacy training for such youth, and advocates for such youth as well as PICS authorized by the JTPA and local branches of State employment agencies;

"(v) provide for the early and direct involvement of all relevant parties, including PICS authorized by the JTPA and local branches of State employment agencies, in operating and planning improvements in transition services, and the early and direct involvement of all relevant parties in planning and implementing transition services for individual youth;

"(vi) provide access to training for eligible youth that matches labor market needs in their communities;

"(vii) integrate transition services with relevant opportunities in communities, including those sponsored by PICS authorized by the JTPA and local employment agencies;

"(viii) use a transition services evaluation plan that is outcome oriented and that focuses on individual youth-focused benefits; and

"(ix) ensure, that when appropriate and no later than age 22, eligible youth who participate in transition services under this program would be served as appropriate in the State section 110 and/or title VI, part C program authorized under the Rehabilitation Act of 1973.".

(e) AMENDMENTS TO FORMER SUBSECTION (e).—Section 626(f) of the Education of the Handicapped Act, as redesignated by subsection (d) of this section, is amended—

(1)(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end of paragraph (1) (as so designated) the following new sentence: "Such organizations and institutions shall disseminate such materials and information by utilizing existing networks, such as the Regional and Federal Resource Centers, the Clearinghouses, and the Technical Assistance to Parent Programs (TAPP) assisted under parts C and D, as well as the National Diffusion Network, the ERIC Clearinghouses on the Handicapped and Gifted and Languages and Linguistics, and the Child and Adolescent Service Systems Program (CASSP) under the National Institute of Mental Health, and other appropriate networks.";

(2) by adding after paragraph (1) (as so designated) the following new paragraph:

"(2) The Secretary shall fund one or more demonstration models designed to establish appropriate methods of providing, or continuing to provide, assistive technology devices and services to secondary school students as they make the transition to vocational rehabilitation, employment, postsecondary education, or adult services. Such demonstration models shall include, as appropriate—

"(A) cooperative agreements with the Rehabilitation Services Administration and/or State vocational rehabilitation agencies that ensure continuity of funding for assistive technology devices and services to such students; and

"(B) methods for dissemination of exemplary practices that can be adapted or adopted by transitional programs for secondary school students with disabilities."; and

(3) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall award one, five-year cooperative agreement through a separate competition to an institution of higher education, or nonprofit public or private organization. The purpose of this agreement will be to evaluate and document

the approaches and outcomes of the project funded under subsection (e). The results of this agreement shall be disseminated through the appropriate clearinghouses, networks, and through direct communication with Federal, State, and local agencies.

"(B) The evaluation carried out pursuant to subparagraph (A) of transition services under subsection (e) shall include an evaluation of—

"(i) the outcomes of the transition services provided under such subsection, including the effect of the services regarding postsecondary education, job training, employment, and other appropriate matters;

"(ii) the impact of including in the individualized education program a statement of needed transition services (as required under section 602(a)(20)(D));

"(iii) the extent to which, in the provision of the transition services, agencies are cooperating effectively, including evaluation of the extent of coordination of the staff of the agencies, of procedures regarding confidentiality, assessment of needs, and referrals, and coordination regarding data bases and training;

"(iv) the extent to which obstacles exist regarding cooperation and coordination among agencies in the provision of the transition services, and the extent to which Federal law creates disincentives to such cooperation and coordination; and

"(v) the extent to which the transition services have been provided in a cost-effective manner.

"(C) The evaluation carried out pursuant to subparagraph (A) shall include recommendations on the manner in which the program under subsection (e) can be improved.

"(D) In the annual report required under section 618(f), the Secretary shall include an annual report of the activities and results associated with the agreement under subparagraph (A).".

(f) AMENDMENTS TO FORMER SUBSECTION (f).—Section 626(g) of the Education of the Handicapped Act, as redesignated by subsection (d) of this section, is amended by inserting before the period the following: ", the Job Training Partnership Act (JTPA), and the Carl D. Perkins Vocational Education Act".

SEC. 307. PROGRAM EVALUATIONS.

Section 627 of the Education of the Handicapped Act (20 U.S.C. 1426) is amended to read as follows:

"PROGRAMS FOR CHILDREN AND YOUTH WITH SERIOUS EMOTIONAL DISTURBANCE

"SEC. 627. (a) The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, institutions of higher education, State and local educational agencies, and other appropriate public and private nonprofit institutions or agencies to establish projects for the purpose of improving special education and related services to children and youth with serious emotional disturbance. Such projects shall include—

"(1) studies regarding the present state of special education and related services to such children and their families, including information and data to enable assessments of the status of such services over time;

"(2) developing methodologies and curricula designed to improve special education and related services for these children and youth;

"(3) developing and demonstrating strategies and approaches to reduce the use of out-of-community residential programs and the increased use of school district-based programs (which may include, but are not limited to, day treatment programs, after-school programs, and summer programs); or

"(4) developing and demonstrating innovative approaches to assist children with emotional and behavioral problems from developing serious emotional disturbances that require the provision of special education and related services.

"(b)(1) The Secretary is authorized to make grants, on a competitive basis, to local educational agencies in collaboration with mental health entities to provide services for children and youth with serious emotional disturbance. Such demonstration projects shall—

"(A) increase the availability, access, and quality of community services for such children and youth and their families;

"(B) improve working relationships among education, school, and community mental health and other relevant personnel, families of such children and youth, and their advocates;

"(C) target resources to school settings, such as providing access to school and/or community mental health professionals and other community resources for students with serious emotional disturbance who are in community school settings; and

"(D) take into account the needs of minority children and youth in all phases of project activity.

"(2) Funds received under this subsection may also be used to facilitate interagency and private sector resource pooling to improve services for such children and youth and to provide information and training for those involved with, or who could be involved with, such children and youth.

"(c) Each project assisted under this section shall—

"(1) apply existing research outcomes from multi-disciplinary fields;

"(2) use a grant evaluation plan that is outcome-oriented and that focuses on the benefits to individual children and youth;

"(3) report on the effectiveness of such project; and

"(4) disseminate the findings of such project, where appropriate, to the Regional and Federal Resource Centers, the Clearinghouses, and the Technical Assistance Parents Program (TAPP) assisted under this part and part D, as well as the National Diffusion Network, the ERIC Clearinghouse on the Handicapped and Gifted, and the Child and Adolescent Service System Program (CASSP) under the National Institute of Mental Health and other appropriate networks.".

SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

Section 628 of the Education of the Handicapped Act (20 U.S.C. 1427) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 628. (a) There are authorized to be appropriated to carry out section 621 $8,140,000 for fiscal year 1990, $8,950,000 for fiscal year 1991, $9,850,000 for fiscal year 1992, $10,830,000 for fiscal year 1993, and $11,900,000 for fiscal year 1994.

"(b) There are authorized to be appropriated to carry out section 622 $19,900,000 for fiscal year 1990, $21,900,000 for fiscal year 1991, $24,100,000 for fiscal year 1992, $26,500,000 for fiscal year 1993, and $29,200,000 for fiscal year 1994.

"(c) There are authorized to be appropriated to carry out section 623 $30,140,000 for fiscal year 1990, $33,200,000 for fiscal year 1991, $36,500,000 for fiscal year 1992, $40,120,000 for fiscal year 1993, and $44,120,000 for fiscal year 1994.

"(d) There are authorized to be appropriated to carry out section 624 $8,700,000 for fiscal year 1990, $9,500,000 for fiscal year 1991, $10,500,000 for fiscal year 1992, $11,600,000 for fiscal year 1993, and $12,700,000 for fiscal year 1994.

"(e) There are authorized to be appropriated to carry out section 625 $7,300,000 for fiscal year 1990, $8,000,000 for fiscal year 1991, $8,780,000 for fiscal year 1992, $9,660,000 for fiscal year 1993, and $10,630,000 for fiscal year 1994.

"(f) There are authorized to be appropriated to carry out section 626 $8,900,000 for fiscal year 1990, $9,800,000 for fiscal year 1991, $10,800,000 for fiscal year 1992, $11,900,000 for fiscal year 1993, and $13,050,000 for fiscal year 1994.

"(g) There are authorized to be appropriated to carry out section 626(e) $25,000,000 for fiscal year 1990, $27,500,000 for fiscal year 1991, $30,250,000 for fiscal year 1992, $33,275,000 for fiscal year 1993, and $36,602,000 for fiscal year 1994.

"(h) There are authorized to be appropriated to carry out section 627 $5,000,000 for fiscal year 1990, $8,000,000 for fiscal year 1991, $10,000,000 for fiscal year 1992, $12,000,000 for fiscal year 1993, and $15,000,000 for fiscal year 1994.".

TITLE IV—TRAINING PERSONNEL FOR THE EDUCATION OF HANDICAPPED INDIVIDUALS

SEC. 401. GRANTS FOR PERSONNEL TRAINING.

(a) AMENDMENTS TO SUBSECTION (a)(1).—Section 631(a)(1) of the Education of the Handicapped Act (20 U.S.C. 1431(a)(1)) is amended—

(1) in the matter preceding subparagraph (A), by inserting after "to assist them in" the following: "inservice and preservice training of personnel in special education, related services, and early intervention, including";

(2) in subparagraph (A), by striking "adaptive physical education" and insert "adapted physical education and instructional and assistive technology services";

(3) in subparagraphs (B) through (D), by amending such subparagraphs to read as follows:

"(B) related services to infants, toddlers, children and youth with disabilities in educational settings, and other settings,

"(C) special education and other careers in preschool and early intervention services for infants and toddlers with disabilities,

"(D) special education leadership, including supervision and administration (at the advanced graduate, doctoral and post doctoral levels), special education research, and special education personnel preparation (at the doctoral and post doctoral levels), and".

(b) FURTHER AMENDMENTS TO SUBSECTION (a).—Section 631(a) of the Education of the Handicapped Act (20 U.S.C. 1431(a)) is amended—

(1) in paragraph (2)(A), after "shortages" insert "including the need for personnel in the provision of special education to children of limited-English proficiency";

(2) in paragraph (2)(B), by inserting before the period the following: ", and that include in their applications a detailed description of strategies that will be utilized to recruit and train members of minority groups and persons with disabilities";

(3) in paragraph (3), by adding at the end the following new sentence: "Minority students will have priority for receipt of any fellowships or traineeships made available by the institution under grants under paragraph (1)."; and

(4) in paragraph (4), by amending such paragraph to read as follows:

"(4) Any person receiving a fellowship under this subsection shall agree either to repay such assistance or to work for a period equivalent to the period of time during which such person received assistance, and such work shall be in an activity related to programs and activities such as those authorized under this Act. The Secretary may waive this requirement in extraordinary circumstances.".

(c) NEW PARAGRAPHS IN SUBSECTION (a).—Section 631(a) of the Education of the Handicapped Act (20 U.S.C. 1431(a)) is amended by adding at the end the following new paragraphs:

"(5) In making grants under subsection (a)(1), the Secretary may determine that a portion of training supported through such grants be conducted on an interdisciplinary basis, and shall be designed to assist special educators in properly coordinating service provision with related services personnel. Training programs funded under subsection (a)(1)(B) and (a)(1)(E) shall require practice to demonstrate the delivery of related services in an array of regular and special education and community settings.

"(6) The Secretary in carrying out paragraph (1) shall make grants to Historically Black Colleges and Universities, and other institutions of higher education whose minority student enrollment is at least 25 percent.".

(d) AMENDMENTS TO SUBSECTION (b).—Section 631(b) of the Education of the Handicapped Act (20 U.S.C. 1431(b)) is amended by striking "nonprofit agencies" and all that follows and inserting the following: "nonprofit agencies and organizations to develop and demonstrate effective ways for preservice training programs to prepare regular educators to work with children and youth with disabilities and their families; for training teachers to work in community and school settings with secondary school students with disabilities and their families; for inservice and preservice training of personnel to work with infants, toddlers, children, and youth with disabilities and their families; for inservice and preservice training of personnel to work with minority infants, toddlers, children, and youth with disabilities and their families; for preservice and inservice training of special education and related services personnel in the use of assistive and instructional technology to benefit infants, toddlers, children, and youth with disabilities; and for the recruitment and retention of special education, related services, and early intervention personnel. Both preservice and inservice training shall include a component that addresses the coordination among all service providers, including regular educators.".

(e) AMENDMENTS TO SUBSECTION (c)(2).—Section 631(c)(2) of the Education of the Handicapped Act (20 U.S.C. 1431(c)(2)) is amended—

(1) in subparagraph (A), by amending such subparagraph to read as follows:

"(A) be governed by a board of directors of which a majority of the members are parents of infants, toddlers, children, and youth with disabilities, particularly minority parents, and that includes members who are professionals, especially minority professionals, in the field of special education, early intervention, and related services, and individuals with disabilities, or, if the nonprofit private organization does not have such a board, such organization shall have a membership that represents the interests of individuals with disabilities, and shall establish a special governing committee of which a majority of the members are parents of infants, toddlers, children, and youth with disabilities, particularly minority parents, and which includes members who are professionals, especially minority professionals, in the field of special education, early intervention, and related services, to operate the training and information program under paragraph (1), and parent and professional membership of these boards or special governing committees shall be representative of the proportion of minority individuals in the area;";

(2) in subparagraph (B)—

(A) by striking "children" and inserting "infants, toddlers, children, and youth"; and

(B) by striking "handicapping" and inserting "disabling"; and

(3) in subparagraph (C), by inserting before the period the following: ", and, for purposes of paragraph (1), network with clearinghouses, including those established under section 633 and other organizations and agencies, and network with other established national, State, and local parent groups representing the full range of parents of infants, toddlers, children, and youth with disabilities, especially minority parent groups".

(f) AMENDMENTS TO SUBSECTION (c)(4).—Section 631(c)(4) of the Education of the Handicapped Act (20 U.S.C. 1431(c)(4)) is amended—

(1) in subparagraph (A), by striking "States" and all that follows and inserting the following: "States and give priority to the establishment of 5 new experimental parent training and information centers to serve large numbers of parents of children with disabilities located in high density areas that do not have such centers.";

(2) in subparagraph (B), by striking the period at the end and inserting a comma; and

(3) by adding at the the end the following new subparagraphs:

"(C) serve parents of minority children with disabilities representative to the proportion of the minority population in the areas being served, and

"(D) be funded at a level adequate to serve the parents in the area.".

(g) NEW PARAGRAPH IN SUBSECTION (c).—Section 631(c) of the Education of the Handicapped Act (20 U.S.C. 1431(c)) is amended by adding at the end the following new paragraph:

"(9) Effective for fiscal year 1991 and every year thereafter, the Secretary shall obtain data concerning programs and centers assisted under this subsection on—

"(A) the number of parents provided information and training by disability category of their children,

"(B) the types and modes of information or training provided,

"(C) strategies used to reach and serve minority parents of infants, toddlers, children, and youth with disabilities,

"(D) the number of parents served as a result of activities described under clause (iii),

"(E) activities to network with other information clearinghouses and parent groups as required in subsection (c)(2)(C), and

"(F) the number of agencies and organizations consulted with at the national, State, regional, and local levels.

The Secretary shall include a summary of this information in the annual report to Congress as required in section 618(g).".

(h) FURTHER AMENDMENTS TO SUBSECTION (c).—Section 631(c) of the Education of the Handicapped Act (20 U.S.C. 1431(c)) is amended—

(1) in paragraph (1), in the first and second sentences, by striking "parents of handicapped children" each place such term appears and inserting "parents of infants, toddlers, children, and youth with disabilities";

(2) in paragraph (5)—

(A) in subparagraph (E), by amending such subparagraph to read as follows:

"(E) obtain appropriate information about the range of options, programs, services, and resources available at the national, State, and local levels to assist infants, toddlers, children, and youth with disabilities and their families, and"; and

(B) in subparagraph (F), by striking "handicapped" and all that follows and inserting the following: "infants, toddlers, children, and youth with disabilities under this Act."; and

(3) in paragraph (7)—

(A) by striking "with appropriate agencies which" and insert the following: "and network with appropriate national, State, regional, and local agencies and organizations, such as protection and advocacy agencies, that"; and

(B) by striking "handicapped children and youth" and inserting "infants, toddlers, children, and youth with disabilities and their families".

SEC. 402. GRANTS TO STATE EDUCATIONAL AGENCIES AND INSTITUTIONS FOR TRAINEESHIPS.

Section 632(c) of the Education of the Handicapped Act (20 U.S.C. 1432(c)) is amended by inserting before the period the following: ", and for the purpose of assisting the State to develop and maintain its comprehensive system of personnel development and conduct recruitment and retention activities".

SEC. 403. CLEARINGHOUSES.

Section 633 of the Education of the Handicapped Act (20 U.S.C. 1433) is amended to read as follows:

"CLEARINGHOUSES

"SEC. 633. (a) The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, public agencies or private nonprofit organizations or institutions for the establishment of three national clearinghouses: on children and youth with disabilities; on postsecondary education for individuals with disabilities; and on careers in special education, to—

"(1) collect, develop, and disseminate information,

"(2) provide technical assistance,

"(3) conduct coordinated outreach activities,

"(4) provide for the coordination and networking with other relevant national, State, and local organizations and information and referral resources,

"(5) respond to individuals and organizations seeking information, and

"(6) provide for the synthesis of information for its effective utilization by parents, professionals, individuals with disabilities, and other interested parties.

"(b) The national clearinghouse for children and youth with disabilities shall:

"(1) Collect and disseminate information (including the development of materials) on characteristics of infants, toddlers, children, and youth with disabilities and on programs, legislation, and services relating to

their education under this Act and other Federal laws.

"(2) Participate in programs and services related to disability issues for providing outreach, technical assistance, collection, and dissemination of information; and promoting networking of individuals with appropriate national, State, and local agencies and organizations.

"(3) Establish a coordinated network and conduct outreach activities with relevant Federal, State, and local organizations and other sources for promoting public awareness of disability issues and the availability of information, programs, and services.

"(4) Collect, disseminate, and develop information on current and future national, Federal, regional, and State needs for providing information to parents, professionals, individuals with disabilities, and other interested parties relating to the education and related services of individuals with disabilities.

"(5) Provide technical assistance to national, Federal, regional, State and local agencies and organizations seeking to establish information and referral services for individuals with disabilities and their families.

"(6) In carrying out the activities in this subsection, the clearinghouse will include strategies to disseminate information to underrepresented groups such as limited English proficiency.

"(c) The national clearinghouse on postsecondary education for individuals with disabilities shall:

"(1) Collect and disseminate information nationally on characteristics of individuals entering and participating in education and training programs after high school; legislation affecting such individuals and such programs; policies, procedures, and support services, as well as adaptations, and other resources available or recommended to facilitate the education of individuals with disabilities; available programs and services that include, or can be adapted to include, individuals with disabilities; and sources of financial aid for the education and training of individuals with disabilities.

"(2) Identify areas of need for additional information.

"(3) Develop new materials (in both print and nonprint form), especially by synthesizing information from a variety of fields affecting disability issues and the education, rehabilitation, and retraining of individuals with disabilities.

"(4) Develop a coordinated network of professionals, related organizations and associations, mass media, other clearinghouses, and governmental agencies at the Federal, regional, State, and local level for the purposes of disseminating information and promoting awareness of issues relevant to the education of individuals with disabilities after high school and referring individuals who request information to local resources.

"(5) Respond to requests from individuals with disabilities, their parents, and professionals who work with them, for information that will enable them to make appropriate decisions about postsecondary education and training.

"(d) The national clearinghouse designed to encourage students to seek careers and professional personnel to seek employment in the various fields relating to the education of children and youth with disabilities shall:

"(1) Collect and disseminate information on current and future national, regional, and State needs for special education and related services personnel.

"(2) Disseminate information to high school counselors and others concerning current career opportunities in special education, location of programs, and various forms of financial assistance (such as scholarships, stipends, and allowances).

"(3) Identify training programs available around the country.

"(4) Establish a network among local and State educational agencies and institutions of higher education concerning the supply of graduates and available openings.

"(5) Provide technical assistance to institutions seeking to meet State and professionally recognized standards.

"(e)(1) In awarding grants, contracts, and cooperative agreements under this section, the Secretary shall give priority attention to any applicant with demonstrated experience (at the national level) in performing the functions established in this section; and with the ability to conduct such projects, communicate with intended consumers of information, and maintain the necessary communication with national, regional, State and local agencies and organizations.

"(2) In awarding grants, contracts, and cooperative agreements under this section, the Secretary shall give priority attention to any applicant with demonstrated experience (at the national level) in providing informational services to minorities and minority organizations.

"(3) The Secretary is authorized to make contracts through the clearinghouse with profit-making organizations only when necessary for materials or media access.

"(f)(1) Beginning in fiscal year 1991, and for each year thereafter, the Secretary shall obtain information on each project assisted under this section, including—

"(A) as appropriate, by disability category, the number of individuals served, including parents, professionals, students, and individuals with disabilities;

"(B) a description of responses utilized;

"(C) a listing of new products developed and disseminated; and

"(D) a description of strategies and activities utilized for outreach to urban and rural areas with populations of minorities and underrepresented and underserved groups.

"(2) A summary of the data required by this subsection shall be included in the annual report to Congress required under section 618 of this Act.".

SEC. 404. REPORTS TO SECRETARY.

Section 634(a) of the Education of the Handicapped Act (20 U.S.C. 1434(a)) is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(3) information required under section 631(c)(9) and section 633(f)(1).".

SEC. 405. AUTHORIZATION OF APPROPRIATIONS.

Section 635(a) of the Education of the Handicapped Act (20 U.S.C. 1435(a)) is amended to read as follows:

"(a)(1) There are authorized to be appropriated to carry out this part (other than sections 631(a)(6), 631(c), and 633) $86,900,000 for fiscal year 1990, $95,600,000 for fiscal year 1991, $105,150,000 for fiscal year 1992, $115,660,000 for fiscal year 1993, and $127,200,000 for fiscal year 1994.

"(2) There are authorized to be appropriated to carry out section 631(a)(6) $17,500,000 for fiscal year 1990, $19,250,000 for fiscal year 1991, $21,175,000 for fiscal year 1992, $23,292,500 for fiscal year 1993, and $25,621,750 for fiscal year 1994.

"(3) There are authorized to be appropriated to carry out section 631(c) $10,000,000 for fiscal year 1990, $11,000,000 for fiscal year 1991, $12,100,000 for fiscal year 1992, $13,300,000 for fiscal year 1993, and $14,600,000 for fiscal year 1994.

"(4) There are authorized to be appropriated to carry out section 633 $2,200,000 for fiscal year 1990, $2,420,000 for fiscal year 1991, $2,700,000 for fiscal year 1992, $2,900,000 for fiscal year 1993, and $3,200,000 for fiscal year 1994.".

TITLE V—RESEARCH IN EDUCATION OF HANDICAPPED INDIVIDUALS

SEC. 501. RESEARCH AND DEMONSTRATION PROJECTS IN EDUCATION OF HANDICAPPED CHILDREN.

Section 641 of the Education of the Handicapped Act (20 U.S.C. 1441) is amended to read as follows:

"IMPROVEMENT OF INSTRUCTION AND LEARNING OF CHILDREN WITH DISABILITIES

"SEC. 641. (a) The Secretary may make grants to, or enter into contracts or cooperative agreements with, State and local educational agencies, institutions of higher education, other public agencies and nonprofit private organizations for the purpose of advancing and improving the knowledge base and improve the practice of professionals, parents, and others providing early intervention, special education, and related services, including professionals who work with children and youth with disabilities in regular education environments, to provide such children effective instruction and enable them to successfully learn. The activities supported under this section shall support innovation, development, exchange, and use of such advancements in knowledge and practice designed to contribute to the improvement of instruction and learning of infants, toddlers, children, and youth with disabilities. In carrying out this section, the Secretary may support a wide range of research and related activities designed to—

"(1) advance knowledge about the provision of instruction and other interventions to infants, toddlers, children, and youth with disabilities including, but not limited to—

"(A) the organization, synthesis, and interpretation of current knowledge and the identification of knowledge gaps;

"(B) the identification of knowledge and skills competency needed by personnel providing special education, related services, and early intervention services;

"(C) the improvement of knowledge regarding the developmental and learning characteristics of infants, toddlers, children, and youth with disabilities in order to improve the design and effectiveness of interventions and instruction;

"(D) the evaluation of approaches and interventions;

"(E) the development of instructional strategies, techniques, and activities;

"(F) the improvement of curricula and instructional tools such as textbooks, media, materials, and instructional technology;

"(G) the development of assessment techniques, instruments (including tests, inventories, and scales), and strategies for measurement of progress and the identification, location, and evaluation of infants, toddlers, children, and youth with disabilities for the purpose of determining eligibility, program planning and placement for special education, related services and early intervention services. Particular attention should be

given to the development of alternative assessment procedures and processes for minority individuals and those with limited English proficiency;

"(H) the testing of research findings in practice settings to determine their application, usability, effectiveness, and generalizability;

"(I) the identification of environmental, organizational, resource, and other conditions necessary for effective professional practice; and

"(J) the improvement of knowledge regarding families, minorities, limited-English proficiency, and handicapping conditions; and

"(2) advance the utilization of knowledge by professionals and others providing special education, related services, and early intervention including, but not limited to—

"(A) the improvement of knowledge regarding how professionals and others providing special education, related services, and early intervention learn new knowledge and skills and strategies for effectively facilitating such learning in both preservice and in-service education;

"(B) the organization, integration, and presentation of knowledge so that it can be incorporated and imparted in personnel preparation and continuing education programs and other relevant training and communication vehicles; and

"(C) the expansion and improvement of networks that exchange knowledge and practice information, such as the Regional and Federal Resource Centers, the Clearinghouses, and the Technical Assistance to Parents Programs (TAPP) assisted under parts C and D of this Act, as well as the National Diffusion Network, the ERIC Clearinghouse on the Handicapped and Gifted, and the Child and Adolescent Service Systems Program (CASSP) under the National Institute of Mental Health, and other appropriate networks.

"(b) In carrying out subsection (a), the Secretary shall consider the special education, related services, or early intervention and research experience of applicants.

"(c) The Secretary shall publish proposed priorities under this part in the Federal Register every 2 years, not later than July 1, and shall allow a period of 60 days for public comments and suggestions. After analyzing and considering the public comments, the Secretary shall publish final priorities in the Federal Register not later than 60 days after the close of the comment period.

"(d) The Secretary shall provide an index (including the title of each project and the name and address of the funded organization) of all projects conducted under this part in the prior fiscal year in the annual report described under section 618. The Secretary shall make reports of projects available to the education community at large and to other interested parties.

"(e)(1) The Secretary shall make grants, or enter into contracts or cooperative agreements, for the establishment of model demonstration programs, of which some will be school-based models, that provide the services of an ombudsman to assist in resolving problems that are barriers to appropriate educational, related services, or other services for children and youth with disabilities.

"(2) Programs under paragraph (1) shall provide or identify personnel to assist children and youth with disabilities, their parents or guardians, special and regular education teachers, State and local education administrators, and related services personnel to resolve problems in a timely manner through dispute mediation and other methods, notwithstanding due process procedures, in order to further the delivery of appropriate education and related services. Participation in this program does not preclude or delay due process under this Act.

"(3) Ombudsman services for programs under paragraph (1) shall be provided by social workers, parent advocates, psychologists, and persons with similar qualifications designated by the Secretary.".

SEC. 502. RESEARCH AND DEMONSTRATION PROJECTS IN PHYSICAL EDUCATION AND RECREATION FOR HANDICAPPED CHILDREN.

Section 642 of the Education of the Handicapped Act (20 U.S.C. 1442) is amended by striking "recreation for handicapped children" each place such term appears and inserting "recreation for children with disabilities, including therapeutic recreation".

SEC. 503. PANELS OF EXPERTS.

Part E of the Education of the Handicapped Act (20 U.S.C. 1441 et seq.) is amended by striking section 643 and by redesignating section 644 as section 643.

SEC. 504. AUTHORIZATION OF APPROPRIATIONS.

Section 643 of the Education of the Handicapped Act, as redesignated by section 503 of this Act, is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 643. For purposes of carrying out this part, there are authorized to be appropriated $22,100,000 for fiscal year 1990, $24,300,000 for fiscal year 1991, $26,800,000 for fiscal year 1992, $29,400,000 for fiscal year 1993, and $32,400,000 for fiscal year 1994.".

TITLE VI—INSTRUCTIONAL MEDIA FOR HANDICAPPED INDIVIDUALS

SEC. 601. PURPOSES.

Section 651 of the Education of the Handicapped Act (20 U.S.C. 1451) is amended—

(1) by striking the subsection designation;

(2) in paragraph (1)—

(A) in subparagraph (A), by inserting "and television programs" after "those films";

(B) in subparagraph (B), by inserting " and television programs" after "these films";

(C) by striking "and" after the semicolon at the end of subparagraph (B); and

(D) by adding at the end the following new subparagraph:

"(D) utilizing educational media to help eliminate illiteracy among individuals with disabilities;";

(3) by striking the period at the end of paragraph (2) and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(3) the general welfare of visually impaired individuals by—

"(A) bringing to such individuals an understanding and appreciation of textbooks, films, television programs, video material, and other educational publications and materials that play such an important part in the general and cultural advancement of visually unimpaired individuals; and

"(B) ensuring access to television programming and other video materials.".

SEC. 602. CAPTIONED FILMS AND EDUCATIONAL MEDIA FOR HANDICAPPED INDIVIDUALS.

Section 652 of the Education of the Handicapped Act (20 U.S.C. 1452) is amended—

(1) in the heading for such section, by inserting ", TELEVISION, DESCRIPTIVE VIDEO," after "FILMS";

(2) in subsection (a), by inserting ", descriptive video" after "captioned films";

(3) in subsection (b)—

(A) in paragraph (3), by striking "captioning of films" and inserting "captioning for the hearing impaired, and video description for the visually impaired, of films, television programs, and video materials"; and

(B) in paragraph (4)—

(i) by striking "captioned films" and inserting "captioned and video-described films, video materials,"; and

(ii) inserting "or entities" after "agencies";

(4) in subsection (c)(3), by inserting ", educational, and social" after "cultural"; and

(5) by adding at the end the following new subsection:

"(d)(1) The Secretary is authorized to make a grant to, or enter into a contract with, Recording for the Blind, Inc., for the purpose of providing current, free textbooks and other educational publications and materials to blind and other print-handicapped students in elementary, secondary, postsecondary, and graduate schools and other institutions of higher education through the medium of transcribed tapes and cassettes.

"(2) For the purpose of this subsection, the term 'print-handicapped' refers to any individual who is blind or severely visually impaired, or who, by reason of a physical or perceptual disability, is unable to read printed material unassisted.".

SEC. 603. AUTHORIZATION OF APPROPRIATIONS.

Section 653 of the Education of the Handicapped Act (20 U.S.C. 1454) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 653. (a) For the purpose of carrying out section 652 (other than subsection (d)), there are authorized to be appropriated $18,200,000 for fiscal year 1990, $20,010,000 for fiscal year 1991, $22,010,000 for fiscal year 1992, $24,200,000 for fiscal year 1993, and $26,600,000 for fiscal year 1994.

"(b) For the purpose of carrying out section 652(d), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1990 through 1994.".

TITLE VII—TECHNOLOGY, EDUCATIONAL MEDIA, AND MATERIALS FOR HANDICAPPED INDIVIDUALS

SEC. 701. FINANCIAL ASSISTANCE.

Section 661 of the Education of the Handicapped Act (20 U.S.C. 1461) is amended—

(1) in the matter preceding paragraph (1), in the first sentence, by striking "provision of early intervention" and inserting "provision of related services and early intervention services";

(2) in paragraph (1)—

(A) by inserting "assistive technology," after "technology,"; and

(B) by striking "more effectively" and inserting "most effectively, efficiently, and appropriately";

(3) in paragraphs (2) through (4), by striking "new technology," each place such term appears and inserting "technology, assistive technology,";

(4) in paragraph (4), by inserting before the period at the end the following: ", where appropriate, to the Regional and Federal Resource Centers, the Clearinghouses, and the Technical Assistance to Parents Programs (TAPP) assisted under parts C and D, as well as the National Diffusion Network,

the ERIC Clearinghouse on the Handicapped and Gifted, and the Child and Adolescent Service Systems Program (CASSP) under the National Institute of Mental Health, and other appropriate networks";

(5)(A) by striking "and" at the end of paragraph (3);

(B) by striking the period at the end of paragraph (4) and inserting ", and"; and

(C) by adding at the end the following new paragraph:

"(5) examining how these purposes can address the problem of illiteracy among individuals with disabilities."; and

(6) by inserting "(a)" after the section designation and by adding at the end the following new subsection:

"(b)(1) With respect to new technology, media, and materials utilized with funds under this part to improve the education of students with disabilities, the Secretary shall make efforts to ensure that such instructional materials are closed-captioned.

"(2) The Secretary may not award a grant, contract, or cooperative agreement under paragraphs (1) through (4) of subsection (a) unless the applicant for such assistance agrees that activities carried out with the assistance will be coordinated, as appropriate, with the State entity receiving funds under title I of Public Law 100-407.".

SEC. 702. AUTHORIZATION OF APPROPRIATIONS.

Section 662 of the Education of the Handicapped Act (20 U.S.C. 1462) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 662. For the purpose of carrying out this part, there are authorized to be appropriated $12,130,000 for fiscal year 1990, $13,300,000 for fiscal year 1991, $14,700,000 for fiscal year 1992, $16,140,000 for fiscal year 1993, and $17,800,000 for fiscal year 1994.".

TITLE VIII—HANDICAPPED INFANTS AND TODDLERS

SEC. 801. DEFINITIONS.

Section 672(2)(E) of the Education of the Handicapped Act (20 U.S.C. 1472(2)(E)) is amended—

(1) by striking "and" after the comma at the end of clause (ix) and inserting "and" after the comma at the end of clause (x); and

(2) by adding at the end the following new clause:

"(xi) social work services,".

SEC. 802. REQUIREMENTS FOR STATEWIDE SYSTEM.

Section 676(b) of the Education of the Handicapped Act (20 U.S.C. 1476(b)) is amended—

(1) in paragraph (6), by inserting before the comma the following: ", including the preparation and dissemination by the lead agency to all primary referral sources of information materials for families on the availability of early intervention services";

(2) in paragraph (8), by inserting before the comma the following: ", including training of primary referral sources respecting the basic components of early intervention services available in the State"; and

(3)(A) by striking "and' at the end of paragraph (13), and by striking the period at the end of paragraph (14) and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(15) procedures for determining the extent to which primary referral sources, especially hospitals and physicians, disseminate information on the availability of early intervention services as required under paragraph (6) to parents of infants with disabilities.".

TITLE IX—TECHNICAL AMENDMENTS

SEC. 901. REVISION IN TERMINOLOGY.

(a) REVISION IN SHORT TITLE.—Section 601(a) of the Education of the Handicapped Act (20 U.S.C. 1400(a)) is amended by striking "This title" and all that follows and inserting the following: "This title may be cited as the 'Individuals With Disabilities Education Act'.".

(b) CONFORMING AMENDMENTS.—The Individuals With Disabilities Education Act (as so redesignated by subsection (a)) is amended—

(1) by striking "handicapped children and youth" each place such terms appear and inserting "children and youth with disabilities";

(2) by striking "handicapped child or youth" each place such terms appear and inserting "child or youth with disabilities";

(3) by striking "handicapped children", "Handicapped children", "HANDICAPPED CHILDREN", and "HANDICAPPED CHILDREN" each place such terms appear and inserting "children with disabilities", "Children with disabilities", "CHILDREN WITH DISABILITIES", and "CHILDREN WITH DISABILITIES", respectively;

(4) by striking "handicapped child" and "Handicapped child" each place such terms appear and inserting "child with disabilities" and "Child with disabilities", respectively ;

(5) by striking "handicapped youth", "Handicapped youth", "HANDICAPPED YOUTH", and "HANDICAPPED YOUTH" each place such terms appear and inserting "youth with disabilities", "Youth with disabilities", "YOUTH WITH DISABILITIES" and "YOUTH WITH DISABILITIES", respectively;

(6) by striking "handicapped infants and toddlers", "Handicapped infants and toddlers", "HANDICAPPED INFANTS AND TODDLERS", and "HANDICAPPED INFANTS AND TODDLERS" each place such terms appear and inserting "infants and toddlers with disabilities", "Infants and toddlers with disabilities", "INFANTS AND TODDLERS WITH DISABILITIES", and "INFANTS AND TODDLERS WITH DISABILITIES", respectively ;

(7) by striking "handicapped infant or toddler" and "Handicapped infant or toddler" each place such terms appear and inserting "infant or toddler with disabilities" and "Infant or toddler with disabilities", respectively ;

(8) by striking "handicapped student", "Handicapped student", "handicapped students", "handicapped students", and "Handicapped students" each place such terms appear and inserting "student with disabilities", "Student with disabilities", "students with disabilities", "students' with disabilities", and "Students with disabilities", respectively;

(9) by striking "handicapped individuals", "Handicapped individuals", "HANDICAPPED INDIVIDUALS", and "HANDICAPPED INDIVIDUALS" each place such terms appear and inserting "individuals with disabilities", "Individuals with disabilities", "INDIVIDUALS WITH DISABILITIES", and "INDIVIDUALS WITH DISABILITIES", respectively ;

(10) by striking "handicapped individual" and "Handicapped individual" each place such terms appear and inserting "individual with one or more disabilities" and "Individual with one or more disabilities", respectively ;

(11) by striking "handicapped", "Handicapped" (other than where such term appears in a reference to another Act), "HANDICAPPED", and "HANDICAPPED" each place such terms appear and inserting "disabled", "Disabled", "DISABLED", and "DISABLED", respectively;

(12) by striking "handicaps" and "Handicaps" each place such terms appear and inserting "disabilities" and "Disabilities", respectively;

(13) by striking "handicap" and "Handicap" each place such terms appear and inserting "disability" and "Disability", respectively; and

(14) by striking "handicapping" and "Handicapping" each place such terms appear and inserting "disabling" and "Disabling", respectively.

TITLE X—GENERAL PROVISIONS

SEC. 1001. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore. Is a second demanded?

Mr. BARTLETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. OWENS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Mr. Speaker, I yield myself such time as I may consume.

Many children with disabilities have benefited from the passage of Public Law 94-142 and its subsequent amendments. Today, we prepare to reauthorize the discretionary programs—parts CG of this monumental legislation—which have played a significant role in the determination of how education should be provided to these children. Each child with a disability needs a different set of approaches and services in order to guarantee a free appropriate public education. The design of the discretionary programs provides the framework needed when exploring ways in which we can meet the unique needs of each individual child.

Over the years, the activities and projects funded under the discretionary programs have been the catalyst for change. They have been instrumental in fostering new teaching methods and curriculum; promoting the dissemination of information; facilitating the availability of trained personnel; generating new perspectives in the resolution of persistent problems; and providing parents with vital information and training.

H.R. 1013 continues our responsibility to move this law into the 21st century in order to ensure this Nation's commitment to equal education and opportunity to all its citizens. More and more we see this great promise

under threat—whether due to acts of ommission or commission; failure to realize the significance of demographic changes among our school population, or by passively accepting the status quo.

It is close to scandalous that despite the fact that minority children make up a large portion of our public school population, we continue to ignore the need for minority participation in all areas of special education. To counter the shortages or minority professionals, teachers, and researchers, and the inequitable distribution of program funds, provisions have been made for recruitment, training, and retention of minorities to fill educational leadership roles in our schools.

The following changes have also been made:

In order to address the lack of options for our youth with disabilities to participate in postsecondary education, employment, and community living opportunities we have authorized a new initiative that will involve the State education agency and the State vocational rehabilitation agency in statewide systems change projects. Additionally, we are requiring that individualized education programs contain a statement regarding transition services and the agencies responsible.

The committee is requiring that recipients of funds for research projects describe their results in a format that will maximize the dissemination and usage of the research results by a variety of people using the clearinghouses and other resources as conducts for information.

H.R. 1013 also makes it very clear that a State is not immune from suit under the 11th amendment.

As part of the model demonstrations projects, we have established an ombudsman program to facilitate the settlement of problems that are barriers to the delivery of special education services, and to curtail the emotional, fiscal, and temporal costs to both parents and children anxious to achieve equitable services. It is a model that has its roots in the New York City advocay program so successful during the early 1980's.

The terminology of the act takes note of the fact that "handicapped" is no longer the preferred term for people with disabilities. Therefore, references to "handicaps" and "handicapped children" have been changed throughout the bill, as well as in the title of this act.

H.R. 1013 represents the need for change and reform. It contains a wide range of ideas and recommendations from the various disability organizations. I would like to thank these organizations for their input and cooperation throughout this long legislative process. Also, I would like to thank the ranking minority member, Mr. BARTLETT, for his work on the bill. It is my hope that the House will acknowledge the efforts of all involved and vote in support of this bill.

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

Mr. Speaker, I commend Chairman OWENS for bringing to us today a bipartisan bill that reflects the issues brought out by the our hearings on the discretionary programs under the Education of the Handicapped Act [EHA]. H.R. 1013 reauthorizes 13 discretionary grant programs currently funded under the Education of the Handicapped Act. Through these programs, the Federal Government directly funds a wide range of activities and programs related to personnel training, research, and model projects. Some of these activities and programs focus on specific disabilities, others on age groups or settings, or a combination of such. H.R. 1013 represents changes that strengthen and improve these programs so that they will continue to be a catalyst for providing access to and increasing the quality of education offered to children with disabilities.

We have come a long way in a year and half since we first began discussing this legislation and what improvements needed to be made. Our accomplishments have been met through true bipartisan negotiation and hard work. I think we can be proud of this legislation because it builds upon four basic principles:

First, a willingness to improve the status quo. While EHA is an excellent foundation, improvements can always be made to ensure a quality education for children with disabilities.

Second, we have made reality-based improvements in this legislation at both ends of the age cycle. By emphasizing transistion services for children with disabilities ready to leave the classroom, we have recognized the positive effects that Public Law 94-142 has had in the education of these children. This education must be carried into productive employment as the child enters adult life or we have lost all of the time, efforts, and dollars it took to educate that child.

By strengthening what hospitals and physicians must do in notifying parents about early intervention services, we have significantly increased the chances of that disabled baby going into the regular classroom when he begins school.

Third, we have prioritized spending. Recognizing that we have a crisis in transition, personnel preparation, and minority participation, this substitute directs significant funds to those three critical areas.

Fourth, this reauthorization has mobilized the Republicans and Democrats to seek significant increases for the basic State grant, the foundation of EHA. While I would have preferred that improvements in the State grant program be made in this bill, I think we have been successful in our goal. The House Budget Committee adopted the Republican recommendation of a $500 million increase over fiscal year 1990 postsequester appropriations for fiscal year 1991 and several members from this subcommittee testified before the Appropriations Committee demonstrating our unified bipartisan strong support for a significant increase.

Today, we are embarking on a 5-year reauthorization of these discretionary programs which meets the above principles with the hope that the changes we make will lead to children with disabilities graduating with the skills necessary to live independent and productive lives once they leave the classroom.

To that end, I am pleased that the chairman and I reached a reasonable compromise on the four major issues that form the cornerstone of this bill: Authorization levels, transition services, personnel preparation, and greater minority participation. In addition, the administration supports reauthorization of these programs and does not object to passage of H.R. 1013.

AUTHORIZATION LEVELS

Authorization levels are always compromises in that some Members want significantly higher levels and some of us want much lower levels. However, a 10-percent across-the-board increase for all programs except the new Seriously Emotionally Disturbed Program is a reasonable increase and achievable in the appropriations process. I am particularly excited that the new transition initiative will be funded at $25 million and receive increases of 10 percent per year throughout the reauthorization period.

TRANSITION SERVICES

While we have made enormous progress in educating and mainstreaming children with disabilities during their school years, we have not been so successful at providing the skills necessary for them to succeed after graduation. There is a crisis today in transitioning graduating disabled students to employment, postsecondary education, and community participation.

According to the 12th Annual EHA Report to Congress, 238,579 disabled children left school in 1987-88, and only 42 percent of these children graduated and received a high school diploma. During that same school year, 27.4 percent of students with disabilities dropped out. Less than half of the students that graduate have full- or part-time employment a year after they graduate. While 70 percent of these students have done some type of productive work after they graduate such as volunteer work, sheltered employment, or homemaking, 30 percent of

these kids are sitting at home doing absolutely nothing.

A stronger commitment to transition services is long overdue. It makes both economic and practical sense to end this crisis. In an effort to reverse that trend, we have made three major changes to the act which improve a student's transition from school to adult life.

First, and most important, this substitute requires that transition services be part of the child's IEP beginning at age 16 and when appropriate, at age 14 or younger. This will ensure that those children who need transition services will receive them through the IEP process.

Second, we define the term "transition services" so that schools, parents, providers, and other agencies understand exactly what we mean. During the hearings, witnesses testified that transition can mean several different things depending on the individual child. This subsitute provides a definition that coordinates a set of activities for the student that is outcome oriented and promotes movement from school to integrated employment, postsecondary education, vocational training, continuing and adult education, adult services, independent living, or community participation. This set of activities must be based on a student's needs, preferences, and interests.

Finally, this substitute creates a new competitive State grant program to assist States in developing and improving transition services for youth with disabilities from age 14 through the age when they exit school. This new initiative offers an opportunity for State education agencies and State vocational rehabilitation agencies to plan together to better serve our youth with disabilities. This initiative will encourage cooperation and coordination at all levels of the service delivery system, including the participation of private industry councils and local employment offices. Entities like these could and should be more involved in providing transition service to targeted youth.

We anticipate that this new transition program will prepare students with disabilities to enter adulthood and lead successful, productive, and independent lives.

PERSONNEL PREPARATION

We are also facing a crisis in personnel preparation for special education teachers. This substitute makes several improvements to meet that crisis. In 1987-88, there was a shortage of 26,500 special education teachers. In addition, 15,500 more related services personnel were needed in 1987-88. Trained personnel are a critical factor if we expect the mandates in EHA to be met.

This substitute does several things that will allow us to meet our personnel needs:

First, requires inservice and preservice training to special education personnel, related services personnel, and early intervention personnel.

Second, requires preservice training for regular educators in an effort to train them to work with students with disabilities in the regular classroom.

Third, requires students receiving fellowships to either work in special education for the period of time that the student received the fellowship or repay the fellowship.

Fourth, requires the State to describe how they will ensure that there will be an adequate supply of qualified special education personnel to meet the educational needs of children with disabilities.

Without qualified special education teachers we can never expect our disabled children to reach their full potential and be prepared to enter adulthood.

MINORITY PARTICIPATION

Another major emphasis of this substitute is reaching out to minorities to improve and provide better services to minority children with disabilities and to recruit minority teachers into the special education classroom. I support these goals and believe that efforts need to be made to increase minority participation in the discretionary programs. This bill accomplishes that goal in several ways.

First, it provides a $17.5 million line item to historically black colleges and universities and other universities serving 25 percent or more minorities to recruit and train students in special education.

Second, it provides outreach services to historically black colleges and universities, universities with 25 percent or more minorities, nonprofit and forprofit agencies at least 51 percent owned by minorities and underrepresented populations to enable these institutions to increase their participation for grants funded by these discretionary programs.

Third, it stipulates that grants for these programs will be awarded to those applicants who are qualified to conduct the activity funded by the grant and have expertise in, and a record of, successfully recruiting, retaining, graduating, and promoting minority individuals and individuals with disabilities. This will allow all grantees to focus services on minority individuals with disabilities.

And, fourth, it gives minority students first priority when awarding fellowships in special education training.

I believe these changes will meet our goals to increase minority participation in these discretionary programs and provide better services to minority children with disabilities.

We have spent a long time developing this bipartisan proposal and I believe this bill demonstrates this subcommittee's commitment to build upon a strong foundation and add programmatic initiatives in the area of demonstrated needs. I again commend the chairman on his hard work in developing programs that will work in the 1990's.

Mr. GUNDERSON. I am very pleased to be able to add my support to the bipartistan reauthorization of the discretionary programs of the Education of the Handicapped Act, H.R. 1013. It is very appropriate that we are voting on H.R. 1013. It is very appropriate that we are voting on H.R. 1013 after recently passing landmark civil rights legislation for individuals with disabilities, the Americans with Disabilities Act. Both acts are empowering pieces of legislation that bring individuals with disabilities into mainstream America.

Since 1975 when the Education of the Handicapped Act was first enacted, the number of individuals with disabilities receiving help has grown dramatically. Based upon last December's special education enrollment, over 4.4 million children with disabilities are being served. These children will have a much better opportunity to become the productive members of our work force that our economy and country needs.

This act also recognizes the needs of several new categories of individuals with disabilities. Students with traumatic brain injury, autism, and attention deficit disorder have been specifically added to the definition of handicapped children. These students will now be eligible for services under this act.

The discretionary programs of the Education of the Handicapped Act provide the leadership and direction for future special education services. For example, the transition process outlined in this reauthorization will provide the support that students with disabilities need to make the move from the public schools into employment, postsecondary vocation education, or other appropriate adult services.

I am pleased to see that the transition initiative lays a firm foundation for coordinating future services with the Carl Perkins Vocational Education Act, the Job Training Partnership Act, and the Vocational Rehabilitation Act. It is my feeling that all of these pieces of legislation must provide a unified effort at the Federal, State, and local level to accomplish the goal of helping all Americans with disabilities become productive.

As a member of the board of Gallaudet College and a strong advocate for deaf education, I am pleased to see several items that relate to deaf and hearing impaired individuals. Specifically, the requirement that instructional materials developed with technology, educational media, and materials grant funds are closed captioned is a very positive requirement. Also, the doubling of authorization for the four regional postsecondary education programs for deaf students to $4 million is very encouraging.

Again, Mr. Speaker, I would like to emphasize my belief that the bipartisan passage of the Americans With Disabilities Act will not be as meaningful without programs like the Edu-

cation of the Handicapped Act, the Carl Perkins Act, the Job Training Partnership Act, and the Vocational Rehabilitation Act. These programs working together empower individuals with disabilities to lead useful and satisfying lives.

Mr. GOODLING. Mr. Speaker, I rise in strong support of the Education of the Handicapped Act Amendments of 1990, H.R. 1013. The reason is simple. The Education of the Handicapped Act has been, and through these amendments, will continue to be an investment in and commitment to our children with disabilities.

This bill reauthorizes the discretionary programs under the act, programs that fund teacher training, research and evaluation efforts, and model demonstrations for youngsters of all ages with various disabilities. These discretionary programs are authorized through fiscal year 1994, at funding levels each year that most likely would exceed inflation.

For the record I would like to provide an overview of the Education of the Handicapped Act and to outline key amendments included in our reauthorization bill.

The Education of the Handicapped Act [EHA] authorizes funding for two types of programs. The first type is a State grant program, known as Public Law 94-142, part B, that provides moneys to State education agencies to help support educational programs for children with disabilities, provided primarily through local education agencies, as well as intermediate education units. This State grant program, unlike the discretionary programs we are considering today, is permanently authorized. It was enacted in its present form in 1975. Since that time it was substantially amended once in 1986, creating additional incentives and mandating services for 3- and 5-year-old children with disabilities by fiscal year 1990 or 1991, depending on the level of appropriations.

The second type is 14 discretionary grant programs, parts C through H of EHA. As I have indicated, through these programs the Department of Education directly funds a wide range of activities and programs related to personnel training, research, and model projects. Some of these activities and programs focus on specific disabilities, others on age groups or settings, or combinations of such. They may involve direct service to children, or they may involve providing information and services that indirectly benefit children with disabilities.

Thirteen of these discretionary programs would have expired on September 30, 1989, except that they were automatically extended for an additional year, in the absence of a reauthorization, through the General Education Provisions Act. One discretionary program that is not affected by the September 30, 1989 expiration date, is part H of EHA, originally authorized in 1986. Through a State grant program, part H provides a heavy emphasis on interagency collaboration and coordination, authorizing early intervention services for infants through age 2 with disabilities. It expires in fiscal year 1991.

Now I will briefly describe the purposes of the 13 programs we are reauthorizing in H.R. 1013.

Resource centers: Section 621 authorizes regional resource centers and one Federal resource center. The principal purpose of these centers is to provide technical assistance to Sates related to Public Law 94-142—what it means, how to implement it, how to judge one's efforts in such implementation, and how to solve problems related to implementation. In H.R. 1013 we have amended this section to clarify the role of the regional resource centers, and to do this through a participatory process involving those who would direct, operate, or benefit from center activities.

Programs for the severely disabled: EHA authorizes two discretionary programs related to types or severity of disability—one for deaf-blind children and youth—section 622, and one for children with severe disabilities—section 624. Under both programs a broad range of activities are permitted.

In the deaf-blind programs support is given for diagnosis and evaluation of children who are deaf-blind; for programs that provide adjustment and transition training for such children, as well as youth and young adults who are deaf-blind; for consultation to and training of personnel who work with such children, as well as other technical assistance activities. In the severely handicapped program, funding is also allowed for similar activities as long as they focus on children with severe disabilities.

In H.R. 1013 we have amended the deaf-blind program by clarifying that funds authorized under this program can only be used in initiatives pertaining to such children, and by authorizing the creation of a national clearinghouse on deaf-blindness given the unique and specific needs of these children, their families, and those that work with them.

In the program for the severely disabled we have added the authority to fund system change projects, to encourage greater interagency collaboration in providing services to these children and their families, especially within their communities.

Age-related programs: Three of the 13 discretionary programs under EHA are age related; one for early education for handicapped children—section 623, one for students with disabilities about ready to exit the school system—section 626; and one to support postsecondary programs for students with disabilities—section 625. As with the other discretionary programs, a variety of programs and activities may be funded. However, the early education program emphasizes model demonstrations and a significant amount of the postsecondary program funds are spent on programs for deaf youth and young adults.

We amended the early education of children with disabilities program, clarifying that technical assistance projects funded under this program should assist agencies funded under the early intervention program, part H of EHA. For the postsecondary program, we increased from $2 to $4 million the amount authorized for the four regional postsecondary programs for the deaf, in keeping with one of the recommendations of the Commission on Deaf Education.

One of our most significant amendments was the creation, under section 626, of a new, competitive State grant program, authorized initially at $25 million, to assist States to develop more effective services for helping disabled youth to make the transition from school to adult life. To facilitate this end, the amendments require State education agencies and State vocational rehabilitation agencies to submit joint applications. My colleague from Texas, the ranking Republican on the Subcommittee on Select Education, is the author of this new program, and is to be commended for his efforts and vision.

In another major initiative, we created a new section 627, authorizing funding for research, evaluation, training, and model demonstration efforts targeted at children with severe emotional disturbance, their families, and those that work with them. Some emphasis is given to community-based initiatives that should result in more of these children living at home and attending local schools.

Personnel preparation and parent training: The largest discretionary program being reauthorized deals with personnel preparation—part D. As the program name implies, this program supports the full range of inservice and preservice training programs for special education and related service personnel, both direct service personnel like teachers, as well as indirect service personnel such as administrators. This program also funds parent information and training centers, in all but nine States, that help parent work effectively with schools. Moreover, the program gives training grants to States and supports clearinghouses on a variety of information, for example, higher education for students with disabilities and careers in special education.

H.R. 1013 amends part D in several respects: It requires recipients of fellowships to work with disabled students or repay fellowships; it clarifies and expands the role of clearinghouses; and authorizes the establishment of five parent training and information centers in high density areas that do not currently have centers.

Basic and applied research and demonstration programs: EHA contains three discretionary programs that support basic and applied research and demonstration initiatives—parts of part C and part E; support instructional media and captioning activities—part F; and support technology-related activities—part G.

H.R. 1013 amends the research program to redirect funding to efforts that will more likely and immediately affect the practice of teaching, through funding research that examines how teachers learn and apply new knowledge and skills, how to most effectively ensure that new information gets incorporated into teacher-preparation curricula, and how to improve access and use of new information through networks and other means.

Other amendments to EHA:

New comprehensive planning process: H.R. 1013 directs the Secretary to establish a comprehensive planning process through which the goals, objectives, strategies, and priorities for the 13 discretionary programs and the evaluation and program information section—section 618—under Public Law 94-142 would be developed. The Secretary would be required to involve outside groups in this process. In addition, the Secretary is directed to conduct independent evaluations of them.

Expansion and clarification of information about personnel submitted by State education

agencies: The primary purpose of these amendments is to obtain more accurate and specific information about personnel shortages and about personnel with temporary or provisional certification. These amendments also require States to specify how they would address identified shortages; provide current best practice information to personnel; and increase the number of personnel from minority groups.

Revision and expansion in evaluation of and program information about State efforts to comply with Public Law 94-142: H.R. 1013 amends section 618, the evaluation program under EHA, specifically authorizing the Department of Education to fund a wide range of activities to assist States document, assess, explore, implement, and disseminate policies, procedures, and practices that affect children with disabilities. H.R. 1013 also authorizes seven national studies to look at such issues as, where children with certain disabilities are placed for their education—for example, in segregated versus integrated settings; what types of related services—for example, occupational therapy, physical therapy—children with disabilities tend to receive; and how children with disabilities from minority groups are served.

As this information about EHA and amendments to it suggest, the 13 discretationary programs play a central role in strengthening and complementing Public Law 94-142 which mandates the availability of a free appropriate public education to each of the 4.3 million children with disabilities in this Nation. These programs provide the glue, the infrastructure, and the focus that will result in qualitative improvements in how we serve our special children tomorrow and in the next century.

The differences, the amendments in H.R. 1013 will bring in the lives of disabled children, will not be judged in terms of dollars, but in terms of new opportunities, better teachers, more meaningful choices, opened minds, manageable challenges, and increased cooperation. I urge our colleagues to join me in supporting H.R. 1013.

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Mr. BARTLETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. OWENS of New York. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from New York [Mr. OWENS] that the House suspend the rules and pass the bill, H.R. 1013, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend the Education of the Handicapped Act to revise and extend the programs established in parts C through G of such act, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1013, the bill just passed.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the Senate bill (S. 1824) to reauthorize the Education of the Handicapped Act, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1824

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 "Education of Individuals with Disabilities Act of 1989".

SEC. 2. DEFINITIONS.

Section 602(a) of the Education of the Handicapped Act (hereinafter referred to as "the Act") is amended—

(1) by amending paragraph (1) to read as follows:

"(1) The term 'children with disabilities' means children—

"(A) with—

"(i) mental retardation;

"(ii) hearing impairments, including deafness;

"(iii) speech or language impairments;

"(iv) visual impairments, including blindness;

"(v) serious emotional disturbances;

"(vi) orthopedic impairments;

"(vii) autism;

"(viii) head injuries;

"(ix) other health impairments; or

"(x) specific learning disabilities; and

"(B) who, by reason thereof, need special education and related services.";

(2) in paragraph (17) by inserting "social work services," after "psychological services,"; and

(3) by inserting at the end thereof the following new paragraphs:

"(24) The term 'assistive technology device' means any item, piece of equipment, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities.

"(25) The term 'assistive technology service' means any service that directly assists an individual with a disability in the selection, acquisition, or use of an assistive technology device. Such term includes—

"(A) the evaluation of the needs of an individual with a disability, including a functional evaluation of the individual in the individual's customary environment;

"(B) purchasing, leasing, or otherwise providing for the acquisition of assistive technology devices by individuals with disabilities;

"(C) selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing, or replacing of assistive technology devices;

"(D) coordinating and using other therapies, interventions, or services with assistive technology devices, such as those associated with existing education and rehabilitation plans and programs;

"(E) training or technical assistance for an individual with disabilities, or, where appropriate, the family of an individual with disabilities; and

"(F) training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers, or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of individuals with disabilities.".

SEC. 3. WAIVER OF STATE IMMUNITY.

Part A of the Act is amended by inserting the following new section 604 after section 603:

"WAIVER OF STATE IMMUNITY

"(a) A State shall not be immune under the eleventh amendment of the Constitution of the United States from suit in Federal court for a violation of this Act.

"(b) In a suit against a State for a violation of this Act, remedies (including remedies both at law and in equity) are available for such a violation to the same extent as such remedies are available for such a violation in the suit against any public entity other than a State.

"(c) The provisions of subsections (a) and (b) shall take effect with respect to violations that occur in whole or in part after the date of enactment of the Education of Individuals with Disabilities Act of 1989.".

SEC. 4. ADMINISTRATIVE PROVISIONS.

Part A of the Act is amended by inserting the following new section 610 after section 609:

"ADMINISTRATIVE PROVISIONS

"SEC. 610. (a) PRIORITY.—In awarding grants, contracts, and cooperative agreements under parts C through G of this Act, the Secretary, where appropriate, shall require applicants to demonstrate how they will address, in whole or in part, the needs of infants, toddlers, children, and youth with disabilities from the diversity of racial, ethnic, and linguistic backgrounds.

"(b) DISSEMINATION.—The Secretary shall require recipients of all grants, contracts and cooperative agreements under parts C through G of this Act to prepare procedures, findings, and other relevant information in a form that will maximize the dissemination and use of such procedures, findings, and information. The Secretary may require the delivery of such procedures, findings, and information to appropriate networks that exchange knowledge and practice information, including, but not limited to, the National Diffusion Network authorized under section 1562 of the Elementary and Secondary Education Act of 1965, regional resource centers authorized under section 621 of this Act, appropriate clearinghouses authorized under section 633 of this Act, appropriate parent and professional organizations, and organizations representing individuals with disabilities.

"(c) SITE VISIT.—The Secretary shall conduct at least 1 site visit for each grant, contract, and cooperative agreement receiving $300,000 or more annually under parts C through G of this Act.".

SEC. 5. STATE PLANS.

Section 613(a)(3) of the Act is amended to read as follows:

"(3) describe, consistent with the purposes of this Act, a comprehensive system of personnel development that shall include—

"(A) a description of the procedures and activities the State will undertake to ensure an adequate supply of qualified special education and related services personnel, including—

"(i) the development and maintenance of a system for determining, on an annual basis—

"(I) the number and type of personnel, including leadership personnel, that are employed in the provision of special education and related services, by area of specialization, including the number of such personnel who are employed on an emergency, provisional, or other basis, who do not hold appropriate State certification or licensure; and

"(II) the number and type of personnel, including leadership personnel, needed, and a projection of the numbers of such personnel that will be needed in five years, based on projections of individuals to be served, retirement and other leaving of personnel from the field, and other relevant factors;

"(ii) the development and maintenance of a system for determining, on an annual basis, the institutions of higher education within the State that are preparing special education and related services personnel, including leadership personnel, by area of specialization, including—

"(I) the numbers of students enrolled in such programs, and

"(II) the number who graduated with certification or licensure, or with credentials to qualify for certification or licensure, during the past year; and

"(iii) the development, updating, and implementation of a plan that—

"(I) will address current and projected special education and related services personnel needs, including the need for leadership personnel; and

"(II) coordinates and facilitates efforts among State and local educational agencies, institutions of higher education, and professional associations to recruit, prepare, and retain qualified personnel, including personnel from diverse racial, ethnic, and linguistic backgrounds, and personnel with disabilities; and

"(B) a description of the procedures and activities the State will undertake to ensure that all personnel necessary to carry out this part are appropriately and adequately prepared, including—

"(i) a system for the continuing education of regular and special education and related services personnel;

"(ii) procedures for acquiring and disseminating to teachers, administrators, and related services personnel significant knowledge derived from education research and other sources; and

"(iii) procedures for adopting, where appropriate, promising practices, materials, and technology.".

SEC. 6. EVALUATION.

Section 618 of the Act is amended to read as follows:

"EVALUATION

"SEC. 618. (a) The Secretary shall, directly or by grant, contract, or cooperative agreement, collect data—

"(1) to assess progress in the implementation of this Act;

"(2) to assess the impact and effectiveness of State and local efforts, and efforts by the Secretary of the Interior, to provide—

"(A) free appropriate public education to children and youth with disabilities; and

"(B) early intervention services to infants and toddlers with disabilities; and

"(3) to provide—

"(A) Congress with information relevant to policymaking; and

"(B) State, local, and Federal agencies, including the Department of the Interior, with information relevant to program management, administration, and effectiveness with respect to such education and early intervention services.

"(b)(1) In carrying out subsection (a), the Secretary, on at least an annual basis (except as provided in subparagraph (E)), shall obtain data concerning programs and projects assisted under this Act and under other Federal laws relating to infants, toddlers, children, and youth with disabilities, and such additional information, from State and local educational agencies, the Secretary of the Interior, and other appropriate sources, including designated lead agencies under part H of this Act, including—

"(A) the number of infants, toddlers, children, and youth with disabilities in each State receiving a free appropriate public education or early intervention services—

"(i) in age groups 0-2 and 3-5, and

"(ii) in age groups 6-11, 12-17, and 18-21, by disability category;

"(B) the number of children and youth with disabilities in each State, by disability category, who—

"(i) are participating in regular educational programs (consistent with the requirements of section 612(5)(B) and 614(a)(1)(C)(iv));

"(ii) are in separate classes, separate schools or facilities, or public or private residential facilities; or

"(iii) have been otherwise removed from the regular education environment;

"(C) the number of children and youth with disabilities exiting the educational system each year through program completion or otherwise, by disability category, for each year of age from age 14 through 21;

"(D) the number and type of personnel that are employed in the provision of—

"(i) special education and related services to children and youth with disabilities, by disability category served; and

"(ii) early intervention services to infants and toddlers with disabilities; and

"(E) at least every three years, using the data collection method the Secretary finds most appropriate, a description of the services expected to be needed, by disability category, for youth with disabilities in age groups 12-17 and 18-21 who have left the educational system.

"(2) Beginning with fiscal year 1992, the Secretary shall obtain and report data from the States under section 613(a)(3)(A), including data addressing current and projected special education and related services needs, and data on the number of personnel who are employed on an emergency, provisional, or other basis, who do not hold appropriate State certification or licensure, and other data for the purpose of meeting the requirements of this subsection pertaining to special education and related services personnel.

"(3) The Secretary shall provide, directly or by grant, contract, or cooperative agreement, technical assistance to State agencies providing the data described in paragraphs (1) and (2) to achieve accurate and comparable information.

"(c)(1)(A) The Secretary is authorized to conduct activities, directly or by grant, contract, or cooperative agreement, to prepare an annual report on the progress being made toward the provision of—

"(i) a free appropriate public education to all children and youth with disabilities; and

"(ii) early intervention services for infants and toddlers with disabilities.

"(B) Not later than 120 days after the close of each fiscal year, the Secretary shall transmit a copy of the report authorized under subparagraph (A) to the appropriate committees of each House of Congress. The annual report shall be published and disseminated in sufficient quantities to the education community at large and to other interested parties.

"(2) The Secretary shall include in each annual report under paragraph (1)—

"(A) a compilation and analysis of data gathered under subsection (b); and

"(B) a description of findings and determinations resulting from monitoring reviews of State implementation of this part.

"(3) In the annual report under paragraph (1) for fiscal year 1991 (which is published in 1992) and for every third year thereafter, the Secretary shall include in the annual report—

"(A) an index of all current projects funded under parts C through G of this Act; and

"(B) data reported under sections 622 and 634.

"(4) The Secretary shall include in each annual report under paragraph (1) the results of research and related activities conducted under part E of this Act that the Secretary determines are relevant to the effective implementation of this Act.

"(5) The Secretary shall, in consultation with the National Council on Disability and the Bureau of Indian Affairs Advisory Committee for Exceptional Children, include a description of the status of early intervention services for infants and toddlers with disabilities from birth through age 2, and special education and related services to children with disabilities from 3 through 5 years of age (including those receiving services through Head Start, developmental disabilities programs, crippled children's services, mental health/mental retardation agencies, and State child-development centers and private agencies under contract with local schools).

"(d) There are authorized to be appropriated $3,594,000 for each of the fiscal years 1990, 1991, 1992, 1993, and 1994 to carry out this section.".

SEC. 7. REGIONAL RESOURCE AND FEDERAL CENTERS.

(a) IN GENERAL.—Section 621(a) of the Act is amended in the first sentence by inserting "that focus on special education, related services, and early intervention" before the period.

(b) COORDINATING TECHNICAL ASSISTANCE CENTER.—Section 621(d) of the Act is amended by inserting at the end thereof the following new sentence: "Such coordinating technical assistance center is authorized to—

"(1) provide information to, and training for, agencies, institutions, and organizations, regarding techniques and approaches for submitting applications for grants, contracts, and cooperative agreements under this part and parts D through G, and shall make such information available to the regional resource centers on request;

"(2) give priority to providing technical assistance concerning the education of children with disabilities from diverse racial, ethnic, and linguistic backgrounds;

"(3) exchange information with, and, where appropriate, cooperate with, other centers addressing the needs of children with disabilities from diverse racial, ethnic, and linguistic backgrounds; and

"(4) provide assistance to State educational agencies, through the regional resource centers, for the training of hearing officers.".

SEC. 8. SERVICES FOR DEAF-BLIND CHILDREN AND YOUTH.

Section 622 of the Act is amended—

(1) in subsection (a)(1) by inserting "; local educational agencies and designated lead agencies under part H of this Act" after "State educational agencies";

(2) in subsection (a)(1)(A) by—

(A) inserting "infants, toddlers," before "children and youth"; and

(B) striking "special education and related services" and inserting in lieu thereof "special education, early intervention, and related services";

(3) in subsection (a)(1)(B) by striking "youth, upon attaining the age of twenty-two," and inserting "individuals"; and

(4) by amending subsection (a)(2) to read as follows:

"(2)(A) A grant, cooperative agreement, or contract may be made under paragraph (1)(A) only for programs providing—

"(i) technical assistance to agencies, institutions, or organizations providing educational or early intervention services to deaf-blind infants, toddlers, children, or youth;

"(ii) preservice or inservice training to paraprofessionals, professionals, or related services personnel preparing to serve, or serving, deaf-blind infants, toddlers, children, or youth;

"(iii) replication of successful innovative approaches to providing educational, early intervention, or related services to deaf-blind infants, toddlers, children, and youth;

"(iv) pilot projects that are designed to—

"(I) expand local educational agency capabilities by providing services to deaf-blind children and youth that supplement services already provided to children and youth through State and local resources; and

"(II) encourage eventual assumption of funding responsibility by State and local authorities;

"(v) research to identify and meet the full range of special needs of such deaf-blind infants, toddlers, children, and youth;

"(vi) the development, improvement, or demonstration of new or existing methods, approaches, or techniques that contribute to the adjustment and education of deaf-blind infants, toddlers, children, and youth; or

"(vii) facilitation of parental involvement in the education of their deaf-blind infants, toddlers, children, and youth.

"(B) The programs described in subparagraph (A) may include—

"(i) the diagnosis and educational evaluation of infants, toddlers, children, and youth who are likely to be diagnosed deaf-blind;

"(ii) programs of adjustment, education, and orientation for deaf-blind infants, toddlers, children, and youth; and

"(iii) consultative, counseling, and training services for the families of deaf-blind infants, toddlers, children, and youth.";

(5) in subsection (a)(3)—

(A) in subparagraph (A), by striking "who have attained age twenty-two years"; and

(B) in subparagraph (C), by striking "rehabilitative, semisupervised," and inserting "rehabilitative, supervised, semisupervised,";

(6) by amending subsection (a)(4) to read as follows:

"(4) In carrying out this subsection, the Secretary shall take into consideration the availability and quality of existing services for deaf-blind infants, toddlers, children, and youth in the country, and, to the extent practicable, ensure that all parts of the country have an opportunity to receive assistance under this subsection.";

(7) by amending subsection (b) to read as follows:

"(b) In order to accomplish the objectives of subsection (a), the Secretary is also authorized to make grants, or enter into contracts or cooperative agreements, to establish and support single and multi-State centers to provide technical assistance for program development and expansion for the education of deaf-blind infants, toddlers, children, and youth, and their families, and pilot projects as described under subsection (a)(2)(A)(iv).";

(8) by amending subsection (d) to read as follows:

"(d) The Secretary shall enter into a cooperative agreement with an institution of higher education, public agency, or private nonprofit organization or institution for a national center on deaf-blindness. Such center shall disseminate materials and information concerning effective practices in working with deaf-blind infants, toddlers, children, and youth."; and

(9) by striking subsections (e) and (f).

SEC. 9. EARLY EDUCATION FOR CHILDREN WITH DISABILITIES.

(a) The heading of section 623 of the Act is amended to read as follows:

"EARLY EDUCATION FOR CHILDREN WITH DISABILITIES"

(b) Section 623 of the Act is amended—

(1) in subsection (a)(1) by—

(A) inserting "or other communication mode, and" after "speech" in subparagraph (A);

(B) striking "and" at the end of subparagraph (D);

(C) striking the period at the end of subparagraph (E) and inserting in lieu thereof a comma; and

(D) inserting the following new subparagraphs at the end thereof:

"(F) facilitate and improve the early identification of infants and toddlers with disabilities or those infants and toddlers at risk of having developmental disabilities,

"(G) facilitate the transition of infants with disabilities or infants at risk of having developmental delays, from medical care to early intervention services, and the transition from early intervention services to preschool special education or regular education services (especially where the lead agency for early intervention programs under part H of this Act is not the State educational agency),

"(H) promote the use of assistive technology devices and assistive technology services, where appropriate, to enhance the development of infants and toddlers with disabilities, and

"(I) increase the understanding of, and address, the early intervention and preschool needs of children exposed prenatally to maternal substance abuse.";

(2) by inserting the following new subsection (g) at the end thereof:

"(g) The Secretary may make grants to, or enter into contracts or cooperative agreements with, institutions of higher education and nonprofit private organizations to synthesize the knowledge developed under this section and organize, integrate, and present such knowledge so it can be incorporated and imparted to parents, professionals, and others providing or preparing to provide preschool or early intervention services and to persons designing preschool or early intervention programs.".

SEC. 10. PROGRAMS FOR CHILDREN WITH SEVERE DISABILITIES.

(a) The heading of section 624 of the Act is amended to read as follows:

"PROGRAMS FOR CHILDREN WITH SEVERE DISABILITIES"

(b) Section 624 of the Act is amended—

(1) in subsection (a) by inserting "special education, related services, and early intervention" after "address the";

(2) in subsection (a)(1) by inserting "education, related services, and early intervention" after "special";

(3) in subsection (a)(3) by—

(A) inserting "special and regular education, related services, and early intervention" before "personnel"; and

(B) inserting "infants, toddlers," after "such"; and

(4) by inserting at the end thereof the following new subsection (d):

"(d) The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, public or private nonprofit agencies, institutions, or organizations for the development and operation of extended school year demonstration programs for children and youth with severe disabilities.".

SEC. 11. POSTSECONDARY EDUCATION.

Section 625 of the Act is amended—

(1) in subsection (a)(6) by striking "$2,000,000" and inserting "$4,000,000"; and

(2) by amending subsection (b) to read as follows:

"(b) For the purposes of subsection (a), the term 'individuals with disabilities' means individuals—

"(1) with—

"(A) mental retardation;

"(B) hearing impairments, including deafness;

"(C) speech or language impairments;

"(D) visual impairments, including blindness;

"(E) serious emotional disturbances;

"(F) orthopedic impairments;

"(G) autism;

"(H) head injuries;

"(I) other health impairments; or

"(J) specific learning disabilities; and

"(2) who, by reason thereof, need special education and related services.".

SEC. 12. SECONDARY EDUCATION AND TRANSITIONAL SERVICES FOR CHILDREN AND YOUTH WITH DISABILITIES.

(a) HEADING.—The heading of section 626 of the Act is amended to read as follows:

"SECONDARY EDUCATION AND TRANSITIONAL SERVICES FOR CHILDREN AND YOUTH WITH DISABILITIES".

(b) AMENDMENTS.—Section 626 of the Act is amended—

(1) in subsection (b)(2) by inserting "independent living," after "training,";

(2) in subsection (b)(9) by—

(A) inserting ", and related services," after "techniques"; and

(B) striking "and" after "services,";

(3) in subsection (b)(10) by striking the period at the end thereof and inserting in lieu thereof a comma and "and";

(4) in subsection (b) by inserting the following new paragraph at the end thereof:

"(11) developing and disseminating exemplary programs and practices that meet the unique needs of students who utilize assistive technology devices and assistive technology services as such students make the transition to postsecondary education, vocational training, competitive employment (including supported employment), and continuing education or adult services."; and

(5) by inserting the following new subsections (g) and (h) at the end thereof:

"(g) The Secretary shall award at least five grants on a competitive basis to projects in which the State educational agency and the State vocational rehabilitation agency submit a joint application to implement and improve transition services for youth with disabilities aged 14 through 21. The Secretary shall give priority to such joint applications that—

"(1) target resources to school settings, such as providing access to rehabilitation counselors for students with disabilities who are in school settings;

"(2) provide for cooperative arrangements for interagency funding of transition services and that encourage public and private sector investment in transition services;

"(3) provide for early, ongoing information and training for individuals involved with or who could be involved with transition services, such as professionals, parents, and youth with disabilities, including selfadvocacy training for such youth; and

"(4) ensure, that when appropriate and no later than age 22, youth who participate in transition services will be served in accordance with the provisions of section 110 of the Rehabilitation Act of 1973 or under part C of title VI of the Rehabilitation Act of 1973.

"(h)(1) The Secretary may make grants to, or enter into contracts or cooperative agreements with, institutions of higher education, State educational agencies, local educational agencies, other appropriate public and private nonprofit institutions or agencies, or other organizations or institutions as are determined by the Secretary to be appropriate, to address the various transitions that a child with a disability may face throughout such child's years in school, including but not limited to—

"(A) the transition from medical care to special education for those children with disabilities, including chronic health impairments, who may require individualized health-related services to enable such children to participate in, or benefit from, special education;

"(B) the transition between residential placement and community-based special education services; and

"(C) the transition between a separate educational placement and the regular classroom setting.

"(2) Authorized activities for projects assisted under paragraph (1) include, but are not limited to—

"(A) research, demonstrations, and outreach;

"(B) a census to determine the number of children and youth with disabilities who need individualized health-related services to enable such children and youth to participate in, or benefit from, special education, and to determine the types of health-related services needed by such children;

"(C) training of school nurses, educators, and related-services providers, aides, and others to provide health-related services;

"(D) training of case managers;

"(E) demonstration models to enhance and facilitate continuing interaction between medical and school personnel regarding the on-going needs of students with disabilities, including chronic health impairments; and

"(F) demonstration models to explore multiple sources of funding for health-related services.

"(3) In making grants and entering into contracts and cooperative agreements under this subsection, the Secretary shall ensure that the approved activities will be coordinated with similar activities funded under other sections of this Act.

"(4) To the extent feasible, programs authorized by this subsection shall be geographically dispersed throughout the Nation in urban and rural areas.".

SEC. 13. PROGRAMS FOR CHILDREN AND YOUTH WITH SERIOUS EMOTIONAL DISTURBANCES.

Part C of the Act is further amended—

(1) by redesignating sections 627 and 628 as sections 628 and 629, respectively; and

(2) inserting the following new section 627 after section 626:

"PROGRAMS FOR CHILDREN AND YOUTH WITH SERIOUS EMOTIONAL DISTURBANCES

"SEC. 627. (a) The Secretary is authorized to make grants to institutions of higher education, State educational agencies, local educational agencies, or other appropriate public and private nonprofit institutions or agencies for research, demonstrations, and training to improve special education and related services to children and youth with serious emotional disturbances. Such grants may be used for—

"(1) studies regarding the state of special education and related services to such children and youth and their families, including the establishment and maintenance of data bases for assessing the status of such services over time;

"(2) projects to develop methodologies and curricula designed to improve special education and related services programming;

"(3) projects to develop and demonstrate strategies and approaches to reduce the use of out-of-community residential programs and the increased use of school district-based programs including, but not limited to, day treatment programs, after-school, and summer programs;

"(4) projects to develop the knowledge, skills, and strategies for effective collaboration among special education, regular education, related services, and other professionals and agencies, including demonstration projects;

"(5) projects to demonstrate innovative approaches to prevent children and youth with emotional and behavioral problems from developing serious emotional disturbances that require the provision of special education and related services; or

"(6) synthesis and dissemination of knowledge.

"(b) At least one study conducted under paragraph (a)(1) shall examine the extent to which out-of-community residential programs are used for children and youth with serious emotional disturbances, the factors that influence such placement decisions, the extent to which such children and youth return to educational programs in their communities, and the factors which facilitate or impede such return.".

SEC. 14. PART C AUTHORIZATION OF APPROPRIATIONS.

Section 629 of the Act (as redesignated by section 13(1)) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 629. (a) There are authorized to be appropriated to carry out section 621 $7,500,000 for fiscal year 1990, $8,100,000 for fiscal year 1991, $8,750,000 for fiscal year 1992, $9,450,000 for fiscal year 1993, and $10,204,000 for fiscal year 1994.

"(b) There are authorized to be appropriated to carry out section 622 $17,800,000 for fiscal year 1990, $19,220,000 for fiscal year 1991, $20,760,000 for fiscal year 1992, $22,420,000 for fiscal year 1993, and $24,220,000 for fiscal year 1994.

"(c) There are authorized to be appropriated to carry out section 623 $27,410,000 for fiscal year 1990, $29,600,000 for fiscal year 1991, $31,970,000 for fiscal year 1992, $34,530,000 for fiscal year 1993, and $37,290,000 for fiscal year 1994.

"(d) There are authorized to be appropriated to carry out section 624 $6,500,000 for fiscal year 1990, $7,020,000 for fiscal year 1991, $7,580,000 for fiscal year 1992, $8,190,000 for fiscal year 1993, and $8,840,000 for fiscal year 1994.

"(e) There are authorized to be appropriated to carry out section 625 $8,770,000 for fiscal year 1990, $9,470,000 for fiscal year 1991, $10,230,000 for fiscal year 1992, $11,050,000 for fiscal year 1993, and $11,930,000 for fiscal year 1994.

"(f) There are authorized to be appropriated to carry out section 626 $9,000,000 for fiscal year 1990, $12,000,000 for fiscal year 1991, $15,000,000 for fiscal year 1992, $18,000,000 for fiscal year 1993, and $21,000,000 for fiscal year 1994.

"(g) There are authorized to be appropriated to carry out section 627 $2,000,000 for fiscal year 1990, $5,000,000 for fiscal year 1991, $6,000,000 for fiscal year 1992, $7,000,000 for fiscal year 1993, and $8,000,000 for fiscal year 1994.".

SEC. 15. GRANTS FOR PERSONNEL TRAINING.

Section 631 of the Act is amended—

(1) in subsection (a)(1) by striking "special education and early intervention" and inserting "special education, related services, and early intervention";

(2) by amending subsection (a)(1)(C) to read as follows:

"(C) special education leadership, including supervision and administration, and personnel preparation of special educators and other personnel providing related services and pre-school and early intervention services for children with disabilities, and";

(3) in subsection (a)(1)(D) by striking the comma and "and" and inserting a period;

(4) by repealing subparagraph (E) of paragraph (1) of subsection (a);

(5) in subsection (a)(2)(A), by striking "for the personnel" and inserting "for special education, related services, early intervention, and other personnel";

(6) inserting at the end of subsection (a) the following new paragraphs:

"(5) Nothing in this subsection shall be construed to prevent regular education or special education personnel from benefiting from or participating in training activities conducted under this subsection on a preservice or inservice basis.

"(6) The Secretary shall establish priorities for—

"(A) the recruitment and preparation of individuals from the diversity of racial, ethnic, and linguistic backgrounds, and individuals with disabilities, for careers in special education, related services, and early intervention, including special education leadership; and

"(B) the preservice preparation of special education, related services, and early intervention personnel to serve individuals from the diversity of racial, ethnic, and linguistic backgrounds."; and

(7) in subsection (b) by—

(A) striking "secondary school students, and" and inserting "students,"; and

(B) striking the period at the end thereof and inserting a comma and "and for the recruitment and retention of special education, related services, and early intervention personnel.".

SEC. 16. GRANTS TO STATE EDUCATIONAL AGENCIES AND INSTITUTIONS FOR TRAINEESHIPS.

Section 632 of the Act is amended—

(1) in subsection (c) by—

(A) inserting "special and regular education, related services and early intervention" after "prepare"; and

(B) by striking the period at the end thereof and inserting a comma and "and to assist the State in developing and maintaining such systems and conducting personnel recruitment and retention activities."; and

(2) by inserting at the end thereof the following new subsection:

"(d) The Secretary is authorized to provide directly or by grant, contract, or cooperative agreement, technical assistance to State educational agencies on matters pertaining to the effective implementation of section 613(a)(3).".

SEC. 17. CLEARINGHOUSES.

Section 633 of the Act is amended by—

(1) amending subsection (a) to read as follows:

"(a) The Secretary shall make a grant to, or enter into a contract or cooperative agreement with, a public agency or a nonprofit private organization or institution to establish and operate a national clearinghouse on the education of individuals with disabilities. Such clearinghouse shall—

"(1) collect, synthesize, develop, and disseminate information on a national basis to parents, professionals, and other interested parties concerning programs and services relating to the education of individuals with disabilities under this Act and under other Federal laws;

"(2) participate in programs related to disability issues in order to provide outreach, technical assistance, information collection and dissemination, and referral of individuals to appropriate national, State, and local agencies and organizations;

"(3) coordinate outreach activities with relevant Federal, State, and local organizations and other sources of information, programs, and services, including organizations representing individuals with disabilities, to promote public awareness of disability issues and the availability of information, programs, and services for infants, toddlers, children, and youth with disabilities;

"(4) provide technical assistance to national, Federal, regional, State and local agencies and organizations seeking to establish information and referral services for individuals with disabilities and their families;

"(5) participate in the dissemination of the results of research, demonstration projects, and models funded under parts C through G of this Act, as deemed appropriate by the Secretary; and

"(6) collect and provide the Secretary with data on the information needs of parents, professionals, individuals with disabilities, and others regarding the provision of special education, related services, and early intervention.";

(2) amending subsection (b) to read as follows:

"(b) In addition to the clearinghouse established under subsection (a), the Secretary shall make a grant or enter into a contract or cooperative agreement to establish and operate a national clearinghouse on postsecondary education for individuals with disabilities. Such clearinghouse shall—

"(1) collect, develop, synthesize, and disseminate information on a national basis to individuals with disabilities, parents, professionals, and other interested parties, regarding—

"(A) available services and programs in postsecondary education for individuals with disabilities;

"(B) characteristics of individuals entering into, and participating in, the programs set forth in subparagraph (A);

"(C) laws affecting individuals with disabilities and the programs set forth in subparagraph (A);

"(D) sources of financial aid for the education and training of individuals with disabilities; and

"(E) policies, procedures, support services, adaptations, and other resources available or recommended to facilitate the education, rehabilitation, and retraining of adults with disabilities;

"(2) identify areas of need for additional information regarding postsecondary education for individuals with disabilities; and

"(3) coordinate with professionals, relevant Federal, State, and local agencies, and appropriate organizations to disseminate information on, and promote awareness of, issues relevant to the postsecondary education of individuals with disabilities.";

(3) in subsection (c) by—

(A) inserting "or cooperative agreement" after "contract"; and

(B) inserting at the end thereof the following new paragraph (6):

"(6) Assistance to institutions of higher education, States, and others to recruit persons for professional careers in special education, related services, and early intervention, including strategies for recruiting individuals from the diversity of racial, ethnic, and linguistic backgrounds and individuals with disabilities."; and

(4) in subsection (d)—

(A) in paragraph (1) by striking "the grants and contracts" and inserting "grants, contracts, and cooperative agreements"; and

(B) by inserting at the end thereof the following new paragraph (3):

"(3) In awarding grants, contracts, or cooperative agreements under this section, the Secretary shall give particular attention to demonstrated experience at the national level in providing information services to racially, ethnically, and linguistically diverse consumers, rural and urban consumers, and organizations that serve infants, toddlers, children and youth with disabilities, their families, and professionals.".

SEC. 18. PART D AUTHORIZATION OF APPROPRIATIONS.

Section 635 of the Act is amended to read as follows:

"SEC. 635. (a)(1) There are authorized to be appropriated to carry out this part (other than sections 631(c) and 633) $86,900,000 for fiscal year 1990, $93,850,000 for fiscal year 1991, $101,360,000 for fiscal year 1992, $111,500,000 for fiscal year 1993, and $120,420,000 for fiscal year 1994.

"(2) There are authorized to be appropriated to carry out section 631(c) $9,000,000 for fiscal year 1990, $10,000,000 for fiscal year 1991, $11,000,000 for fiscal year 1992, $12,000,000 for fiscal year 1993, and $13,000,000 for fiscal year 1994.

"(3) There are authorized to be appropriated to carry out section 633 $2,000,000 for fiscal year 1990, $2,160,000 for fiscal year 1991, $2,230,000 for fiscal year 1992, $2,520,000 for fiscal year 1993, and $2,720,000 for fiscal year 1994.

"(b) Of the funds appropriated pursuant to subsection (a)(1) for any fiscal year, the Secretary shall reserve not less than 65 percent for activities described in section 631(a)(1).

"(c) Of the funds appropriated under subsection (a)(1) for any fiscal year, the Secretary shall reserve not less than 10 percent for activities under section 632.".

SEC. 19. ADVANCING KNOWLEDGE AND PRACTICE.

The heading of part E of the Act is amended to read as follows:

"PART E—ADVANCING KNOWLEDGE AND PRACTICE"

SEC. 20. RESEARCH AND RELATED ACTIVITIES.

(a) HEADING.—The heading of section 641 of the Act is amended to read as follows:

"RESEARCH AND RELATED ACTIVITIES"

(b) AMENDMENT.—Section 641 of the Act is amended to read as follows:

"SEC. 641. The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, and other public agencies and nonprofit private organizations to assess and improve the practice of personnel, and the roles of other appropriate persons, including parents, in the provision of special education, related services, and early intervention, through the development and exchange of knowledge. In carrying out this section, the Secretary may support a wide range of research, demonstrations, and related activities designed to—

"(1) advance knowledge regarding the provision of instruction and other interventions to infants, toddlers, children, and youth with disabilities including, but not limited to—

"(A) the organization, synthesis, and interpretation of current knowledge and the identification of knowledge gaps;

"(B) the identification of knowledge and skill competencies needed by personnel providing special education, related services, and early intervention services;

"(C) the improvement of knowledge regarding the developmental and learning characteristics of infants, toddlers, children, and youth with disabilities in order to improve the design and effectiveness of interventions and instruction;

"(D) the evaluation of approaches and interventions;

"(E) the development of instructional strategies, techniques, and activities;

"(F) the improvement of curricula and instructional tools such as textbooks, media, materials, and technology;

"(G) the development of assessment techniques, instruments, and strategies for the identification and evaluation of individuals eligible for special education, related services, or early intervention services;

"(H) the testing of research findings in practice settings to determine the application, usability, effectiveness, and generalizability of such research findings; and

"(I) the improvement of knowledge regarding families, racial and ethnic diversity, and disabling conditions; and

"(2) advance the use of knowledge by personnel providing special education, related services, and early intervention services, including, but not limited to—

"(A) the improvement of knowledge regarding how such individuals learn new knowledge and skills, and strategies for effectively facilitating such learning in preservice, inservice, and continuing education;

"(B) the organization, integration, and presentation of knowledge so that such knowledge can be incorporated in personnel preparation, continuing education programs, and other relevant training and communication vehicles, and

"(C) the expansion and improvement of networks that exchange knowledge and practice information.".

SEC. 21. PROGRAM MANAGEMENT AND EFFECTIVENESS.

(a) REDESIGNATION.—Part E of the Act is further amended by redesignating sections 642, 643, and 644 as sections 643, 644, and 646, respectively.

(b) PROGRAM MANAGEMENT AND EFFECTIVENESS.—Part E of the Act is further amended by inserting the following new section 642 after section 641:

"PROGRAM MANAGEMENT AND EFFECTIVENESS

"SEC. 642. (a)(1) The Secretary shall make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, public agencies, and private nonprofit organizations, and, when necessary because of the unique nature of the study, private-for-profit organizations, for the purpose of conducting studies and investigations for improving program management, administration, delivery, and effectiveness necessary to provide full educational opportunities and early interventions for all children with disabilities from birth through age 21. Such studies and investigations shall gather information necessary for program and system improvements including, but not limited to—

"(A) developing effective racially, ethnically, and linguistically appropriate criteria and procedures to identify, evaluate, and serve infants, toddlers, children, and youth with disabilities for purposes of program eligibility, program planning, delivery of services, program placement, and parental involvement;

"(B) planning and developing effective early intervention services, special education, and related services to meet the complex and changing needs of infants, toddlers, children, and youth with disabilities;

"(C) developing and implementing a comprehensive system of personnel development needed to provide qualified personnel in sufficient number to deliver special education, related services, and early intervention services;

"(D) developing the capacity to implement practices having the potential to integrate children with disabilities, to the maximum extent appropriate, with children who are not disabled;

"(E) effectively allocating and using human and fiscal resources for providing early intervention, special education and related services;

"(F) strengthening programs and services to improve the progress of children and youth with disabilities while in special education, and to effect a successful transition when such children and youth leave special education;

"(G) achieving interagency coordination to maximize resource utilization and continuity in services provided to infants, toddlers, children, and youth with disabilities;

"(H) strengthening parent-school communication and coordination to improve the effectiveness of planning and delivery of interventions and instruction, thereby enhancing development and educational progress; and

"(I) the identification of environmental, organizational, resource, and other conditions necessary for effective professional practice.

"(2)(A) The studies and investigations authorized under this subsection may be conducted through surveys, interviews, case studies, program implementation studies, secondary data analyses and syntheses, and other appropriate methodologies.

"(B) The studies and investigations conducted under this subsection shall address the information needs of State and local educational agencies for improving program management, administration, delivery, and effectiveness.

"(3) The Secretary shall develop and implement a process for the on-going identification of national program information needs necessary for improving the management, administration, delivery, and effectiveness of programs and services provided under this Act. The process shall identify implementation issues, desired improvements, and information needed by State and local agencies to achieve such improvements, and shall be conducted in cooperation with State educational agencies that can ensure broad-based statewide input from each cooperating State. The Secretary shall publish for public comment in the Federal Register every 3 years a program information plan describing such information needs. Such program information plan shall be used to determine the priorities for, and activities carried out under, this subsection to produce, organize, and increase utilization of program information. Such program information plan shall be included in the annual report submitted under section 618 every 3 years.

"(b)(1) The Secretary shall, by grant, contract, or cooperative agreement, provide for special studies to assess progress in the implementation of this Act, and to assess the impact and effectiveness of State and local efforts and efforts by the Secretary of the Interior to provide free appropriate public education to children and youth with disabilities, and early intervention services to infants and toddlers with disabilities. Each such study shall include recommendations for the improvement of the programs and services provided to infants, toddlers, children, and youth under this Act.

"(2) The Secretary shall complete a longitudinal study of a sample of students with disabilities, examining—

"(A) the full range of disabling conditions;

"(B) the educational progress of students with disabilities while in special education; and

"(C) the occupational, educational, and independent living status of students with disabilities after graduating from secondary school or otherwise leaving special education.

"(3) One study conducted pursuant to this subsection shall be a nationally representative study focusing on the types, number, and intensity of related services provided to children with disabilities by disability category.

"(4) One study conducted pursuant to this subsection shall be a study that examines the degree of disparity among States with regard to the placement in various educational settings of children and youth with similar disabilities, especially those with mental retardation, and to the extent that such disparity exists, the factors that lead such children and youth to be educated in significantly different educational settings.

"(5) One study conducted pursuant to this subsection shall examine the factors which have contributed to a significant decline in the number of children classified as having a specific disability since the implementation of part B of this Act.

"(c) The Secretary shall make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, other public agencies, and private nonprofit organizations to support activities that organize, synthesize, interpret, and integrate information obtained under subsections (a) and (b) with relevant knowledge obtained from other sources.

"(d)(1) The Secretary shall enter into cooperative agreements with State educational agencies and other State agencies to carry out studies to assess the impact and effectiveness of this Act.

"(2) The agreements referred to in paragraph (1) shall—

"(A) provide for the payment of not more than 60 percent of the total cost of studies conducted by a participating State agency to assess the impact and effectiveness of this Act; and

"(B) be developed in consultation with the State Advisory Panel established under section 613(a)(12) of this Act, local educational agencies, and others involved in, or concerned with, the education of children and youth with disabilities and the provision of early intervention services to infants and toddlers with disabilities.

"(3) The Secretary shall provide technical assistance to participating State agencies in the implementation of the study design, analysis, and reporting procedures.".

SEC. 22. GENERAL RESEARCH PROVISIONS.

Part E of the Act is further amended by inserting the following new section 645 after section 644 (as redesignated in section 21(a)):

"GENERAL RESEARCH PROVISIONS

"SEC. 645. (a) IN GENERAL.—In carrying out this part, the Secretary shall consider the special education, related services, or early intervention experience, and research experience of applicants under this part.

"(b) PUBLICATION.—The Secretary shall publish proposed priorities under this part in the Federal Register not later than 12 months preceding the fiscal year for which they are being announced, and shall allow a period of 60 days for public comments and suggestions. The Secretary shall, after analyzing and considering the public comments, publish final priorities in the Federal Register not later than 90 days after the close of the comment period.

"(c) INDEX.—The Secretary shall provide an index (including the title of each project and the name and address of the funded organization) of all projects conducted under this part in the preceding fiscal year in the annual report described under section 618.

"(d) COORDINATION.—The Secretary shall—

"(1) coordinate the priorities established under subsection (b) with research priorities established by the National Institute for Disability and Rehabilitation Research and other appropriate agencies conducting research pertaining to the education of individuals with disabilities; and

"(2) provide information concerning priorities established under subsection (b) to the National Council on Disability and to the Bureau of Indian Affairs Advisory Committee for Exceptional Children.".

SEC. 23. PART E AUTHORIZATION OF APPROPRIATIONS.

Section 646 of the Act (as redesignated by section 21(a)) is amended to read as follows:

"SEC. 646. (a) There are authorized to be appropriated to carry out this part $20,100,000 for fiscal year 1990, $25,000,000 for fiscal year 1991, $28,000,000 for fiscal year 1992, $31,000,000 for fiscal year 1993, and $34,000,000 for fiscal year 1994.

"(b) The Secretary shall reserve 30 percent of the funds appropriated pursuant to the authority of subsection (a) for activities conducted pursuant to section 642.".

SEC. 24. STATEMENT OF PURPOSE.

Section 651 of the Act is amended—

(1) in subsection (a)(1) by inserting "and hard of hearing" after "deaf" each place it appears;

(2) in subsection (a)(1)(A) by inserting "and television programs" after "films"; and

(3) in subsection (a)(1)(B) by inserting "and television programs" after "films".

SEC. 25. CAPTIONED FILMS, TELEVISION, DESCRIPTIVE VIDEO AND EDUCATIONAL MEDIA FOR INDIVIDUALS WITH DISABILITIES.

(a) HEADING.—The heading of section 652 of the Act is amended to read as follows:

"CAPTIONED FILMS, TELEVISION, DESCRIPTIVE VIDEO AND EDUCATIONAL MEDIA FOR INDIVIDUALS WITH DISABILITIES".

(b) AMENDMENT.—Section 652 of the Act is further amended—

(1) in subsection (b)—

(A) by amending paragraph (3) to read as follows:

"(3) provide, by grant or contract, for the captioning of films and video materials for deaf and hard of hearing individuals or audio description of video materials for blind and visually impaired individuals;";

(B) by amending paragraph (4) to read as follows:

"(4) provide, by grant or contract, for the distribution of captioned films or video materials, audio described video materials, and other educational media and equipment through State schools for individuals with disabilities, public libraries, and such other agencies or entities as the Secretary finds appropriate to serve as local or regional centers for such distribution;"; and

(C) in paragraph (8) by inserting "and hard of hearing" after "deaf";

(2) in subsection (c) by—

(A) inserting "and other appropriate nonprofit organizations" after "Inc."; and

(B) striking "theatrical" and inserting "cultural";

(3) in subsection (c)(1) by inserting "and hard of hearing" after "deaf";

(4) in subsection (c)(2) by inserting "and hard of hearing" after "deaf"; and

(5) in subsection (c)(3) by inserting "and hard of hearing" after "deaf".

SEC. 26. PART F AUTHORIZATION OF APPROPRIATIONS.

Section 653 of the Act is amended to read as follows:

"SEC. 653. There are authorized to be appropriated to carry out this part $16,540,000 for fiscal year 1990, $17,863,000 for fiscal year 1991, $19,292,000 for fiscal year 1992, $20,835,000 for fiscal year 1993, and $22,502,000 for fiscal year 1994.".

SEC. 27. TECHNOLOGY, EDUCATIONAL MEDIA, AND MATERIALS FOR INDIVIDUALS WITH DISABILITIES.

(a) AMENDMENT TO THE HEADING.—The heading of section 661 of the Act is amended to read as follows:

"PART G—TECHNOLOGY, EDUCATIONAL MEDIA, AND MATERIALS FOR INDIVIDUALS WITH DISABILITIES".

(b) AMENDMENT TO THE TEXT.—Section 661 of the Act is amended by—

(1) striking "new" each place it appears;

(2) striking "and" at the end of paragraph (3);

(3) striking the period at the end of paragraph (4) and inserting in lieu thereof a comma; and

(4) inserting at the end thereof the following new paragraph (5):

"(5) increasing access to and use of assistive technology devices and assistive technology services in the education of infants, toddlers, children, and youth with disabilities, and other activities authorized under the Technology-Related Assistance for Individuals With Disabilities Act of 1988, as such Act relates to the education of students with disabilities.".

SEC. 28. PART G AUTHORIZATION OF APPROPRIATIONS.

Section 662 of the Act is amended to read as follows:

"SEC. 662. There are authorized to be appropriated to carry out this part $11,030,000 for fiscal year 1990, $11,900,000 for fiscal year 1991, $12,860,000 for fiscal year 1992, $13,890,000 for fiscal year 1993, and $15,000,000 for fiscal year 1994.".

SEC. 29. STATE INTERAGENCY COORDINATING COUNCIL.

Section 682 of the Act is amended—

(1) in subsection (a)(1) by striking "composed of 15 members"; and

(2) by amending subsection (b) to read as follows:

"(b) COMPOSITION.—(1) Except as provided in paragraph (2) and subsection (g), the Council shall be composed as follows:

"(A) At least 20 percent of the members shall be parents of infants or toddlers with disabilities, or other parents of children with disabilities no more than 12 years of age, who have knowledge of, or experience with, programs for infants and toddlers with disabilities.

"(B) At least 20 percent of the members shall be public or private providers of early intervention services.

"(C) At least one member shall be from the State legislature.

"(D) At least one member shall be involved in personnel preparation.

"(E) The Council shall include members representing each of the agencies involved in the provision of, or payment for, early intervention services to infants and toddlers with disabilities and their families.

"(F) The Council may include other members selected by the Governor.

"(2) Any Council that met the requirements of paragraphs (1) through (4) and paragraph (6) of section 682(b) of this Act, as in effect immediately before the effective date of the Education of Individuals with Disabilities Act of 1989 and continues to meet such prior requirements, shall be deemed to meet the requirements of this subsection."; and

(3) in subsection (g) by striking "this section" the second time it appears and inserting "subsection (b)(1)".

SEC. 30. TERMINOLOGY AND TECHNICAL AMENDMENTS.

(a) TERMINOLOGY AMENDMENTS.—The Act is amended in—

(1) section 601(b)(1) by striking "handicapped children" and inserting "children with disabilities";

(2) section 601(b)(3) by striking "handicapped children" and inserting "children with disabilities";

(3) section 601(b)(4) by striking "handicapped children" and inserting "children with disabilities";

(4) section 601(b)(5) by striking "handicapped children" and inserting "children with disabilities";

(5) section 601(b)(5) by striking "handicaps" each place such term appears and inserting "disabilities";

(6) section 601(b)(7) by striking "handicapped children" and inserting "children with disabilities";

(7) section 601(b)(8) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(8) section 601(b)(9) by striking "handicapped children" and inserting "children with disabilities";

(9) section 601(c) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(10) section 602(a)(1) by striking "handicapped children" and inserting "children with disabilities";

(11) section 602(a)(13) by striking "handicapped children" and inserting "children with disabilities";

(12) section 602(a)(15) by striking "handicaps" each place such term appears and inserting "disabilities";

(13) section 602(a)(16) by striking "handicapped child" and inserting "child with a disability";

(14) section 602(a)(17) by striking "handicapped child" and inserting "child with a disability";

(15) section 602(a)(17) by striking "handicapping" and inserting "disabling";

(16) section 602(a)(19) by striking "handicapped child" and inserting "child with a disability";

(17) section 602(a)(19) by striking "handicapped children" and inserting "children with disabilities";

(18) section 602(a)(22) by striking "handicapped children" and inserting "children with disabilities";

(19) section 602(b) by striking "handicapped youth" and inserting "youth with a disability";

(20) section 602(b) by striking "handicapped child" and inserting "child with a disability";

(21) section 603(a) by striking "the handicapped" and inserting "individuals with disabilities";

(22) the section heading to section 606 by striking "HANDICAPPED INDIVIDUALS" and inserting "INDIVIDUALS WITH DISABILITIES";

(23) section 606 by striking "handicapped individuals" and inserting "individuals with disabilities";

(24) section 608(b) by striking "handicapped children" and inserting "children with disabilities";

(25) section 611(a)(1)(A) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(26) section 611(a)(3) by striking "handicapped children" and inserting "children with disabilities";

(27) section 611(a)(5)(A)(i) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(28) section 611(a)(5)(A)(ii) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(29) section 611(a)(5)(A)(iii) by striking "handicapped children" and inserting "children with disabilities";

(30) section 611(c)(4)(B) by striking "handicapped children" and inserting "children with disabilities";

(31) section 611(d) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(32) section 611(f) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(33) section 612(1) by striking "handicapped children" and inserting "children with disabilities";

(34) section 612(2)(A) by striking "handicapped children" and inserting "children with disabilities";

(35) section 612(2)(B) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(36) section 612(2)(C) by striking "handicapped," and inserting "disabled,";

(37) section 612(2)(C) by striking "handicap," and inserting "disability,";

(38) section 612(3) by striking "handicapped children," each place such term appears and inserting "children with disabilities,";

(39) section 612(3) by striking "handicaps" and inserting "disabilities";

(40) section 612(4) by striking "handicapped child," and inserting "child with a disability,";

(41) section 612(5) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(42) section 612(5) by striking "handicapped," and inserting "disabled,";

(43) section 612(5) by striking "handicap" and inserting "disability";

(44) section 612(6) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(45) section 612(7) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(46) section 612(7) by striking "handicapped individuals" and inserting "individuals with disabilities";

(47) section 613(a)(2) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(48) section 613(a)(4)(A) by striking "handicapped children" and inserting "children with disabilities";

(49) section 613(a)(4)(B)(i) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(50) section 613(a)(9)(B) by striking "handicapped children" and inserting "children with disabilities";

(51) section 613(a)(11) by striking "handicapped children" and inserting "children with disabilities";

(52) section 613(a)(12) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(53) section 613(a)(12) by striking "handicapped individuals" and inserting "individuals with disabilities";

(54) section 613(a)(13)(A) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(55) section 613(b) by striking "handicapped children" and inserting "children with disabilities";

(56) section 613(d)(1) by striking "handicapped children" and inserting "children with disabilities";

(57) section 613(d)(2)(A) by striking "handicapped children" and inserting "children with disabilities";

(58) section 613(e) by striking "handicapped children" and inserting "children with disabilities";

(59) section 614(a)(1)(A) by striking "handicapped" and inserting "disabled";

(60) section 614(a)(1)(A) by striking "handicap" and inserting "disability".

(61) section 614(a)(1)(C) by striking "handicapped children" and inserting "children with disabilities";

(62) section 614(a)(1)(C)(ii) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(63) section 614(a)(1)(C)(ii) by striking "handicaps" and inserting "disabilities";

(64) section 614(a)(2)(B) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(65) section 614(a)(3) by striking "handicapped children" and inserting "children with disabilities";

(66) section 614(a)(5) by striking "handicapped child" and inserting "child with a disability";

(67) section 614(c)(1) by striking "handicapped children" and inserting "children with disabilities";

(68) section 614(d) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(69) section 614(e) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(70) section 614(f) by striking "handicapped children" and inserting "children with disabilities";

(71) section 615(a) by striking "handicapped children" and inserting "children with disabilities";

(72) section 615(b)(1)(A) by striking "handicapped child" and inserting "child with a disability";

(73) section 615(d)(1) by striking "handicapped children" and inserting "children with disabilities";

(74) section 615(e)(4)(B) by striking "handicapped child or youth" and inserting "child or youth with a disability";

(75) section 615(f) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(76) section 616(a)(2)(B) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(77) section 617(a)(1)(A) by striking "handicapped children" and inserting "children with disabilities";

(78) section 617(a)(1)(D) by striking "handicapped children" and inserting "children with disabilities";

(79) section 619(a)(1)(C) by striking "handicapped children" and inserting "children with disabilities";

(80) section 619(a)(2)(A)(i) by striking "handicapped child" and inserting "child with a disability";

(81) section 619(a)(2)(A)(ii) by striking "handicapped children" and inserting "children with disabilities";

(82) section 619(a)(2)(A)(ii)(I) by striking "handicapped child" and inserting "child with a disability";

(83) section 619(a)(2)(A)(ii)(II) by striking "handicapped children" and inserting "children with disabilities";

(84) section 619(a)(2)(D) by striking "handicapped child" and inserting "child with a disability";

(85) section 619(a)(2)(F)(i) by striking "handicapped child" each place such term appears and inserting "child with a disability";

(86) section 619(b)(1)(B) by striking "handicapped children" and inserting "children with disabilities";

(87) section 619(b)(3) by striking "handicapped child" and inserting "child with a disability";

(88) section 619(c)(1)(A) by striking "handicapped children" and inserting "children with disabilities";

(89) section 619(c)(1)(B) by striking "handicapped children" and inserting "children with disabilities";

(90) section 619(c)(2)(A) by striking "handicapped children" and inserting "children with disabilities";

(91) section 619(c)(2)(B) by striking "handicapped children" and inserting "children with disabilities";

(92) section 619(c)(3)(A) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(93) section 619(c)(3)(B) by striking "handicapped children" and inserting "children with disabilities";

(94) the heading to part C by striking "HANDICAPPED INDIVIDUALS" and inserting "INDIVIDUALS WITH DISABILITIES";

(95) section 621(a)(1) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(96) section 621(a)(1) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(97) section 621(a)(2) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(98) section 621(a)(2) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(99) section 621(a)(4) by striking "handicapped infants, toddlers, children, and youth" and inserting "infants, toddlers, children, and youth with disabilities";

(100) the heading to section 623 by striking "HANDICAPPED CHILDREN" and inserting "CHILDREN WITH DISABILITIES";

(101) section 623(a)(1) by striking "handicapped children" and inserting "children with disabilities";

(102) section 623(a)(1)(D) by striking "handicapped children" and inserting "children with disabilities";

(103) section 623(b) by striking "handicapped children" and inserting "children with disabilities";

(104) section 623(c) by striking "handicapped children" and inserting "children with disabilities";

(105) section 623(d) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(106) section 623(f) by striking "handicapped children" and inserting "children with disabilities";

(107) the heading to section 624 by striking "SEVERELY HANDICAPPED CHILDREN" and inserting "CHILDREN WITH SEVERE DISABILITIES";

(108) section 624(a) by striking "severely handicapped children and youth" and inserting "children and youth with severe disabilities";

(109) section 624(a)(1) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(110) section 624(a)(2) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(111) section 625(a)(1) by striking "handicapped individuals" and inserting "individuals with disabilities";

(112) section 625(a)(2) by striking "handicapping" and inserting "disabling";

(113) section 625(a)(2)(A) by striking "handicapped individuals" and inserting "individuals with disabilities";

(114) section 625(a)(2)(B) by striking "handicapped individuals" and inserting "individuals with disabilities";

(115) section 625(a)(2)(B) by striking "nonhandicapped" and inserting "nondisabled";

(116) section 625(a)(3) by striking "handicapped persons" and inserting "persons with disabilities";

(117) section 625(b) by striking "handicapped individuals" and inserting "individuals with disabilities";

(118) section 625(b) by striking "visually handicapped" and inserting "visually disabled";

(119) the heading to section 626 by striking "HANDICAPPED CHILDREN AND YOUTH" and inserting "CHILDREN AND YOUTH WITH DISABILITIES";

(120) section 626(a)(1) by striking "handicapped youth" and inserting "youth with disabilities";

(121) section 626(a)(3) by striking "handicapped students" and inserting "students with disabilities";

(122) section 626(b) by striking "handicapped youth" each place such term appears and inserting "youth with disabilities";

(123) section 626(b) by striking "handicapping" each place such term appears and inserting "disabling";

(124) section 626(b)(9) by striking "handicapped students' acquisition of the skills" and inserting "the acquisition of skills by students with disabilities";

(125) section 626(d)(2) by striking "handicapped youth" and inserting "youth with disabilities";

(126) section 626(d)(3) by striking "handicapped students" each place such term appears and inserting "students with disabilities";

(127) section 626(e) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(128) the heading to part D by striking "HANDICAPPED INDIVIDUALS" and inserting "INDIVIDUALS WITH DISABILITIES";

(129) section 631(a)(1)(B) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(130) section 631(b) by striking "handicapped children" and inserting "children with disabilities";

(131) section 631(c)(1) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(132) section 631(c)(2)(A) by striking "handicapped children" and inserting "children with disabilities";

(133) section 631(c)(2)(A) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(134) section 631(c)(2)(A) by striking "handicapping" and inserting "disabling";

(135) section 631(c)(2)(B) by striking "handicapping" and inserting "disabling";

(136) section 631(c)(4)(B) by striking "handicapped children" and inserting "children with disabilities";

(137) section 631(c)(5)(A) by striking "handicapping" and inserting "disabling";

(138) section 631(c)(5)(B) by striking "handicapped children's educational programs" and inserting "educational programs of children with disabilities";

(139) section 631(c)(5)(D) by striking "handicapped child's individualized educational program" and inserting "the individualized educational program of a child with a disability";

(140) section 631(c)(5)(E) by striking "handicapped children" and inserting "children with disabilities";

(141) section 631(c)(5)(F) by striking "handicapped children" and inserting "children with disabilities";

(142) section 631(c)(7) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(143) section 632(c) by striking "handicapped infants, toddlers, children, and youth" and inserting "infants, toddlers, children, and youth with disabilities";

(144) section 635(c) by striking "handicapped children and youth" and inserting "children and youth with disabilities";

(145) the heading to section 643 by striking "HANDICAPPED CHILDREN" and inserting "CHILDREN WITH DISABILITIES";

(146) section 643 by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(147) section 644(a)(1) by striking "handicapped individuals" and inserting "individuals with disabilities";

(148) section 644(a)(2) by striking "handicapped individuals" each place such term appears and inserting "individuals with disabilities";

(149) the heading to part F by striking "HANDICAPPED INDIVIDUALS" and inserting "INDIVIDUALS WITH DISABILITIES";

(150) section 651(a)(2) by striking "handicapped individuals" each place such term appears and inserting "individuals with disabilities";

(151) section 652(a) by striking "handicapped individuals" each place such term appears and inserting "individuals with disabilities";

(152) section 652(b)(5) by striking "handicapped individuals" each place such term appears and inserting "individuals with disabilities";

(153) the heading to part G by striking "HANDICAPPED INDIVIDUALS" and inserting "INDIVIDUALS WITH DISABILITIES";

(154) section 661 by striking "handicapped students" each place such term appears and inserting "students with disabilities";

(155) section 661 by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(156) section 661 by striking "handicapped individuals" each place such term appears and inserting "individuals with disabilities";

(157) the heading to part H by striking "HANDICAPPED INFANTS AND TODDLERS" and inserting "INFANTS AND TODDLERS WITH DISABILITIES";

(158) section 671(a) by striking "handicapped infants and toddlers" each place such term appears and inserting "infants and toddlers with disabilities";

(159) section 671(a)(3) by striking "handicapped individuals" and inserting "individuals with disabilities";

(160) section 671(b)(1) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(161) section 671(b)(3) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(162) section 672(1) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(163) section 672(2) by striking "a handicapped infant's or toddler's developmental needs" and inserting "the developmental needs of an infant or toddler with a disability";

(164) section 673 by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(165) section 675(d) by striking "handicapped children" and inserting "children with disabilities";

(166) section 676(a) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(167) section 676(b)(2) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(168) section 676(b)(3) by striking "handicapped infant and toddler" and inserting "infant and toddler with a disability";

(169) section 676(b)(3) by striking "handicapped infant or toddler" and inserting "infant or toddler with a disability";

(170) section 676(b)(4) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(171) section 676(b)(6) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(172) section 676(b)(9)(D) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(173) section 676(b)(14) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(174) section 677(a) by striking "handicapped infant or toddler" and inserting "infant or toddler with a disability";

(175) section 677(d)(2) by striking "handicapped infant or toddler" and inserting "infant or toddler with a disability";

(176) section 677(d)(7) by striking "handicapped toddler" and inserting "toddler with a disability";

(177) section 678(b)(5) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities";

(178) section 679 by striking "handicapped infants and toddlers" each place such term

appears and inserting "infants and toddlers with disabilities";

(179) section 680(4) by striking "handicapped infant or toddler" and inserting "infant or toddler with a disability";

(180) section 680(5) by striking "handicapped infant or toddler" each place such term appears and inserting "infant or toddler with a disability";

(181) section 681(b) by striking "handicapped infants and toddlers" and inserting "infants or toddlers with disabilities";

(182) section 682(e)(3) by striking "handicapped infants and toddlers" and inserting "infants or toddlers with disabilities";

(183) section 683(2) by striking "handicapped children" each place such term appears and inserting "children with disabilities";

(184) section 683(2) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities"; and

(185) section 684(b)(1) by striking "handicapped infants and toddlers" and inserting "infants and toddlers with disabilities".

(b) TECHNICAL AMENDMENTS.—The Act is further amended in section 612(3) by—

(1) striking "and" the first place such term appears, and inserting "an"; and

(2) inserting "category" after "disability".

(c) HEAD START ACT.—Section 640(d) of the Head Start Act is amended by—

(1) striking "handicapped children" and inserting "children with disabilities"; and

(2) striking "handicapping" and inserting "disabling".

(d) HIGHER EDUCATION ACT OF 1965.—Section 465(a)(2) of the Higher Education Act of 1965 is amended by striking "handicapped children" each place such term appears and inserting "children with disabilities".

(e) IMPACT AID.—Public Law 81-874 is amended in—

(1) section 3(d)(2)(C) by striking "handicapped children" each place such term appears and inserting "children with disabilities"; and

(2) section 403(10) by striking "handicapped" and inserting "disabled".

(f) TEMPORARY CHILD CARE FOR HANDICAPPED CHILDREN AND CRISIS NURSERIES ACT OF 1986.—Section 205(d)(2) of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 is amended by striking "handicapped children" and inserting "children with disabilities".

SEC. 31. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of enactment of this Act, except that any amendment that the Secretary of Education determines would cause substantial disruptions to programs or substantial lapses in services if effective on the date of enactment of this Act, shall take effect on October 1, 1990.

MOTION OFFERED BY MR. OWENS OF NEW YORK

Mr. OWENS of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. OWENS of New York moves to strike all after the enacting clause of S. 1824 and insert in lieu thereof the text of H.R. 1013 as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Education of the Handicapped Act to revise and extend the programs established in parts C through G of such Act, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 1013) was laid on the table.

WASHINGTON CENTER FOR INTERNSHIPS AND ACADEMIC SEMINARS

Mr. WILLIAMS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3859) to authorize assistance to the Washington Center for Internships and Academic Seminars.

The Clerk read as follows:

H.R. 3859

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

SECTION 1. GENERAL AUTHORITY.

The Secretary of Education is authorized to provide financial assistance, in accordance with the provisions of this Act, to the Washington Center for Internships and Academic Seminars to pay the Federal share of the cost of construction and related costs for a student residence and classroom building in Washington, District of Columbia.

SEC. 2. APPLICATION REQUIRED.

No financial assistance may be provided under this Act unless an application is submitted to the Secretary of Education at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

SEC. 3. FEDERAL SHARE.

The financial assistance provided by the Secretary in any fiscal year may not exceed the total amount of private contributions in cash or in kind received in that fiscal year by the Washington Center for Internships and Academic Seminars and designated for the cost of construction and related costs of the student residence and classroom building.

SEC. 4. AUTHORIZATIONS OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act for the fiscal year ending September 30, 1991, and for each of the two succeeding fiscal years, except that the aggregate amount so appropriated shall not exceed $12,000,000. Funds appropriated pursuant to this section shall remain available until expended.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Montana [Mr. WILLIAMS] will be recognized for 20 minutes and the gentleman from Illinois [Mr. FAWELL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

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

Mr. Speaker, I rise today in support of H.R. 3859. This legislation authorizes $12 million for a student housing and education facility at the Washington Center for Internships and Academic Seminars in Washington, DC.

The Washington Center is the largest independent program offering internships and seminars in Washington, DC. Since its beginning 15 years ago, more than 15,000 college students from more than 700 colleges have participated in the center's programs. The center provides internships in House and Senate offices, Federal agencies, law firms, and organizations such as the Center for Strategic and International Studies and the Children's Defense Fund. The center also provides an academic program for the interns, and the interns receive academic credit at their home institution for the intern experience.

H.R. 3859 would enable the Washington Center to build a facility with sufficient space to house 730 students and to have 13 class/conference rooms and a 600-seat auditorium. The facility would be built a few blocks west of Union Station near Georgetown University Law Center. Currently the Center houses its interns in apartments on 16th Street Northwest, resulting in long commutes to their internship asssignments for many students.

The Secretary of Education would establish application procedures for assistance under this legislation, and the center would be required to match each Federal dollar with either a cash or in-kind contribution.

Following a subcommittee hearing earlier this year, H.R. 3859 was favorably reported by the Committee on Education and Labor on May 22, 1990. I ask my colleagues to join me in supporting this legislation.

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

I rise in opposition to H.R. 3859, the Washington Center legislation. This bill authorizes as has been indicated, $12 million to build a new building for a private college that hosts interns in Washington, DC. I am not opposed to the Washington Center. It is a laudable entity. I am opposed to spending 12 million tax dollars, for this purpose, especially at a time when our Government is struggling with a deficit debt crisis, $3.2 trillion of debt in fiscal year 1990. We now find that CBO is telling citizens that the deficit will be $180 billion to $207 billion. That does not even count the amount of money, Mr. Speaker, we are borrowing from the trust funds which will accumulate some $136 billion additional deficit.

So we find ourselves with new debt potential for this year in which we are now involved of $316 to $342 billion. We have an economic summit which is trying to determine whether or not we shall tax the American people more and/or have a massive sequester of the vital programs this Government is now funding.

The administration thus has understandably indicated that the President

will veto this bill if it should ever come to his desk. There are a number of reasons to oppose the bill other than what I have already referred to.

Intern housing, Mr. Speaker, is not a crisis situation. The Federal deficit and the debt is absolutely a crisis. The authorization is on a noncompetitive basis. Other universities with similar programs had no chance to compete. Other universities that might have been interested in a program like this had no chance to compete.

The Federal Government should not, I believe, fund bricks and mortar in the private sector and proponents of the bill claim that the building will help underprivileged students, but the majority report wisely states that the committee is concerned that the center does not have available statistical evaluation of the student population served by the center. If we can afford to spend money to help education, we can ask the question, why not focus on programs which are already trying to help the needy, and which are in need of funds? For instance, chapter 1, the Pell grants, Head Start, aid to our inner city schools, and the list goes on and on and on. Other intern programs in Washington, including programs such as the Washington semester at American University is a good example of an entity that would be interested in something like this, money flowing from Uncle Sam. This is open to all students from around the Nation, just as is the Washington Center Program. Why would we help one and not the other?

Congressional pages, Mr. Speaker, are currently housed in House Annex 1, which is a rather dreary and overcrowded setting. The pages have been awaiting a new building for almost 20 years, but we have said no because of budgetary constraints. I question our priorities which give $12 million to fund housing to a private housing for college students when our own pages who have direct responsibility are given substandard housing. This bill is, in my opinion, and I do not mean to be at all emotional about the subject, is symbolic of our oblivious Congress in regard to what is our profligate overspending amidst ever-increasing oceans of debt. It is creating a brand-new program here, and we all know we have to borrow the money from our children and our grandchildren to ever have it paid off.

I urge therefore, my colleagues, to oppose this legislation. It is a vote for sensible fiscal responsibility and reprioritization.

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

Mr. WILLIAMS. Mr. Speaker, I yield myself 3 minutes.

I recognize, as every Member of this Congress does, as almost every citizen of the United States, that America has a deficit problem, and we might disagree particularly between some Members and our friends on the right as to how we got into the deficit problem.

However, I do want to draw the attention of my colleagues that when we bring up efforts to assist in the education of young people in this country, the argument against doing so by the other side is always, this is more profligate spending, and America has a deficit, and we cannot afford it. Interestingly enough, we do not hear that about the Stealth bomber. We do not hear that argument about the MX missile. We do not hear that argument about the Minuteman missile. We do not hear that argument about bringing troops home from Europe, from NATO. We only hear it when we try to do such things as create child care, early childhood education for America's children.

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We only hear about profligate spending when we try to develop a coordinated effort to bring college and university interns to this city to watch their Government close up. Many folks back in Montana—and I suppose all of us have constituents who say the same thing to us—have told me that we ought to run Government like a business. Well, to some degree I support that concept.

There is no greater investment from the standpoint of a cost benefit analysis that would demonstrate this to be true than the money we invest in the education of America's young people.

Do we have a deficit? Yes. Do we have to be careful with Federal spending? Yes. And that includes Federal spending for roads and highways, for hardware, for defense, and more and more for the Pentagon. And, yes, we have to be careful on how we spend money on education, too, but recognizing that it is an investment and that the dollars that we spend today on education, on such things as this good center for young private interns who come to this city, will be returned many-fold to the United States, including money that comes directly into the U.S. Treasury through the increased taxes that these young people will pay because they will earn additional salaries throughout their lifetimes precisely because of the expenditures such as those we are making here today.

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

Mr. FAWELL. Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Speaker, I thank my colleague, the gentleman from Illinois, for yielding me this time.

Mr. Speaker, I think it would be wonderfully generous of the taxpayers to build a $12 million dormitory in Washington for a private institution. I mean, why not? Surely, we can get the money somewhere.

Maybe we can take it from the Head Start Program.

Or, maybe we can transfer it from Social Security.

Or, how about the Defense budget? We can always find something to cut in the Defense budget.

Of course, we could just take the money out of the family budgets of ordinary working people who are struggling to make ends meet.

Or we could simply print the cash.

Oh, how much fun it is to spend money—in this case by earmarking funds for a private institution; bumping that institution to the head of the list; relieving that institution of any need to compete with other institutions for funds.

I am sure the other intern programs which operate in Washington will not begrudge the Washington Center its $12 million gift from Congress. I am sure the University of Kansas, the American University, and the Washington classroom, just to name a few, will think this is just fine.

But, hey. Why do we not build dormitories for all of them—$12 million here, $12 million there: It is only money, after all. Forget Gramm-Rudman. A great and generous Congress should not seek to be so parsimonious.

A full 84 percent of the students at the Washington Center pay full tuition. They are from the middle and upper classes. But, so what? I am sure the working people around the country will be happy to chip in to make things easier for those who are already fortunate.

Now, Mr. Speaker, the President of the United States has threatened to veto this bill. He says that financing for the construction of the Washington Center's private facilities is not an appropriate role for the Federal Government.

Furthermore, says the President, it is inequitable to earmark funds for the Washington Center on a noncompetitive basis.

The President must think Congress ought to be responsible or something.

You know, it is an interesting thought that Congress ought to concern itself about where we are to find the funds to pay for gifts like this.

On reflection, maybe we should concern ourselves about our lack of funds.

Maybe we should ask ourselves what the taxpayers want.

Maybe we should think about establishing priorities where the most important programs come first, and the optional or inappropriate stuff is put aside.

Maybe we should.

Nah.

Mr. Speaker, perhaps I am being too subtle for my overburdened col-

leagues. I intend to vote against this outrageous use of taxpayer funds. I would urge the House as a whole to do likewise.

Mr. FAWELL. Mr. Speaker, I yield 6 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I support the concept of interns as a whole and the Washington Center on Interns specifically. The internship is a wholesome activity. It is good for society, it is good for the educational process, and it is good for the institutions that receive the interns.

There are indeed dozens of internships, perhaps hundreds of internship programs throughout the country founded by nonprofit organizations, by for profit organizations, and by educational institutions, and sometimes just simply by students and/or their parents on their own.

The fact is that this bill is wrong. This bill would set out to single out one particular internship program performing one particular task or function, with one particular group of students interning at the Congress of the United States, and single that internship out for special treatment as if the Committee on Education and Labor or the Congress had held hearings and had considered the array of internships and the array of competitive internships and considered the array of all the questions involved.

So I rise in strong opposition to this legislation, although, as did the two speakers before me, in support of internships as a general principle. Let me relate some of the reasons why the House should turn down this bill rather resoundingly.

First of all, this is not the only internship program in the country, as I earlier said. This bill would single out one particular internship program, a good one so far as any of us know. Some Members of Congress use this internship program. It appears to be a worthwhile program, it is a nonprofit program, and it appears to provide a good educational service to its students. But nowhere in this legislation have we assessed the need. Nowhere in this legislation have we assessed the overall need for intern housing for all internship programs. Nowhere in this legislation do we establish a competitive grant or a Federal priority for establishing housing for internships as a general rule. No, this legislation merely, because someone has asked for it no doubt, establishes specific appropriations for this specific nonprofit corporation to conduct or to provide a specific need that they have defined for us, that is, the need for housing.

The second reason for opposition to this is as follows: Let me remind the Members in attendance that this is not education. Not one nickel of these dollars of this $12 million will be spent for education, not 1 credit hour and not 1 curriculum hour will go for education. Not $1 out of this bill will go for educating a single student. In fact, it is the reverse. This legislation is for housing of students in a temporary facility, for building that housing, for providing housing, and there is no evidence of a particular need or for a housing shortage.

The total of graduate assistance programs for special needs in education, I am told, for the entire country is, interestingly enough, $12 million. This is the exact amount that we are asked to spend for housing, and we are spending that on a nationwide basis. This is the same amount per year for graduate students, to recruit students with special needs in the fields of chemistry, physics, and engineering. If indeed we have an additional $12 million that we choose to spend for university students to improve their education, we could double the amount of graduate assistance for special needs that the Federal Government currently provides.

Third, this program is for construction of housing. If indeed someone had made the case that internships as a whole needed housing money and if one had made the case that this particular internship needed housing money more than all the other internship programs in the country as a whole, the last way that we should provide that housing is to build it ourselves. Yet that is exactly what this proposal provides.

I also have the opportunity to serve on the Housing Subcommittee of the Banking Committee, and let me tell the Members that scandal after scandal in housing circles in this country has occurred when the Federal Government decided to get into the construction of housing as opposed to those programs which pay some of the operating costs for housing.

□ 1330

Mr. Speaker, let us also compare this to other programs, Neighborhood Housing Services, which provides services in neighborhood reinvestment and stabilization of residential neighborhoods for the country. As a whole, it spends, interestingly, a total of $12 million a year. We could double that program for the entire country with this $12 million. Urban homesteading, which provides at a cost of $18,000 average per unit, per family, to low income families to purchase their own home, spends a total of $15 million per year. We just passed the education of the handicapped reauthorization of discretionary programs, and I want to note that the total that we authorized for that program to spend per year for all deaf, blind children in the country is only $19.9 million. We spend less than that in all of the programs for severely handicapped children, at $8.7 million. We spend less than half of the amount that is proposed here in the entire country, we would propose, for children with serious emotional disturbances, and the entirety of parent training in the education and handicapped is $10 million.

Mr. Speaker, indeed, whether it affects the deficit or not, it affects it in only the tiniest of ways, but this is, in fact, maybe the tiniest piece of pork. Maybe it is benevolent or tasty pork, but this $12 million could provide better housing or better education or better services directly to the taxpayer.

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

Mr. Speaker, I really cannot add a great deal, but I do want to say this: that, when the gentleman from Montana [Mr. WILLIAMS], my good friend, refers to the fact that this is for the education of young people, he overlooks, of course, the fact that we are talking about a private institution, of which at least I have very little knowledge. I would not have the slightest idea, for instance, as to how they make their profits, what they do with their profits, what happens if a corporation is dissolved, and things of this sort. The gentleman, I know, is the champion for the concept and the idea that basically the Federal Government, insofar as educational opportunities are concerned, certainly ought to see to it that those funds are going in the public domain and not just given to private colleges because, of course, we all have private colleges in our districts in regard to which we have a great deal of respect.

Mr. Speaker, if we are going to commence saying that the capital improvement programs are all the various private colleges, that Uncle Sam is going to rescue them, then of course we are not only going to have to start looking around the Nation, but we can look, insofar as internship programs are conerned, at American University, at Georgetown and others. American University has a program, as I have said, which is the same thing, just about the same size, except they have a campus. This particular endeavor does not, as I understand, even have a campus.

This is a good job by someone of doing some awfully good lobbying, but it is a dumb piece of legislation. It is not something that Uncle Sam should be involved in, and though it is very, very small pork, it is that, and it is symbolic, I feel, of how too many of us in Congress just simply say, "Well, it's a small amount of money, and some nice people are behind it, and so forth and so on, and so let's just blow it away," and that is what the people back home just cannot understand about what we are doing in Congress.

So, Mr. Speaker, once again I express my opposition to the bill. I hope

my colleagues will join me in doing it, join the President in his indication that he will veto it, if it gets to that. So, let us make short work of it and be done with it.

Mr. Speaker, I yield back the balance of my time.

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

Mr. Speaker, let me be sure that my colleagues understand that with this legislation neither my committee nor the full Committee on Education and Labor is suddenly and without forethought or experience singling out one center for special treatment. The Washington Center has operated successfully in this city for a decade and a half. Seven hundred American colleges and universities have chosen the Washington Center as the place where they wanted their students to receive valuable internship preparation, training, education here in the Nation's Capital, and they have, through the years, sent more than 15,000 students, high income students, moderate income students, low income students, here to Capitol Hill and around this city through the mechanism known as the Washington Center.

Mr. Speaker, through all those years of trial and error, experience and success, the Washington Center has never received any Federal money. In the meantime, the Congress has looked around. Individual Members of Congress have considered whether or not we should provide some kind of national assistance to some proven center, some proven program, that had a good, sound track record of bringing internships to this city and allowing them to develop their talents for a short time here in the Nation's Capital, and our experiences with the Washington Center indicate to us that that is the institution that we should now choose for this amount of Federal money, to give them a little help to build their dormitory space, this conference center, classroom space and this little auditorium that is envisioned to go in the facility. We have chosen the center because they have a good track record and because we have decided that we want to use that center to provide an even improved opportunity for other tens of thousands of American students who come to this center.

My colleagues, we have heard it before, and we hear it again today, and we almost always hear it from the other side of the aisle, from our friends on the right, and that is that we support internship programs. We just will not vote for them. Or we support internships coming into this city, but we do not want to give them any financial assistance to do so. We support education. Of course we support education. Every American supports education. Do not ask us now to vote any more money for it. We are busy putting our money other places, they tell us, and, besides, America cannot afford it because we have a deficit. So, yes, we support education. Absolutely, they tell us. But we do not vote to house the students in dormitories which would enhance and improve their education. We support the students coming to this city, they tell us, in order to get a better education, but we are not going to support any amount of money that would build these students some conference classrooms. Yes, we support these students being able to go to a place and listen to lectures, but do not ask us to vote to assist in that. Do not ask us to vote for money for an auditorium, they tell us. We do not want to do that. We support education, but only with our voice, they tell us, not with our votes, and certainly not in this time of horrendous deficit, which came in the 1980's. Certainly not with any Federal money.

Is this a private institution, this Washington Center? Yes, it is; of course it is. Just like many of America's great educational institutions, the Washington Center, too, is private. We hear a lot about choice in education, and that is: Why do we not allow some of the private institutions in America to compete with the public institutions? Well, here is our opportunity. This is our chance. We do it with Pell grants. My colleagues want to do it with other kinds of choice, tuition, voucher credits and the rest. Well, here is an opportunity to do it for this private center.

Yes, Mr. Speaker, they will tell us they support private centers, but not if we have to provide them with any public money.

Mr. FAWELL. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. Mr. Speaker, I yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Speaker, the reference of the gentleman from Montana [Mr. WILLIAMS] to choice; I agree that a lot of us are very interested in that, but how would the gentleman then answer that an institution like the American University, which also has a program equally as large as the Washington Center, never knew anything about this, had no ability to even compete, nor indeed many other fine private institutions of higher learning in this area? They never had the opportunity to have a $12 million gift in capital construction.

□ 1340

Does that not strike the gentleman as being counter to the point he has expressed?

Mr. WILLIAMS. Reclaiming my time, Mr. Speaker, I would remind the gentleman again that no college, no university in America has had the 15 years of internship effort success that the Washington Center has had.

Did we select out the University of Montana in my own State? Yes.

Frankly, would the money be as well spent as it will on the Washington Center? No.

Did we select out the University of Illinois? Yes.

Will the Federal tax money be as well spent as it would be on this center which has such a fine track record? I think the answer is no.

In closing Mr. Speaker, let me note that, yes, this is $12 million.

Yes, we have a Federal budget deficit.

Yes, this is a private center, and so this is one of those times when the Members of this House, and eventually the President, is going to have an opportunity once again to decide whether or not it is in the national interest to have internships being provided to America's colleges and university students, internships by the thousands, and whether it is in the best interests of this Nation to have some of those interns come to this city and to go through a coordinated program that has a proven record of expertise, and if we believe it is, then we have to ask ourselves whether or not those students deserve some national help, and inasmuch as their interest is in the national interest.

For my part, I believe those students do deserve this help. I believe their families deserve this help. I believe the colleges and universities that send them here support this help, and I urge my colleagues to support this legislation by voting aye.

Mr. BUECHNER. Mr. Speaker, we live in a time when the workings of Government, and especially of Congress, are a remote, obscure thing to the majority of Americans. This ignorance often leads to apathy, as is reflected by decreasing voter turnout, among other things. It is imcumbent upon us to try to bring the American Government back to the people. It is in this spirit that I rise today in support of H.R. 3859, a bill to authorize $12 million for a student housing and educational facility on Capitol Hill.

Washington Center is a not-for-profit organization whose primary purpose is bringing the youth of our country up to Washington so that they might gain a better understanding of the workings of the Federal Government. For 15 years these people have shown young men and women a close and unbiased portrait of a Government which most Americans only read about. However, such a service is not inexpensive, and without some degree of aid, the program would be limited to students from privileged backgrounds, or schools with unlimited means. Today the Washington Center is asking us to help them in their mission; they seek Federal assistance in building a student housing and education facility so that they might better serve the interests of students from all backgrounds and all colleges—particularly disadvanataged and minority students.

This legislation authorizes $12 million to defray construction cost for this building—a relatively small amount that can and will do a great amount of good over the long term. Regardless of party affiliation, none of us can dispute the fact that our children's understanding of the Government of today is our best hope for building a better Government tomorrow. I applaud the Washington Center for their efforts to achieve this, and I urge my colleagues to support H.R. 3859.

Mr. FORD of Michigan. Mr. Speaker, I rise in support of H.R. 3859, which authorizes Federal support for the Washington Center. I am extremely proud to be the sponsor of this needed legislation.

The 15-year-old Washington Center is the largest independent educational organization offering internships and seminars in Washington, DC. More than 15,000 college students from more than 700 colleges and universities representing every State in the Nation have participated in the center's programs. The center provides internships in House and Senate offices, Federal agencies, law firms, and nonprofit organizations, providing students with an academic program and housing in Washington. The students receive academic credit at their home college or university.

Thus, the center has enabled colleges and universities to extend their campuses to the Nation's Capital and has made an important contribution to civil education. It has also awakened in many students an interest in public service careers.

The center has a special commitment to making its programs available to all college students regardless of economic, geographic, or ethnic background. The Center seeks to maintain at least 20 percent minority representation in its programs and has established a minority leaders fellowship program to enable outstanding minority students to participate in its programs.

The center's current residential and academic facilities are inadequate. There is a concern for student safety at its apartments on 16th Street in Northwest Washington, and the students must frequently commute 30 to 50 minutes to their internship assignments. To remedy this situation, the center is planning to build a new housing and classroom facility, located off of Massachusetts Avenue, a few blocks west of Union Station, near Georgetown University Law Center. This facility will house 730 students in apartments and include 13 class/conference rooms and a 600-seat auditorium. The total cost of the facility will be approximately $24 million.

Because of the center's outstanding record of service to students and colleges and universities nationwide and its contribution to civic education, I believe that it is appropriate for the Federal Government to contribute to the construction of the center's new facility.

H.R. 3859, authorizes $12 million to assist the Washington Center in constructing safe housing and classroom space for its interns. This funding will pay not more than 50 percent of the construction and related costs of the Washington Center's new student residence and classroom building.

I would like to especially thank my friend and colleague, PAT WILLIAMS, chairman of the Postsecondary Education Subcommittee for his thoughtful consideration of this bill and his skillful guidance of this legislation through the Education and Labor Committee. I call upon my colleagues to support this legislation.

Mr. GOODLING. Mr. Speaker, I rise in opposition to H.R. 3859, a bill to authorize the expenditure of $12 million for a new building for the Washington Center.

Currently we are embroiled in intense deliberations concerning the Federal budget. There is a good chance many valuable education programs such as Head Start and chapter 1 will see their funding cut below effective levels should we experience sequestration. Yet, we are considering a bill which would spend $12 million for the construction of a student residence and classroom building for the Washington Center.

I support intern programs. In fact, I have at least eight interns in my office each summer and a number of additional interns who work for me throughout the year in order to receive college credit. Interns provide valuable assistance to the offices where they serve their iternships—and the internships, in turn, provide them with an important educational experience. However, interns have survived quite well for years without this new, expensive facility and will continue to do so for years to come.

Additionally, I question why we are attempting to fund this one intern program to the exclusion of the other intern programs which operate in Washington? If we pass H.R. 3859, we may be setting a very expensive precedent—one which we can ill afford.

Mr. Speaker, this is not the time to look for additional ways to spend shrinking Federal funds. The Washington Center for Internships and Academic Seminars is a good program. But there are many more important Federal education programs which need our support. I urge my colleagues to exercise fiscal restraint and oppose H.R. 3859.

Mr. FAWELL. Mr. Speaker, I yield back the balance of my time.

Mr. WILLIAMS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and pass the bill, H.R. 3859.

The question was taken; and on a division (demanded by Mr. FAWELL) there were—yeas 2, nays 4.

Mr. WILLIAMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 3859, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

ON THE KASHMIR AND PUNJAB STRUGGLE FOR MORE AUTONOMY

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. FALEOMAVAEGA. Mr. Speaker, I come to the floor today, with a deep sense of urgency, to focus our attention on the continuing aggression being inflicted by India's army upon the people of the provinces of Kashmir and Punjab. The military troops of the Indian Government continue, to violate and abuse the human rights of the Kashmir and Punjab people. In fact, reports from India indicate that hundreds, if not thousands of Punjab people have been killed during clashes with the Indian troops. Prime Minister V.P. Singh's failure to open a timely constructive dialog with the Kashmiri and Punjab people, and his willingness to tolerate the senseless loss of life inflicted by the Indian Government troops, clearly indicate his indifference to their struggle for independence.

Mr. Speaker, war over Kashmir is feared to be imminent. While the Indian Government refuses to allow secession and independence for the Kashmiri and Punjab people, the Pakistani Government supports their independence. Political tensions between these two countries are high and their relationship is volatile. Conventional war between these two countries could escalate into nuclear war. In fact, Bush administration officials fear that war could break out between India and Pakistan by this fall unless steps are taken to diffuse their confrontations over Kashmir.

Mr. Speaker, it has been reported that Representative SOLARZ, my dear colleague and chairman of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs recently visited this region of the world. Also, President Bush's Deputy National Security Adviser Robert M. Gates recently returned from the region. I applaud their efforts in trying to advance peace and bring about meaningful resolution to this problem. I do, however, call upon our President to step up his role in negotiating peaceful talks between India and Pakistan and to support the Kashmir and Punjab efforts for greater autonomy from Indian rule.

Mr. Speaker, I want to submit for the RECORD several relevant newspaper accounts and reports of the problems in Kashmir and Punjab.

[From the New York Times, June 17, 1990]

WAR OVER KASHMIR IS FEARED BY UNITED STATES: INDIA-PAKISTAN TENSIONS HAVE EASED BUT BUSH AIDES SAY MORE MUST BE DONE

(By Michael R. Gordon)

WASHINGTON, June 16.—Despite a recent easing in tensions Bush Administration officials say they are still worried that war could break out between Pakistan and India by early fall unless the two countries take further steps to defuse their confrontation over Kashmir.

Pakistan and India have programs to develop nuclear weapons, raising the specter of a nuclear war in South Asia.

Administration officials said in interviews this week that tensions had declined since earlier this spring, when American intelligence agencies warned of a "50-50" chance of war between India and Pakistan. The officials said both sides reduce belligerent invective and made proposals for reducing tensions after President Bush's deputy national security adviser, Robert M. Gates, visited the region and met with officials of the Islamabad and New Delhi Governments.

HEAT AND MONSOONS EASE TENSIONS

Political analysts say that the immediate prospectives for conflict have receded because of the summer heat and monsoons in the region, which make ground operations more difficult.

But Bush Administration officials say that if the efforts by the two sides to ease tensions do not bear fruit, war could break out by September or October when the weather becomes more suitable for fighting.

"There does seem to be a modest reduction in tensions on both sides," a senior Administration official said. "But everybody regards it as touch and go."

Representative Stephen J. Solarz, the Brooklyn Democrat who heads the House Foreign Affairs subcommittee on Asian and Pacific Affairs, also visited the region recently. "The continuing tensions between India and Pakistan's as a result of the crisis in Kashmir is the most serious threat of a major military conflict anywhere in the world at the present time," he said.

Mr. Solarz estimated that the odds of conflict are now "45 for war, 55 for peace."

3 WARS SINCE INDEPENDENCE

India and Pakistan have fought three wars since the two nations achieved independence in 1947. Pakistan has said that the Kashmiris, who are predominantly Muslim, should be allowed to choose their future while India has insisted that the region must remain a part of India and has carried out a harsh crackdown there.

Since the last war, in 1971, India has exploded a nuclear device and Pakistan has mounted a program to develop its own nuclear weapons. While the Bush Administration has said that Pakistan does not yet possess a nuclear weapons, American experts say that there are not technological barriers to Pakistan assembling a nuclear device.

"Clearly one of the reasons we put the time and effort behind the Gates mission was the concern that a conflict could escalate to nuclear weapons," a State Department official said.

Administration officials said that their worries crested during the spring as they monitored the political rhetoric and military moves in the region.

MATCHING MOVES

"The concern was that they were inadvertently lurching toward a conflict neither one of them wanted," a senior Administration official said. "Each side was worst-casing the other's reactions or intentions. Each modest military move was looked upon by the other as requiring a response by the other side. And there was a gradual ratcheting up of military developments on both sides that was very worrisome."

Fueling the tensions were Indian charges that Pakistan was aiding Kashmiris who want to secede from India and Pakistani countercharges that Indian troops were guilty of human rights abuses in Kashmir.

The aim of Mr. Gates' mission was not to resolve the long and bitter dispute over Kashmir but the immediate task of heading off a war.

A senior Administration official said that the United States proposed a variety of "confidence-building measures" to reduce the risk of war, such as notification of militay exercises.

INDIA TAKES SOME STEPS

India later presented to Pakistan its own list of such measures, which appeared to draw somewhat from the American list. While the Indian move was welcome as constructive by Administration officials and Mr. Solarz, a Pakistani diplomat dismissed it as "very small-fry things that deal with the least sensitive aspects of the problem."

India also announced the withdrawal of armored units from a desert training area near Pakistan, but a Pentagon official said the United States has not yet confirmed that any of the equipment has been withdrawn.

Pakistan, for its part, has responded to the Indian call for "confidence building measures" by proposing a meeting of the foreign secretaries—the highest civil service officials in the Foreign Ministries of India and Pakistan.

"We want the Pakistanis to halt any support to the militants in Kashmir coming from Pakistani territory," said a Pentagon official. The official said that Pakistani officials have informed that United States that some steps have been taken including the closing of camps in Pakistan used to train the militants.

The Pentagon official said the Indians Government needs to end human rights abuses by its troops in Kashmir and stop using allegation of Pakistani interference in Kashmir as an excuse from "avoiding dealing with that too-hard problems."

[From the Washington Post, June 1, 1990]

OVER 100,000 DEMONSTRATE IN KASHMIR; SLAIN LEADER MOURNED AT PEACEFUL SERVICE; SOLARZ IN NEW DELHI

(By Steve Coll)

NEW DELHI, May 31.—Hooded separatist guerrillas delivered speeches and fired shots over the graves of slain Moslem demonstrators in Kashmir's summer capital of Srinagar today as more than 100,000 people gathered to mourn an assassinated religious leader.

The observances quickly turned into open protests against Indian rule in the region, but the day passed peacefully as the newly appointed governor of India's troubled northern state of Jammu and Kashmir lifted the curfew in some areas and withdrew security forces from the site of the funeral services.

Here in New Delhi, a visiting congressman with oversight responsibility for U.S. policy in South Asia, Rep. Stephen Solarz (D-N.Y.), said he believed the chances are about 50-50 that the separatist uprising in Kashmir will lead India and Pakistan into war within six months.

Solarz met with Prime Minister Vishwanath Pratap Singh on Wednesday after having discussed the Kashmir issue with Pakistani officials in Islamabad. He said that while the leaders of the two countries wished to avoid military conflict, it could escalate quickly because of high tension along the border.

India and Pakistan have fought three wars along Kashmir's border, the last in 1971. India claims sovereignty over the region while Islamic Pakistan contends that Kashmiris, most of whom are Moslems, should be allowed to decide their sovereignty in a plebiscite.

Threats of war by the two countries in recent months have raised particular alarm in the West because both countries are thought capable of deploying nuclear weapons.

The United States and the Soviets have been unable to agree on a joint approach for defusing the crisis—mainly because India, a longtime Soviet ally, objects to any third-party mediation as an infringement on its sovereignty.

Meanwhile, tens of thousands of mourners in Srinagar massed early today at the grave of Maulvi Mohammed Farooq, Kashmir's hereditary Moslem religious leader, who was assassinated by unidentified gunmen at his home in Kashmir 10 days ago.

Demonstrators waved the banned flags of Kashmir's two largest armed separatist groups, the Jammu and Kashmir Liberation Front and the Hizbul Mujaheddin, according to witnesses.

Gun-toting militants delivered anti-Indian speeches and led chants for independence at the grave sites of Farooq and some of the 47 Kashmiris who were killed by Indian security forces on May 21. That day, soldiers opened fire on thousands of mourners who were marching with Farooq's body toward the cemetery.

The shootings, in which hundreds of people were injured, led to an outcry in India and abroad over the the five-month campaign by the state's previous governor, Jagmohan, to quell the popular uprising.

Jagmohan resigned under pressure four days later and was replaced by Girish Saxena, a former chief of India's main intelligence agency. Saxena has vowed to continue India's crackdown on the armed Kashmiri militants, but both the new governor and his superiors in Singh's New Delhi administration are anxious to avoid any petition of the May 21 shootings.

ATTACK ON PACKED KARACHI BUS LIFTS ETHNIC DEATH TOLL TO 300

[From the Washington Post, June 1, 1990]

KARACHI, PAKISTAN, May 31.—Unidentified gunmen poured automatic-weapons fire into a crowded bus here today, killing at least 30 people and wounding 30 others as the latest outbreak of bloodshed in this ethnically turbulent city continued into a third week.

At least eight other people were slain by gunfire around Karachi today, bringing the death toll in ethnic clashes in the teeming port and surrounding Sind province since May 15 to more than 300. No one claimed responsibility for the bus attack.

The violence stems from deep hatred between native Sindis and the Mohajirs, descendants of Moslems who immigrated to Pakistan from Hindu India during the 1947 partition of the subcontinent. Sindis accuse

the better-educated Mohajirs of taking the best jobs and most valuable land.

Police blame the latest clashes on a militant faction of the Mohajir Qaumi Movement, a small political party representing the Moslem Indian immigrants. The party is demanding recognition as Pakistan's fifth nationality, along with Pathans, Punjabis, Baluchis and Sindis.

The bloodshed has forced Prime Minister Benazir Bhutto to postpone a four-day trip to Qatar, Iraq, Kuwait and Bahrain, during which she was to seek support in Pakistan's dispute with India over the future of Indian-ruled Kashmir.

Moslem nationalists in Kashmir are trying to break away from Indian control, and the New Delhi government has accused Pakistan of fomenting civil disorder there. Pakistan denies the charge.

Bhutto has rejected demands that she counter the violence by dismissing Sind's provincial government—headed by her Pakistan People's Party—and bringing Sind under control of central authorities in Islamabad. Instead, she has called out the army to help restore order.

Today, soldiers patrolled the largely deserted streets of Karachi, which is the capital of Sind and the country's financial and industrial hub.

[From the Washington Post, June 1, 1990]

REMOVAL OF INDIAN TROOPS MAY EASE TENSION WITH PAKISTAN, DIPLOMATS SAY

(By Al Kamen)

Heightened tension between India and Pakistan, caused by turmoil in the Indian province of Kashmir, may be easing somewhat after India withdrew an armored division from a key area along the border between the two nations, diplomatic sources here said yesterday.

Indian Embassy spokesman R.R. Dayakara said India this week withdrew the division from an area south of the Punjab—a likely staging area for any military move against Pakistan.

He called the move "a very substantial gesture, and a unilateral one initiated by India to lessen tensions."

A Pakistani official here, speaking on the condition he not be identified, said there is "unofficial confirmation on our side that there is [military] movement" in that area. "Once it is absolutely confirmed, then it would be certainly reciprocated. It is very welcome news, if confirmed," he said.

"Our unofficial assessment is that this is aimed to coincide with the summit and show the two leaders that India does not have warlike intentions," the Pakistani official said, "If they pull back, we have no intention to keep our forces there."

U.S. officials reacted positively to the Indian move, although they cautioned that the movement could be part of a normal rotation of forces or the result of a need to move armored units back from the desert area, where temperatures are well over 100 degrees. The area is used by the Indian army for training during the winter and spring, U.S. officials said. Pakistan had been increasingly concerned, however, that the division was not pulled back when it normally would have been.

"It is good news if it happened," especially if it was a deliberate gesture, "and was not something that was going to happen anyway," a senior U.S. official said. "Any step that is taken with the intent to lower tensions is welcome," he said, adding that the administration was treating it seriously and hoping for a response from Pakistan.

We called on both sides to lower the rhetoric and to take actions that would deescalate the tensions caused by rhetoric and troop movements. To the extent that this is such an action, this is a significant movement in the right direction."

U.S. officials have expressed increased concern in recent months over the latest wave of violence in Kashmir, India's only state with a majority Moslem population. India, which is mainly Hindu, has controlled Kashmir since the India and Pakistan gained independence in 1947, but religious differences have led to three wars between them since then.

Violence by Moslem militants demanding separation from India, along with recent belligerent statements by leading politicians on both sides threaten to trigger renewed fighting between the two nations.

President Bush two weeks ago sent his deputy national security adviser, Robert M. Gates, to India and Pakistan to urge the leaders of the two countries to seek a peaceful solution to the situation.

U.S. officials believe this crisis is substantially different, and more dangerous, than prior conflicts because it is sparked not only by political differences between the two countries but by the volatile situation in Kashmir. Kashmiri separatists in December launched mass demonstrations and kidnappings. More than 350 civilians have been killed in the turmoil this year and thousands have been detained and arrested.

Both countries are believed to be capable of exploding a nuclear device, raising concerns that a war would spur nuclear weapons development on the subcontinent.

[From the New York Times, June 17, 1990]

INDIA'S LEADER STRUGGLES WITH RISING VIOLENCE AND PARTY RIVALS

(By Barbara Crossette)

New Delhi, June 16.—For Prime Minister V.P. Singh, leading an alliance of diverse opposition parties to victory in national elections nearly seven months ago was the easy part. Consolidating his new Government's power over this fractious nation of 840 million people is proving to be much more difficult.

Undermined by rivals in his Janata Dal organization and under pressure from powerful parties on the left and right whose support he needs to sustain his minority Government, Mr. Singh is also badgered and taunted daily by an out-of-office Congress Party apparently trying to obstruct the working of government at every level.

Wavering alliances and opposition vitriol are constant features in Indian politics. But the dangers they pose to Mr. Singh are enlarged in the face of a growing Muslim insurgency in Kashmir, and a militant Sikh separatist campaign in Punjab.

Mr. Singh came to power promising both areas speedy political resolutions of their conflicts. But responding to rising violence, he has instead resorted to increased use of force, further alienating the largely non-Hindu populations denied the right to elect their state governments and in many towns compelled to live under undeclared martial law.

ESTABLISHING AN ALTERNATIVE

The Janata Dal Government faces another crucial challenge. It has to establish itself as real alternative to the Congress Party, which ruled India for most of the last four decades and from which many Janata Dal leaders come. The new party, rent with squabbles, has not concentrated on organization.

Personally, the 58-year-old Prime Minister is in every way different from his rival, Rajiv Gandhi. While Mr. Gandhi, grandson of Jawaharlal Nehru and son of Indira Gandhi, moves with an entourage that is part political and part crony, Mr. Singh is a quiet loner who seems to enjoy befuddling audiences with Delphic answers or unexpected suggestions.

In the last week, he has thrown off balance plotters who were talking of forming a national government without him by replying, "Why not?" Reams of newsprint have been sacrificed in the effort to plumb what he meant.

One colleague says that although the Prime Minister consults often with colleagues, in the end he makes up his own decisions, sometimes wasting precious time along the way.

Many politicians and commentators believe that despite his preoccupation with the violence in the northwest and the attendant tensions with Pakistan, which rise and fall from day to day, Mr. Singh will soon have to begin delivering on the election promises that raised the expectations of voters in November, especially pledges to expose official corruption, restore states' rights and strengthen local government, and free broadcasting from the rigid controls that have made it little more than a medium of propaganda.

There has been little or no progress in any of these areas.

"Six months have passed since the new Government has taken over, and right from the word 'go,' skepticism has been very much there," said L.K. Advani, leader of the right-wing Bharatiya Janata Party, which supports Mr. Singh from outside his National Front coalition. "Will this Government last?"

"It's a live question," Mr. Advani told foreign correspondents. "My own assessment is that the persistence of this question certainly impairs the credibility of the Government. But what is more important is, Will this Government be able to deliver the goods?"

Mr. Singh's preference for slow, methodical investigations through established institutions and procedures has annoyed some supporters who were convinced there would be speedy moves to prosecute some aides of Mr. Gandhi on allegations of corruption in the purchase of civil aircraft and military equipment.

STUDY GROUPS SET UP

Social planners have been slow to offer bold ideas. Commissions and study groups are set up instead. Recently the Planning Commission suggested a complete reorganization of the country's education system. The Prime Minister has also called for a new look at population control, and at large irrigation and power projects that threaten to dislocate hundreds of thousands of Indians. Framing these new policies will take time, putting them into practice even longer.

The national economy is heading toward a tough decade, Indian and foreign economists say. This week, the World Bank recommended a halt in the growth of government and the bureaucracy, which now consumes more than 30 percent of the country's gross national product, according to S.P. Ahuja, director of New Delhi's Center for Research, Planning and Action, an independent research center. Inflation and foreign debt are rising. Public sector companies continue to perform poorly, while many re-

strictions and widespread corruption still hedge in private enterprise.

"India is running out of time," Vikram Satyanath, a young advertising executive in Bangalore, said. "If this Government doesn't do something, we will find another one that will."

For many impatient young people that choice will not be Congress, a party that voters rejected as discredited in national and state elections, but Mr. Advani's disciplined free-enterprise Bharatiya Janata Party, which is better known for its appeal to conservative or militant Hindus. But it also seems to be attracting the rising, secular middle class.

RIVAL PARTY GROWS STEADILY

The Bharatiya Janata Party, in contrast to Mr. Singh's Janata Dal, has been growing steadily over the last year, consolidating strength at state and local levels for what many Indians believe will be a bid for power nationally in the next election.

Most politicians and analysts in this land where the word pundit was invented believe that Mr. Singh still commands substantial respect and popularity around the country for his integrity, and that voters are not ready to consider bringing Mr. Gandhi back.

"The Prime Minister may derive his greatest strength from the fact that no party wants to fight another election now, not even Congress," said Bhabani Sen Gupta, of the Center for Policy Research.

Although the Prime Minister says he is not adverse to open debate among his colleagues, there are many politicians, including some in his own party, who believe that he will have to put an end to some unseemly public disputes among his colleagues.

SHOWDOWN WITH DEPUTY PREDICTED

Ultimately, many believe, there will have to be a showdown with his Deputy Prime Minister, Devi Lal.

When Mr. Singh broke with Mr. Gandhi and was expelled from the Congress Party in 1987, he was a man without a political base. He succeeded in creating a national party, the Janata Dal, and later the wider National Front only with the help of several important regional politicians.

Foremost among them were Mr. Lal, Chief Minister of the northern state of Haryana and a near-feudal leader of increasingly prosperous farmers belonging to the Jat caste, the Chandra Shekhar, a wily politician who never hid his ambition to be prime minister, a position be believes he was unfairly denied in 1977, when another non-Congress Government was in power.

When Mr. Singh took office in December, Mr. Lal joined him in a decisive political manuever to sideline Mr. Shekar, who challenged Mr. Singh for the chance to form a government. Mr. Lal was rewarded with the title of Deputy Prime Minister as well as Agriculture Minister. Mr. Shekhar, shunted to the sidelines, began to plot.

PROGRESS ON FOREIGN POLICY

Now he has renewed his relationship with Mr. Lal, and the two have become a virtual fifth column in the party. They threaten to deprive Mr. Singh of their support bases in the populous Hindi-speaking north.

If Mr. Singh has acted cautiously on the domestic political front, he moved quickly in foreign policy. Troops were brought back from Sri Lanka, agreements were signed with Bangladesh and a trade war with Nepal has ended. Mr. Singh recently joined officials from other developing nations in establishing a new international organization, the Group of 15, for helping one another and forming a front to tackle their perceived problems with industrialized nations.

But relations with Pakistan, the largest neighbor, have been set back significantly by the crisis in Kashmir, raising the level of suspicion and tension between the two nations. Over the next few months, this issue will test the statesmanship of Mr. Singh, and at the same time his domestic political acumen will be facing its greatest challenge.

[From Amnesty International USA, June 7, 1990]

INDIA: TORTURE AND KILLINGS OF UNARMED CIVILIANS IN KASHMIR

Amnesty International has expressed grave concern to the Indian Government over renewed reports of indiscriminate killings of unarmed civilians by security forces in Kashmir.

Since January, there have been repeated allegations of extrajudicial executions and other human rights abuses as the government moves to suppress an escalating independence campaign in Kashmir.

On 21 May, 47 people were reported killed by official sources when police shot at thousands of men and women who were mourning the death of Srinigar's Islamic leader, Maulvi Mohammed Farooq, who had been shot dead earlier. Unofficial reports say the number of deaths was higher, with at least 60 killed.

Government ministers said Kashmiri militants mingling in the crowd of mourners had opened fire first, and civilians were subsequently killed in the "cross-fire" between central reserve police forces and armed Kashmiris. But survivors, journalists and other witnesses said security forces opened fire without warning or provocation and the shooting was indiscriminate. As on previous occasions in Kashmir when unarmed demonstrators have been shot by paramilitary personnel, doctors and journalists reported that most victims bore head, neck or chest wounds, suggesting the security forces were shooting to kill. A senior police officer has reportedly opened an investigation into the killings.

The incident is the latest in a series of indiscriminate killings of unarmed demonstrators which have occurred in Kashmir since January. Amnesty International acknowledges that the task of the security forces in maintaining law and order in Kashmir is a difficult one, where several armed groups have resorted to violence. These groups have killed members of the security forces, government officials, and civilians alleged to be "informers". On 10 April, one such group killed three people it had taken as hostages. Amnesty International condemns the torture or killing of prisoners by anyone but says killings by armed groups can never justify security forces resorting to extrajudicial executions.

Thousands of people are reported to have been arbitrarily arrested and detained without charge or trial since January for suspected involvement in Kashmir's independence campaign or for the state to join Pakistan. In Mid-May, the Government said many of those arrested had been released shortly after arrest and that only 500 were still held. However, unofficial sources alleged that well over 1,000 detainees were still held. None are known to have been tried but the Governor of Kashmir, who resigned on 25 May, said those with specific charges against them would be brought to trial in Jammu.

Some detainees have also reportedly been transferred to prisons outside Kashmir—relatives say they do not know where they are being held.

Many of those arrested are said to have been tortured with some released detainees bearing marks of beatings and of burnings with cigarettes. One victim said he was suspended from a rotating ceiling fan. During house-to-house searches, paramilitary forces are alleged to have ill-treated suspects and raped women, an assistant commissioner for local administration claimed he was beaten in January by the border security force when he inquired about shootings and killings by the security forces.

Amnesty International has not been able to visit Kashmir to investigate any of the recent human rights abuses allegations. But it says there is mounting evidence from independent sources supporting these allegations and has called on the Indian Government to take urgent measures to prevent further abuses.

Amnesty International is very concerned about the human rights situation in India and the deterioration of the situation in Kashmir, in particular. Amnesty International is calling upon Members of Congress to express their concerns in letters to the government of India.

IMPACT OF CONSTITUTIONAL ISSUE ON FLAG BURNING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LEVINE] is recognized for 5 minutes.

Mr. LEVINE of California. Mr. Speaker, I have asked for this brief special order in light of the importance of the constitutional issue which will be before the Committee on the Judiciary tomorrow and which I expect will be on the floor later this week.

Mr. Speaker, never in the history of the United States of America has this Congress or this country seen fit to amend, and act upon amending, the Bill of Rights of the Constitution of the United States of America. Never before in the history of this Republic, Mr. Speaker, has this country amended perhaps the most sacred constitutional set of freedoms that this Nation enjoys, those freedoms that are guaranteed under the first amendment to the U.S. Constitution.

Mr. Speaker, before we deliberate on the issues before us in committee tomorrow and on the floor on Thursday, I hope we will seriously reflect upon the consequences of tinkering with the first amendment to the Constitution of the United States of America. The first amendment in many respects, and certainly the entire Bill of Rights, are the cornerstones of American freedom.

Think about what these freedoms are. Think about their hallowed nature in the history of this country. Freedom of religion, the free exercise of religion, freedom of speech, unrestricted freedom of political speech. Even the most abhorrent concepts are

at least accorded a hearing under this sacred constitutional guarantee that has been enshrined in our Bill of Rights and enshrined in our first amendment throughout the history of this country.

As the Supreme Court stated just 1 week ago in the opinion which triggered the current consideration of this issue:

We are aware that desecration of the flag is deeply offensive to many. But the same might be said, for example, of virulent ethnic and religious epithets, see *Terminiello* v. *Chicago*, 337 U.S. 1 (1949), vulgar repudiations of the draft, see *Cohen* v. *California*, 403 U.S. 15 (1971), and scurrilous caricatures, see *Hustler Magazine, Inc.* v. *Falwell*, 485 U.S. 46 (1988). "If there is a bedrock principle underlying the First Amendment, it is that the Government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable." Johnson, supra, at——. Punishing desecration of the flag dilutes the very freedom that makes this emblem so revered, and worth revering.

Mr. Speaker, let me bring the attention of my colleagues a story on today's Associated Press wire and which begins as follows, Mr. Speaker, and I quote the Associated Press wire of earlier today:

Members of China's rubberstamp parliament will discuss a proposed ban on desecration of the national flag this weekend and are likely to enact the law with little of the political fury exhibited in the United States.

The spokesman for that rubberstamp parliament, one Zhiang Huseng, stated that China's national flag law will face no constitutional hurdles, and he said:

I can say one thing for sure. The Chinese constitution will need no amending on the propagation of the law on the national flag.

Mr. Speaker, reflect on this. China has one of the more repressive governments on the globe.

□ 1350

This is the Government that ran students over with tanks in Tiananmen Square last June. This is a regime which would have no constitutional qualms about restricting speech at all.

Mr. Speaker, we are in America. We are protected by the first amendment to the U.S. Constitution. We are in the land of the free. We are not in China where tanks trample students in Tiananmen Square.

We should not allow the Goddess of Democracy which has inspired hope for a better Chinese future to be compromised by amending the first amendment to our Bill of Rights for the very first time in our history.

Mr. Speaker, the real issue before us this week will not be whether we support flag burning by a handful of misfits. None of us do. But to stop it, as offensive as it may be, as offensive as it surely is, will we support burning the Constitution and burning the freedoms that are enshrined in the first amendment to this Constitution that we hold so dear? That in fact, would be a threat to this Republic.

It will take some political courage to vote against this amendment and to protect the Bill of Rights, the first amendment, and the U.S. Constitution. If ever there was a time to exercise this political courage, this week will be such a time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEVINE of California) to revise and extend their remarks and include extraneous material:)

Mr. LEVINE of California, for 5 minutes, today.

Mr. ANNUNZO, for 5 minutes, today.

Mr. GUARINI, for 5 minutes, on June 19.

Mr. RANGEL, for 60 minutes, on June 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DOUGLAS) and to include extraneous matter:)

Mr. SHAYS.

Mr. MACHTLEY.

Mr. GEKAS.

Mr. HANSEN.

Mr. PURSELL.

Mr. ARMEY.

(The following Members (at the request of Mr. LEVINE of California) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. TORRES.

Mr. NELSON of Florida.

Mr. KANJORSKI.

Mr. BONIOR in two instances.

Mr. MAZZOLI.

Mr. HUBBARD.

Mr. LANTOS.

Mr. ROE.

ADJOURNMENT

Mr. LEVINE of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 51 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 19, 1990, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3401. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-213, "Motor Vehicle Fees Amendment Temporary Act of 1990", pursuant to D.C. Code Sec. 1-233(c)(1); to the Committee on the District of Columbia.

3402. A letter from the Acting Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting a copy of a report on the operations of the Office of General Counsel, October 1988 through September 1989, pursuant to 42 U.S.C. 2000e-4(e); to the Committee on Education and Labor.

3403. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Toxic Substances Control Act, as amended, for 2 years; to the Committee on Energy and Commerce.

3404. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Korea for defense articles and services estimated to cost $44 million (Transmittal No. 90-43), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3405. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original reports of political contributions by Townsend B. Friedman, of Illinois, and Richard C. Brown, of Maryland, Ambassadors-designate and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3406. A letter from the Director, United States Information Agency, transmitting the semiannual report of the Office of Inspector General for the period October 1, 1989 through March 31, 1990, pursuant to Public Law 95-452, sec. 5(b) (102 Stat. 2526; to the Committee on Government Operations.

3407. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3408. A letter from the Secretary of the Interior, transmitting the Federal Coal Management Report, fiscal year 1989, pursuant to 30 U.S.C. 208-2; to the Committee on Interior and Insular Affairs.

3409. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstration for fiscal years 1991 and 1992; to the Committee on Science, Space, and Technology.

3410. A letter from the Chief Judge, Court of Veterans Appeals, transmitting a draft of proposed legislation to make technical amendments to the Veterans' Judicial Review Act; to the Committee on Veterans' Affairs.

3411. A communication from the President of the United States, transmitting notification of his designation of Anne E. Brunsdale as Vice Chairman of the U.S. International Trade Commission, effective

June 16, 1990, pursuant to 19 U.S.C. 1330(c)(1); to the Committee on Ways and Means.

3412. A letter from the Secretary of Health and Human Services, transmitting the annual report of the Indian Health Care Improvement Act covering the major activities and accomplishments of the Indian Health Service during fiscal year 1988, pursuant to 25 U.S.C. 1671; jointly to the Committees on Energy and Commerce and Interior and Insular Affairs.

3413. A letter from the Secretary of Health and Human Services, transmitting a copy of a report entitled "the Accuracy of the Medicare Home Health Agency Cost Limits"; jointly, to the Committees on Energy and Commerce and Ways and Means.

3414. A letter from the Secretary of Health and Human Services, transmitting a copy of a report on standards for physicians' office laboratories; jointly, to the Committees on Energy and Commerce and Ways and Means.

3415. A letter from the Administrator, Agency for International Development, transmitting a letter stating that AID has completed its task and has ceased delivering aid to the Nicaraguan resistance as of April 30, 1990, pursuant to Public Law 101-14, sec. 11 (103 Stat. 40); jointly, to the Committees on Foreign Affairs and Appropriations.

3416. A letter from the Assistant Administrator, Environmental Protection Agency, transmitting a copy of a report entitled "the Second Progress Report Under the 1987 Chesapeake Bay Agreement", pursuant to 33 U.S.C. 1267; jointly to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4273. A bill to amend the Public Health Service Act to extend the program of grants for preventive health services with respect to tuberculosis, and for other purposes; with an amendment (Rept. 101-542). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4790. A bill to amend the Public Health Service Act to establish a program of grants for the prevention and control of breast and cervical cancer (Rept. 101-543). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 1013. A bill to amend the Education of the Handicapped Act to extend certain authorities contained in such Act through the fiscal year 1992; with amendments (Rept. 101-544). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LEVIN of Michigan (for himself, Mr. SWIFT, Mr. WAXMAN, Mr. MOODY, Mr. FAUNTROY, Mr. MCDERMOTT, Ms. PELOSI, Mr. FOGLIETTA, and Mr. LEWIS of Georgia):

H.R. 5067. A bill to amend titles XVIII and XIX of the Social Security Act to require providers of services and health maintenance organizations under the Medicare and Medicaid Programs to assure that individuals receiving services will be given an opportunity to participate in and direct health care decisions affecting themselves; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. RINALDO:

H.R. 5068. A bill to extend the temporary suspension of duty on certain oxygen-function amino compounds; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 286: Mr. BOEHLERT.

H.R. 552: Mr. STEARNS.

H.R. 930: Mr. ANDREWS.

H.R. 1180: Mr. MAVROULES.

H.R. 2816: Mr. LEATH of Texas.

H.R. 2870: Mr. SERRANO, and Mr. BROWDER.

H.R. 2942: Mr. SMITH of Texas.

H.R. 3120: Mr. BUSTAMANTE, and Mr. WISE.

H.R. 3958: Mrs. MARTIN of Illinois.

H.R. 4147: Mr. MARKEY, Mr. BUSTAMANTE, Mr. SHAYS, Mr. WAXMAN, and Mr. CHAPMAN.

H.R. 4492: Mr. CARPER, Mr. TORRICELLI, Mr. BENNETT, Mr. WAXMAN, and Mr. COYNE.

H.R. 4497: Mr. BATES.

H.R. 4520: Mr. EVANS.

H.R. 4552: Mr. SAVAGE.

H.R. 4573: Mr. HORTON, Mr. ACKERMAN, Mr. NEAL of North Carolina, Mr. HOCHBRUECKNER, Mr. FOGLIETTA, Mr. BLAZ, Mr. PALLONE, and Mr. CONTE.

H.R. 4601: Mr. SMITH of New Jersey.

H.R. 4763: Mr. BROWN of California.

H.R. 4790: Mr. KILDEE.

H.R. 4812: Mr. HEFNER, Mrs. LLOYD, Mrs. PATTERSON, Mr. SPRATT, and Mr. NEAL of North Carolina.

H.R. 4959: Mr. JOHNSON of South Dakota, Mrs. COLLINS, Mr. DOUGLAS, and Mr. CHAPMAN.

H.R. 4990: Mr. PORTER, Mr. DREIER of California, Mr. ROSE, Mr. JOHNSON of South Dakota, Mr. RINALDO, Mr. CARR, Mr. MCDADE, and Mr. CHAPMAN.

H.R. 5000: Mr. FAUNTROY, Mrs. COLLINS, and Mr. TOWNS.

H.J. Res. 374: Mr. MARKEY, Mr. LENT, and Mr. TORRICELLI.

H.J. Res. 439: Mr. JAMES, Mr. KOLTER, and Mr. HUCKABY.

H.J. Res. 459: Mr. UDALL, Mr. FEIGHAN, Mr. CLEMENT, and Mr. SKELTON.

H.J. Res. 509: Mrs. COLLINS, Mr. DE LA GARZA, and Mr. DYMALLY.

H.J. Res. 532: Ms. MOLINARI, Mr. LEWIS of California, Mr. ROE, Mr. NAGLE, Mr. SPENCE, Mr. SKEEN, Mr. MARTIN of New York, and Mrs. BENTLEY.

H.J. Res. 561: Mr. EVANS.

H.J. Res. 575: Mr. ALEXANDER, Mr. ANTHONY, Mr. BAKER, Mr. BARNARD, Mr. BEILENSON, Mrs. BOGGS, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. BROWDER, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. BRUCE, Mr. CARDIN, Mr. CARPER, Mr. CLEMENT, Mr. COBLE, Mr. COLEMAN of Missouri, Mr. DEFAZIO, Mr. DE LUGO, Mr. DINGELL, Mr. DOUGLAS, Mr. EDWARDS of California, Mr. FALEOMAVAEGA, Mr. FEIGHAN, Mr. FORD of Michigan, Mr. GALLO, Mr. HANSEN, Mr. HATCHER, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. HEFNER, Mr. HOAGLAND, Mr. HOYER, Mr. HUGHES, Mr. JENKINS, Mr. JOHNSON of South Dakota, Mr. JOHNSTON of Florida, Mr. JONES of Georgia, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. KENNEDY, MRS. KENNELLY, Mr. KILDEE, Mr. LANCASTER, Mr. LAUGHLIN, Mr. LEWIS of Georgia, Ms. LONG, Mrs. LOWEY of New York, Mr. MCDADE, Mr. MCDERMOTT, Mr. MCMILLEN of Maryland, Mr. MAZZOLI, Mr. MOODY, Mr. MOORHEAD, Mr. NAGLE, Mr. NEAL of Massachusetts, Mr. NIELSON of Utah, Mr. OBEY, Mr. OBERSTAR, Mr. PANETTA, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Mrs. PELOSI, Mr. PICKLE, Mr. PRICE, Mr. ROSE, Mr. ROWLAND of Connecticut, Mr. RUSSO, Mr. SABO, Mrs. SAIKI, Mr. SCHAEFER, Mr. SLATTERY, Mr. SIKORSKI, Ms. SLAUGHTER of New York, Mr. SOLARZ, Mr. SPRATT, Mr. SMITH of Florida, Mr. SMITH of New Hampshire, Mr. STEARNS, Mr. STENHOLM, Mr. TAUKE, Mr. TAUZIN, Mr. TAYLOR, Mr. THOMAS of Georgia, Mr. TRAFICANT, MRS. UNSOELD, Mr. VALENTINE, Mr. VOLKMER, Mr. VISCLOSKY, MRS. VUCANOVICH, Mr. WALGREN, Mr. WASHINGTON, Mr. WAXMAN, Mr. WOLF, Mr. WYDEN, Mr. WYLIE, Mr. YATES, and Mr. LIGHTFOOT.

H.J. Res. 578: Mr. FUSTER, Mr. YATES, Mr. MCNULTY, Mrs. COLLINS, Mr. SERRANO, Mr. MCGRATH, and Mr. STOKES.

H. Con. Res. 333: Mr. HOUGHTON, Mr. FOGLIETTA, Mr. KOSTMAYER, Mr. RITTER, Mr. MFUME, Mr. GEJDENSON, Mr. COLEMAN of Texas, Mr. YATES, Mr. JACOBS, Mr. LANCASTER, Mr. TALLON, Mr. WEBER, Mr. TRAFICANT, Mr. BLILEY, Mr. VANDER JAGT, Mr. TRAXLER, Mr. WELDON, Mr. VALENTINE, Mr. SLATTERY, Mr. TORRES, Mr. SHAW, Mr. SMITH of Texas, Mr. SKAGGS, Mr. SPRATT, Mr. DICKINSON, Mr. MAZZOLI, Mr. ECKART, Mr. SERRANO, and Mr. MARKEY.

H. Res. 134: Mr. CLAY, Mr. INHOFE, Mr. COBLE, and Mr. CHAPMAN.

SENATE—*Monday, June 18, 1990*

(Legislative day of Monday, June 11, 1990)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Behold, how good and how pleasant it is for brethren to dwell together in unity!—Psalm 133:1.

God of peace, thank Thee for the motto, "E Pluribus Unum"—"Out of Many, One"—for the vision of Franklin, Jefferson, and Adams that it should appear on the Great Seal of the United States. Thank Thee that our Founding Fathers conceived of the Senate as the model of that unity. Thank Thee for diversity without which dull uniformity would prevail—making us clones. Thank Thee for unity without which diversity would become anarchy.

We pray, mighty God, that the wind of the Holy Spirit will breathe upon the Senate, that it may find the strength which comes from unitedness. Put within the hearts of the Senators the will to unity, not at the expense of diversity, but that the immense corporate power of these 100 powerful public servants may come to focus upon the monumental, critical issues which divide and fragment. We pray in Jesus' name in whom is all power in Heaven and on Earth. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, following the time for the two leaders this afternoon, there will be a period for morning business until 3 p.m., with Senators permitted to speak therein for up to 5 minutes each.

At 3 p.m., the Senate will begin consideration of S. 566, the National Affordable Housing Act. There will be no rollcall votes today. Rollcall votes are possible at any time tomorrow when the Senate resumes consideration of the bill in the morning.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time, and I reserve all of the leader time of the distinguished Republican leader.

The PRESIDENT pro tempore. Without objection, the time of the two leaders is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business, to extend until the hour of 3 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The Senator from Nevada [Mr. REID] is recognized for not to exceed 5 minutes.

CAMPAIGN FINANCE REFORM

Mr. REID. Mr. President, the June 16 edition of the National Journal is almost entirely dedicated to one subject. They entitle the magazine "Campaign Grease."

This respected publication, which we in Congress and people throughout America read as an indication of what is going on in Washington, certainly is something we should all direct our attention to this day.

This publication of June 16 is broken up into a series of articles. The first article is titled "The Money Chase."

Mr. President, of course, what this title refers to is the pursuit of Senators to raise on an average $4 million during a campaign cycle. I think that the title of the article is a good choice if you are looking at what goes on here.

There are other articles that are just as descriptive as that: "Spend, Spend, Spend"; "Year Round Business," and of course, money raising is a year-round business; "Always Run Scared," which talks about how even though people may not have a tough election, they run as if they are going to have one and raise huge sums of money and spend huge sums of money. Another article, "Don't Look Homeward." This is also a descriptive title, Mr. President. What this article says is that large amounts of money are raised outside our home States.

"The Green Thumb Gang" is another article, and basically what this talks about, Mr. President, is the industry that has developed around campaign money raising. The $130 million-odd that is raised every 2 years by Senators has created an industry, an industry of people who both help raise and spend this money.

The first of the series of articles that I talked about, entitled "The Money Chase," makes a statement and asks a serious question. "The pursuit of campaign funds has become an unending marathon as worrying to participants as it is disturbing to spectators. But will it lead to the system's overhaul?"

Sadly, Mr. President, probably not. The answer to that question leaves me troubled, as I am sure it does a lot of people in this body. It is already nearing the end of June, leaving just over 2 months for us to work on legislative matters. The legislative ghost of campaign reform has appeared every now and then but I am afraid it may have disappeared for good if the weekend papers are correct, because in the newspapers it said the attempts by the two party leaders to have this resolved by two five-men working groups have failed. That being the case, it is going to be most difficult, Mr. President, for campaign reform to take place.

I think this is a tragedy for our electoral system, our Government, and especially for our constituents. We have both parties complaining about the necessity for campaign reform, the high cost of campaigns, how it is distracting from what really needs to be done. But what is being done about it? Not very much at this stage.

Mr. President, let me close by stating that I recognize that campaign reform is not the burning issue back home. People back home are more concerned about the budget deficits, and our educational system. And what are we going to do about what is happening in Eastern Europe? They are more concerned about the environment, and rightfully so. But we could concentrate more on those problems if we were not involved in this constant battle to raise campaign moneys. We could concentrate more on education, the environment, and deficit reduction perhaps.

Every 2 years 33 Senators run for reelection at an average cost of $4 million per race. That comes to over $130 million. And it is growing tremendously.

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

Mr. President, in 1976 the House and Senate spent $125.5 million. In 1988, they spent almost $458 million. In just 12 years the increase is staggering, even accounting for inflation.

In addition to the money raised and spent by candidates themselves, an entire year-round industry of independent organizations has sprung up to raise money to affect campaigns. These groups can come into a State and spend unlimited sums of money campaigning an individual. It is wrong. We have to do something about this. It is outrageous that these activities—these independent expenditures—are allowed to continue. Unless we do something about changing the law, they will continue.

So I think it is important that we recognize here in Washington that the people are concerned and will become more concerned as time goes on. We are here to represent the people's concerns about education, the environment, and deficit reduction. We have to recognize that campaign reform, which will benefit these issues, should not fade into the background. I think it is important for both parties to recognize that campaign reform is good government.

So I hope that the leaders would push the negotiators to come up with an agreement. I am partial to the Democratic legislation that has been introduced. But it is important that we recognize that something must be done before time runs out. As the National Journal reports, the debate on this issue is being carried out on an eerily quiet stage.

I intend, Mr. President, to keep making noise about it. I intend to keep making noise until we do something because I think it is time to exorcize this ghost legislation and end the haunting of campaign finance.

The PRESIDENT pro tempore. The Republican leader is recognized. His time has been reserved. He has 10 minutes under the time reserved. He also has 5 minutes in morning business if he so desires to use it.

CAMPAIGN FINANCE REFORM

Mr. DOLE. Mr. President, I was very surprised to read in this weekend's newspapers about the collapse of the bipartisan campaign finance reform negotiations.

I understand that Senator MCCONNELL, the leader of the Republican negotiating team, also learned—through the newspapers—about the Democrat's unilateral decision to discontinue the negotiations.

It is unfortunate that my colleagues on the other side of the aisle believe that bipartisan negotiations are not worth pursuing anymore.

There was bipartisan consensus on the need for a meaningful broadcast discount. There was bipartisan consensus on the need to reduce the influence of special interests by restricting PAC contributions and contributions from individuals living outside of a candidate's home State. There was bipartisan consensus on the need to curtail the practice of bundling and to close the millionaire's loophole that now exists in Federal law.

There was bipartisan consensus—in other words—on an entire menu of very important reform issues. But this consensus has apparently been sacrificed at the altar of rigid, arbitrarily determined spending limits that disadvantage challengers and promote incumbency.

I urge my colleagues to note this simple fact: Only 7 of the 32 winning Senate challengers from 1978 to 1988 stayed within the spending limits outlined in S. 137. Obviously, these are pretty low numbers. They are also pretty good numbers, particularly if you are interested in seeing the Democratic Party maintain its lock in Congress through the 21st century.

This is the view of virtually every campaign finance scholar who has studied the issue. It is the view of the Committee for the Study of the American Electorate, a nonpartisan research group, which recently concluded that the spending limits contained in S. 137 would favor Senate incumbents. That means Republicans and Democrats. And it happens to be the view of President Bush, who has publicly threatened to veto any bill that contains a rigid spending limits proposal or provision.

Mr. President, Senator MITCHELL and I will sit down and discuss what the next step should be. But since Democrats and Republicans appear to agree on many—if not most—of the key campaign finance reform issues, it remains my hope that bipartisan negotiations could resume sometime later this week.

There is simply too much at stake, and too many areas of agreement, to throw in the campaign reform towel without further discussions.

Let there be no mistake about it: the Senate can pass a comprehensive and truly meaningful campaign finance reform bill, and it can pass such a bill this year.

But we will not have reform if one party at the negotiating table chooses to walk lock step with Common Cause and the liberal media. And we will not have reform if reform means partisan advantage for one party and partisan disadvantage for the other.

Senate Republicans continue to believe that the real campaign finance culprit is not campaign spending, but the special interest sources of campaign funds.

That is why we have tried to limit the source. If one man gives me $1 million in my campaign, that is special interest of course. But if 1 million people give me $2 apiece, that is $2 million. But it is not much from any one source.

Instead of talking about some arbitrary aggregate spending limit, let us talk about limiting the source—political action committees, so-called soft money, out of State, to make us go back to our own States to raise money. Let us limit how much we can raise the source of the money, the aggregate total. There is no magic about the aggregate total unless we want to protect all who are incumbents.

I certainly share the view of the Senator from Nevada. I think many of the people in our State focus on other issues. But I find it very demeaning. I know the Presiding Officer does, and I know the Senator from Nevada does. Raising money is not what we are here for. We need to find some way to limit the cost of campaigns without going, in my view, to public financing. I think that would be a mistake because that would be another Federal program that would grow and grow like all Federal programs.

So I would just hope that we have not given up. This Senator has not given up. We believe that we have a good proposal on our side. Democrats believe they have a good proposal on their side. But you cannot have negotiations if in this case the negotiators from one party say, well, we are not going to negotiate anything until you agree to accept some arbitrary rigid aggregate spending limit. Why not set the aggregate spending limit, and let us set political action committees aside and negotiate everything else. Then maybe the leaders could make some adjustments or could negotiate spending limits and PAC contributions or whatever.

We need to reduce the amount political action committees can give—$10,000 is a lot of money; it ought to be less. We need to limit or ban soft money; and, ban what we call bundling; and, limit how much we can raise from out of State.

So I just say even though I was surprised to read that the distinguished Senator from Oklahoma just sort of pulled the plug, Senator BOREN, on any further negotiations without anybody being aware of it, at least this Senator was not aware of it, I hope that is not an indication that all bets are off; we will have to come back on the Senate floor and try to work it out on the Senate floor. Maybe we can. But I still hope we could give bipartisan negotiations another chance.

Mr. President, I reserve the remainder of my time.

The PRESIDENT pro tempore. The balance of the Republican leader's time is reserved by asking unanimous consent. Without objection, it is so ordered.

Mr. BOND addressed the Chair.

The PRESIDENT pro tempore. The Senator from Missouri [Mr. BOND] is recognized for not to exceed 5 minutes.

SAVINGS AND LOAN FRAUD

Mr. BOND. Mr. President, a U.S. grand jury indicated the owner of the infamous Vernon Savings & Loan in Texas on 38 counts last week. The latest in a string of indictments against the highest officials of Vernon, he stands accused of authorizing more than three dozen payments for illegal political contributions, lavish parties and hunting expeditions.

This indictment came after 4 years of investigation coordinated by the Justice Department. The unit investigating Vernon now has 140 lawyers, agents and investigators with 51 convictions in 76 indictments to their credit. Seven of Vernon's top officers and a heavy borrower have already been convicted.

But these prosecutions do not tell the whole story. Vernon's financial empire peaked at $1.7 billion before its crash. Since 96 percent of its loans were bad, taxpayers may lose $1.3 billion of that sum. Frankly, it takes a lot of teamwork to run up a debt like that.

Officials at Vernon were well connected. They reportedly entertained their regulators and raised bushels of money for their friends in the Congress. If their efforts gained them any influence, can we doubt that they used it?

What do we know of the teamwork at Vernon? It has been reported that they had friends in the leadership of the House. It has been reported that these friends intervened with Federal regulators investigating Vernon. We do know that the House Ethics Committee refused disciplinary action in one case.

But the real question here is what should we know—not just about Vernon—but about the largest finanacial scandal in our Nation's history. The American taxpayers are picking up a $130 billion plus interest tab; they deserve to know why. I think we owe them more for their money than just prosecutions, even significant prosecutions, strung out over a decade. American taxpayers deserve the whole story, not just pieces here and there.

When I came to the Senate in 1987, I joined the Banking Committee, and I found that the previous year an effort to provide $15 billion to replenish the dwindling FSLIC fund had been killed in the House, reportedly by the house Leadership. In my first year I was one of the few votes in the committee for the next effort to put $15 billion in the fund. Eventually, our effort won $10.8 billion for the fund. As we now know, even that was far from sufficient.

I have long sought better criminal prosecution and sponsored legislation to provide for stiffer penalties and supported the allocation of additional dollars for the Department of Justice to go after those who had stolen from the system.

Last spring I wrote the Attorney General suggesting that a special savings and loan fraud czar be appointed. Prosecuting these cases should be more than business as usual at the Justice Department.

I am disappointed at the pace of prosecutions. On May 25, I wrote to our committee leadership asking for a hearing to investigate this. I understand that hearings will be held on August first and second. I am confident that the hearing will be productive and that we will proceed with a spirit of bipartisan cooperation.

There also has been a discussion of additional legislation to enhance prosecution of those who looted savings and loans. I am confident that effort also will proceed with bipartisan cooperation and will focus our energy on stronger prosecution.

But I am most concerned that both the current process and increasing political posturing will not give the Nation the full savings and loan story. If we rely solely on prosecutions to punish those at fault, we leave out a wide range of foolish, short-sighted and unethical actions that may not be illegal, but are just as unacceptable and will cost this country just as much.

For this reason, I wrote the President today urging him to set up an independent commission to review the history of the savings and loan debacle and to report to the American people on the basic question—how did this happen?

For the Commission to be effective, it must be: Nonpartisan; be selected equally by representatives of the Congress and the President; and be chosen equally by representatives of each political party. It should not be comprised of any current members of the Congress or the administration. Given the importance of this matter, the Commission's final report should be submitted as soon as possible, so we in Congress can take any additional steps which might become necessary.

I think an independent commission of this nature needs a person of significant stature as its chairman. Personally, I believe William Seidman would make an excellent choice. Paul Volcker would also be an outstanding selection.

Some in Congress have recently called for an independent counsel or special prosecutor to investigate illegal activity by Government officials during this crisis. I applaud their intentions, but it is not enough simply to prosecute those who broke the law. We should know the full story of who is really responsible for the lax laws and regulations that led to this crisis.

Although a special prosecutor and an independent commission would have separate focuses, they could proceed simultaneously and would likely complement each other. In any case, the independent commission should certainly be granted the authority to forward the information it uncovers about illegal activity immediately to the appropriate law enforcement authorities.

The Commission should lay the foundation for prosecution of those in the public and private sectors and who acted illegally, if in fact they turn up additional information. A full investigation into all aspects of the scandal will till the ground for criminal indictments and convictions. The search for those who swindled and those who helped must start at the bottom and end at the top. No well-placed operator should be too big nor street corner hustler too small to escape their crime.

As we now know, ignoring this problem was a big mistake. Ignoring its lessons would be a bigger mistake. The Commission should help us avoid similar financial crises in the future. Its recommendations must serve as a public policy handbook of "do's and don'ts." Clearly there will be more "don'ts." As the American people have sensed, there is plenty of blame for this scandal to go around. It took a lot of teamwork to get the country in this mess.

The real danger with this terrible crisis is that it will deteriorate into partisan warfare. I have been in the trenches long enough to sense when a real dogfight is about to break out. There would be plenty of casualties, too. But if the desire to make the savings and loan scandal a political issue prevails, the real casualty once again will be the American people.

The savings and loan crisis is not over. We still have a job to do. The Resolution Trust Corporation may run out of money by the end of the year. It still has billions of dollars of assets left to sell which will certainly affect real estate markets nationwide. It must continue to seize thrifts across the country. And, the Government must pursue every crook who stole from the FSLIC, seeking the maximum criminal penalties and the maximum recovery of their ill-gotten gains.

Getting this mess under control, not pointing fingers at each other, is what we ought to be doing. The S&L debate must stay focused on solving the problems at hand. I believe an independent commission investigating the scandal's fundamental causes will help us keep that course.

Some might say that in our society investigating the savings and loan debacle is the function of a free and un-

fettered press. It is widely recognized that coverage of this scandal has not been the media's best effort. Although there has been insightful coverage, we cannot count on the fourth estate to bring all the facts to light in an extensive fashion. I ask unanimous consent to have printed an op-ed on this subject by Ellen Hume which appeared in the New York Times.

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

[From the New York Times, May 24, 1990]

WHY THE PRESS BLEW THE S&L SCANDAL

(By Ellen Hume)

CAMBRIDGE, MA.—Every taxpayer deserves an answer to this question: Why did the well-paid, well-educated and constitutionally protected press corps miss the savings and loan scandal, which is the most expensive public finance debacle in U.S. history?

The press-bashers are having a field day, charging that journalists, who ferreted out the details of Gary Hart's dates and Vice President Dan Quayle's academic embarrassments, weren't able to deliver the goods when it really mattered. If the press had seen and reported earlier the savings and loan industry's eight-year suicidal spree, the subsequent political pressure might have saved taxpayers tens or even hundreds of billions of dollars.

Here are some of the factors that led to the press's disappointing performance on the scandal?

It was a "numbers" story, not a "people" story. While the trade press, including the National Thrift News (now renamed the National Mortgage News), reported important developments in the scandal years ago, it was all too complicated and boring to interest many mainstream journalists. Regulatory changes—such as the accounting tricks and reduced capital requirements that helped paper over the first phase of the savings and loan crisis in the early 1980's—weren't big news.

A reporter with The Houston Post, Pete Brewton, tried to ask candidate George Bush a question about the savings and loan scandal during a 1988 campaign trip to Texas. He says that the national press corps and Bush campaign aides showed contempt for the "boring" topic and quickly changed the subject.

The story was outside the Beltway. Along with the trade press, many local reporters aggressively covered savings and loan failures in their communities, including The Dallas Morning News, The Miami Herald and The Los Angeles Times.

But local reporting generally isn't read by journalists from the national news organizations that set the agenda for Washington's policy makers. And while regional reporters for the major news organizations and freelancers also had good stories, "not one paper covered it thoroughly from beginning to end," concludes Gregory Hill, The Wall Street Journal's San Francisco bureau chief.

The villains were a bipartisan, politically powerful group. The credibility of Charles Keating, who now is singled out as the prototypical thrift villain in most news accounts, was actively boosted not only by five U.S. senators from both parties but also by Alan Greenspan, before Mr. Greenspan became chairman of the Federal Reserve Board, and by the Arthur Young accounting firm. While Michael Dukakis tried to raise the savings and loan problem during the Presidential campaign, both parties shied away because no one knew how to fix it without raising taxes.

The victims didn't complain. Because the deposits were insured by the Federal Government, there weren't any pictures on the evening news of anguished citizens lining up outside closed savings and loans.

Government regulators had special reasons for keeping quiet about the problem. With the exception of the former chairman of the Federal Home Loan Bank Board, Edwin J. Gray, high-level regulators were reluctant to disclose the facts, often for political reasons. They said they were afraid of triggering runs on lending institutions.

Many pertinent documents were kept secret by law. Regulators' examination reports aren't available even under the Freedom of Information Act, because lawmakers fear they might cause bank panics. Reporters also don't have access to credit reports or other crucial loan documentation that might have tipped them off to the undercapitalized loans pervasive in weak thrifts.

Some information about mortgages made by a Texas institution in California might be on file in a county in California, but not at the Texas lending institution. "If our tax dollars are going to support the deposits," says Mr. Brewton, "all the loan information should be made available from the Federal regulators."

The press simply isn't equipped to do everything the public expects it to do. Journalists have been expected to replace the regulators thrown out of business during the past decade. Journalists should be better watchdogs. But in the crush of competitive deadlines they can't do what a regulator or a Congressional oversight committee with subpoena power can do—especially since people can lie to the press without paying any price for it.

Journalists have gotten used to having their information pre-digested. "We usually depend on governmental institutions or groups like Common Cause or Ralph Nader or General Motors or somebody to make sense out of all this data for us," observes Brooks Jackson, a Cable News Network reporter who has won awards tracking money and politics for his former employer, The Wall Street Journal.

Serious investigative journalism has fallen on hard times. It is considered too wasteful for today's bottomline oriented journalism corporation managers. In addition, the press has become more the keeper of the status quo than the challenger from outside, partly because reporters tend to be much better paid than they used to be, and they hobnob with the policy makers they're allegedly monitoring.

"Whenever they wanted to find out what was going on, they went to the industry," says Mr. Gray, who tried in vain to interest the politicians and the press in the spreading scandal.

There is plenty of blame to go around, from the regulators to Congress to Wall Street. But there also should be embarrassment and soul searching at the highest levels of journalism.

Our inability to unravel and explain the importance of the Iran-contra abuses, the Housing and Urban Development influence-buying schemes and the savings and loan excesses is a scandal in itself. When politicians and regulators aren't doing their jobs, good journalism is more important to a democracy than even journalists would like to admit.

Mr. BOND. Finally, my colleagues should know I plan to continue my pursuit of an independent investigation beyond today's action. Depending on the White House's response, I will soon bring a resolution on an independent commission before the Senate and would appreciate my colleagues' support.

I ask unanimous consent that a letter I wrote to the President be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, June 18, 1990.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: With last Wednesday's indictment of Don Dixon, the Justice Department has culminated a 2½ year investigation into his wheeling and dealing with the assets of the now-defunct Vernon Savings & Loan. This investigation resulted in 38 charges being filed against Mr. Dixon, but did nothing to resolve any of the broader questions of political or ethical impropriety raised by the S&L crisis.

While I am pleased that the indictments and convictions continue, I am disappointed that the current process and increasing political posturing will only lead us to understand part of the savings and loan story. Left unexplored will be political pressures applied to regulators, the delays related to political connections, and the ill-thought out policy decisions which have left us facing the largest financial scandal ever to beset this nation.

Many in Congress have recently expressed their belief that a special prosecutor should be assigned to delve into the criminal conduct of S&L industry executives, as well as the complicitly of government officials—whether they be in the legislative or executive branch. While I applaud the intent of this approach, I do not believe we can neglect the rest of the story.

If we rely soley on prosecutions to punish those at fault, we leave out a wide range of venal, foolish, short-sighted and unethical behavior that are not illegal but will cost this country just as much. That would be a grave mistake.

In order to be serious about the pledge "never again" it isn't enough simply to prosecute law-breakers. We must also have a full understanding of the event which required the massive bailout of the savings and loan industry.

This means we must go beyond the Department of Justice's indictments to a full investigation of all the aspects of this scandal.

Clearly there is plenty of blame to go around. Some may argue that we should cease pointing fingers and that instead government should concentrate on cleaning up the mess. I agree. But I also believe that the American people deserve to have a full reckoning of this scandal. If for no other reason than for them to have faith in their government, Americans need to know that all the facts are on the table. As we now know, ignoring this problem was a big mistake. However, ignoring its lessons would be an even bigger mistake. To avoid this we must have the full story.

Thus I urge you, Mr. President, to set up an independent commission to review all the

facts and to report to the American people on the basic question—how did this happen?

For this commission to be effective, it should be: nonpartisan; have members recommended from each political party and by both the legislative and executive branch; and, should not be comprised of any current members of the Congress or current Administration officials. The Commission should also be given the authority to turn over immediately to the appropriate law enforcement authorities the information pertaining to illegal activity it discovers. In addition, given the importance of this subject, the Commission's final report should be submitted as soon as possible.

Mr. President, I hope you will give this matter the utmost consideration as we work with your administration to remedy the very significant problems which have occured.

Sincerely,

CHRISTOPHER S. BOND,
U.S. Senator.

Mr. BOND. I yield the floor, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order of the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Are we in morning business?

The PRESIDING OFFICER. We are in morning business until the hour of 3 p.m.

Mr. DOMENICI. Are there any limitations on speeches?

The PRESIDING OFFICER. Five minutes per speaker.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to speak for as long as 10 minutes, unless a Senator arrives and is interested in his 5 minutes, at which time I will yield immediately.

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

The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 2747 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE IMPACT OF THE SUMMIT MEETING OF THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

Mr. McCAIN. Mr. President, we rarely hear any good news about the proliferation of weapons of mass destruction. Instead, each week seems to bring news of some dramatic new development in India, Iran, Iraq, Libya, North Korea, or Pakistan that increases the risk of the use of nuclear, chemical, and biological weapons.

I think it is a bit ironic, therefore, that one of the major achievements of the recent summit with the Soviet Union has been virtually ignored both in this body and the media.

On June 4, the United States and Soviet Union signed a joint statement on nonproliferation which I ask be reported in the RECORD at the end of my statement. This joint statement is a positive step forward in uniting our countries in the fight against proliferation and it deserves recognition as such. It may not be everything we desire, but it is a good beginning in an area that is critical to our security and that of our friends and allies.

Let me briefly summarize the agreement. It contains provisions where we and the Soviet Union make a commitment to work together and in parallel to prevent proliferation, and to urge other states to do so as well.

In regard to nuclear proliferation, both states agree to strongly support efforts to prevent the proliferation of nuclear weapons, to encourage more states to adhere to the Non-Proliferation Treaty and adopt IAEA safeguards, and to create regional nonproliferation agreements—particularly in the Middle East, South Asia, and southern Africa.

In regard to missile proliferation, the Soviet Union affirms its support of the objectives of the missile technology control regime [MTCR]. The Soviet Union has, in effect, agreed to act as if it were a signator to the MTCR and it has agreed to work with the United States in pursuing new missile nonproliferation initiatives, particularly in the Middle East and South Asia.

In regard to chemical proliferation, both states have agreed not to proliferate chemical weapons and to actively discourage chemical proliferation anywhere in the world. They have agreed to bilateral discussions to strengthen export controls, and they have agreed to support regional efforts to halt or eliminate the proliferation of such weapons.

Mr. President, I would have liked to see the U.S.S.R. be more flexible at the summit in moving forward toward the kind of START and CFE agreements that will truly reduce the risk and cost of war. I would have liked to see more definite progress in opening up the emigration of the Soviet Jews, and in allowing the families of Soviet defectors to join them in the United States. I would have liked to see a clearer recognition of the right of the Baltic States to independence, and I would have liked to see more progress on recognizing the rights of a united Germany.

That said, we must give credit where credit is due. President Bush and Secretary Baker deserve praise for bringing the Soviet Union to the point where it has agreed to actively join in the kind of comprehensive battle against proliferation that I have advocated on this floor and for which I have proposed suitable legislation.

President Gorbachev deserves praise for having the vision to look beyond his immediate problems, and deal with a problem that is rapidly becoming the most serious threat to world peace.

Those who labored to produce this document deserve praise for overcoming what often seems to be a climate of inertia and neglect, and one where lesser problems get far more resources and attention.

In short, Mr. President, the joint statement on nonproliferation is one very real accomplishment of the recent summit and one that I hope will inspire us to act speedily in reaching a conference agreement on the chemical weapons bill and bringing a strong missile proliferation bill to the floor.

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

JOINT UNITED STATES-SOVIET STATEMENT ON NON-PROLIFERATION, JUNE 4, 1990

The United States of America and the Union of Soviet Socialists Republics oppose the proliferation of nuclear weapons, chemical weapons, missiles capable of carrying such weapons, and certain other missiles and missile technologies. The more nations that possess such weapons, the more difficult it will to be realize the desire of people everywhere to achieve effective arms control and disarmament measures and to reduce the threat of war. Weapons proliferation can provoke or intensify insecurity and hostility among nations, and threatens mankind with warfare of unprecedented destructiveness.

Our discussions over the past months point the way to a new era in relations between our two countries. We have taken major steps toward concluding agreements to reduce our own strategic nuclear arsenals, to bring limits on nuclear testing into force, and to reach a global ban on chemical weapons. Together with the nations of Europe, we are taking unprecedented steps to reduce existing conventional weaponry as part of a process of building a lasting structure of European security. The progress we are making and the commitments we have made in these bilateral and multilateral arms control efforts clearly demonstrate that arms reductions can contribute to increase security, even when there have been long-standing and deep-seated differences between countries.

The historic steps we have taken to improve U.S.-Soviet relations and to cooperate in the interests of international stability create the possibility of even closer and more concrete cooperation in the areas of nuclear, chemical, and missile non-proliferation.

With these considerations in mind, the United States and the Soviet Union:

Declare their commitment to preventing the proliferation of nuclear weapons, chemical weapons, and missiles capable of carrying such weapons and certain other missiles and missile technologies, in particular those subject to the provisions of the Missile Technology Control Regime (MTCR);

Agree to work closely together and with other members of the international community to develop and to put into action concrete measures against the proliferation of these types of weapons; and

Call on other nations to join in a renewed commitment to effective non-proliferation measures as a means of securing international peace and stability and as a step toward the effective limitation worldwide of nuclear weapons, chemical weapons, missiles, and missile technology.

The two sides have taken specific actions to advance these commitments.

NUCLEAR WEAPONS NON-PROLIFERATION

In order to prevent the proliferation of nuclear weapons, the United States and the Soviet Union:

Reaffirm their steadfast and long-lasting commitment to prevent the proliferation of nuclear weapons and to strengthen the international nuclear weapons non-proliferation regime;

Reaffirm their strong support for the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and agree that it continues to make an invaluable contribution to global and regional security and stability;

Urge all countries which have not yet done so to adhere to the NPT;

Urge all NPT parties to implement scrupulously their International Atomic Energy Agency (IAEA) safeguards obligations under the Treaty;

Affirm their intention to cooperate together and with other Treaty parties to ensure a successful 1990 Review Conference on the Treaty on the Non-Proliferation of Nuclear Weapons which would reaffirm support for the objectives of the Treaty and its importance to international security and stability;

Support the Treaty for the Prohibition of Nuclear Weapons in Latin America (the Treaty of Tlatelolco) and urge all countries in the region to bring it into force at an early date;

Reiterate their continuing commitment to strengthening the IAEA, whose unique system of safeguards has contributed to the widespread peaceful use of nuclear energy for social and economic development;

Support increased international cooperation in the peaceful uses of nuclear energy under IAEA safeguards;

Call on all non-nuclear-weapons states with unsafeguarded nuclear activities to place these activities under international safeguards;

Agree on the need for stringent controls over exports of nuclear-related material, equipment and technology, to ensure that they will not be misused for nuclear explosive purposes, and urge all other nations capable of exporting nuclear-related technology to apply similarly strict controls;

Continue to support efforts to improve and strengthen the international nuclear export control regime;

Support discussions among states in regions of nuclear proliferation concern for the purpose of achieving concrete steps to reduce the risk of nuclear proliferation, and, in particular, join in calling on the nations of the Middle East, Southern Africa, and South Asia to engage in and pursue such discussions;

Agree to continue their regular, constructive bilateral consultations on nuclear weapons non-proliferation.

MISSILE AND MISSILE TECHNOLOGY NON-PROLIFERATION

In order to steam the proliferation of missiles and missile technology, the United States and the Soviet Union:

Have signed the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles, demonstrating that controls on—indeed the elimination of—such missiles can enhance national security;

Reaffirm their intention that the START Treaty be signed by the end of the year;

Affirm their support for the objectives of the Missile Technology Control Regime, covering missiles, and certain equipment and technology relating to missiles capable of delivering at least 500 kilograms of payload to a range of at least 300 kilometers and they call on all nations that have not done so to observe the spirit and the guidelines of this regime;

Are taking measures to restrict missile proliferation on a worldwide basis, including export controls and other internal procedures;

Have instituted bilateral consultations to exchange information concerning such controls and procedures and identify specific measures to prevent missile proliferation;

Agree to work to stop missile proliferation, particularly in regions of tension, such as the Middle East;

To this end, affirm their intent to explore regional initiatives to reduce the threat of missile proliferation, including the possibility of offering their good offices to promote such initiatives;

Recall that they favor international economic cooperation including cooperation aimed at peaceful space exploration as long as such cooperation could not contribute to missile proliferation;

Appeal to all countries—to exporters of missiles and missile technology as well as purchasers—to exercise restraint, and express their willingness to continue their respective dialogues with other countries on the non-proliferation of missiles and missile technology.

Are resolved, on their part, to continue to work to strengthen such international restraint with respect to missile and missile technology proliferation.

CHEMICAL WEAPONS NON-PROLIFERATION

In order to stem the use and proliferation of chemical weapons, the United States and the Soviet Union:

Declare that a multilateral, effectively verifiable chemical weapons convention banning and development, production and use of chemical weapons and eliminating all stocks on a global basis is the best long-term solution to the threat to international security posed by the use and spread of chemical weapons, and that non-proliferation measures are considered a step toward achieving such a convention;

Will intensify their cooperation to expedite the negotiations in Geneva with the view to resolving outstanding issues as soon as possible and to finalizing the draft convention at the earliest date;

Have instituted bilateral confidence building measures, including chemical weapons data exchange and reciprocal site visits;

Have just signed a trailblazing agreement on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on chemical weapons;

Commit themselves, in that agreement, to take practical measures to encourage all chemical weapons-capable states to become parties to the multilateral convention;

Having declared their possession of chemical weapons, urge other states possessing chemical weapons to declare their possession, to comment to their destruction, and to begin immediately to address, through research and cooperation, the need for chemical weapons destruction capability;

State that they themselves will not proliferate chemical weapons;

Have instituted export controls to stem the proliferation of chemical weapons. These measures are not intended to hinder or discriminate against legitimate peaceful chemical activities;

Have agreed to conduct bilateral discussions to improve the effectiveness of their respective export controls to stem the proliferation of chemical weapons;

Conduct regular bilateral consultations to broaden bilateral cooperation, including the reciprocal exchange of information on the problems of chemical weapons proliferation;

Confirm their intent to pursue political and diplomatic actions, where specific cases give rise to concerns about the production, use or spread of chemical weapons;

Join with other nations in multilateral efforts to coordinate export controls, exchange information, and broaden international cooperation to stem the proliferation of chemical weapons;

Reaffirm their support for the 1925 Geneva Protocol banning the use of chemical weapons in violation of international law;

Are taking steps to strengthen the 1925 Geneva Protocol by:

Encouraging states that are not parties to accede;

Confirming their intention to provide active support to the United Nations Secretary General in conducting investigations of reported violations of the Protocol;

Affirming their intention to consider the imposition of sanctions against violators of the Protocol, including those under Chapter VII of the United Nations Charter;

Agreeing to consult promptly in the event of a violation of the Protocol to discuss possible bilateral, and multilateral actions against the offender, as well as appropriate assistance to the victims of such violation;

Agree that the presence and further proliferation of chemical weapons in areas of tension, such as the Middle East, is particularly dangerous. The two countries therefore affirm their intent to explore regional initiatives in the Middle East and other areas, including the possibility of offering their good offices to promote such initiatives as:

Efforts to broaden awareness of the dangers of chemical weapons proliferation and its negative impact on implementation of the multilateral convention on chemical weapons;

Bilateral or multilateral efforts to stem chemical weapons proliferation, including the renunciation of the production of chemical weapons;

Efforts to destroy chemical weapons in advance of the multilateral convention on chemical weapons, as the United States and the Soviet Union are doing.

The United States and the Soviet Union call on all nations of the world that have not already done so to join them in taking comparable, effective measures to stem chemical weapons proliferation.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today is the 1,920th day that Terry Anderson has been held in captivity in Beirut.

MEETING OF THE BRITISH-AMERICAN PARLIAMENTARY GROUP

Mr. BYRD. Mr. President, last weekend, I was privileged to host the annual meeting of the British-American Parliamentary Group, which this year consisted of 11 members of Parliament and 5 U.S. Senators. My cochairman for this event, part of which was held at the magnificent Greenbrier Spa in White Sulphur Springs, WV, was the distinguished Senator from Alaska, TED STEVENS. The other Senators on this bipartisan group included the distinguished Senator from Tennessee, chairman of the Budget Committee, Mr. SASSER, as well as the distinguished Senator from Nevada, Mr. REID and the distinguished Senator from Idaho [Mr. MCCLURE].

On their side, the British fielded a most impressive group, led by the Right Honorable Peter Brooke, now serving as Minister in the British Cabinet for Northern Ireland, and organized by the Honorary Secretary of the Group, the Right Honorable Michael Jopling, who had previously served as Minister of Agriculture in the Thatcher Government from 1983–87. On the British side, as well as ours, the group was about evenly divided, with six MP's coming from the Government side and five from the opposition side, the Labour Party. The other members of the British delegation from the House of Commons, included the following: from the Conservative Party, Mr. Gregory Knight, Mr. Anthony Favell, Mr. Robert McCrindle, and Mr. Michael Shersby; from the opposition, or Labour side, the leader was the Right Honorable Robert Sheldon, who had previously served as British Treasury Secretary from 1974–75, Mr. Frank Haynes, Mr. Roy Hughes, Mr. Martin O'Neill, and Dr. Gavin Strang, all members of the House of Commons.

Mr. President, the meetings we held, which included more than 10 hours of discussions at the Greenbrier, were preceded in Washington by a most informative series of discussions here in the Senate. Both the distinguished majority and minority leaders gave generously of their time in meeting with the British delegation. In addition, we had a most fruitful luncheon discussion at the Appropriations Committee on Thursday, June 7, 1990, and the following Senators spoke eloquently to the group either there or the next day before we departed for West Virginia: Senators LUGAR, WARNER, HEINZ, NUNN, KENNEDY, BENTSEN, and KERRY.

As I have said, Mr. President, the discussions were fruitful, unusually stimulating, educational, and most lively. It is quite obvious that a regular and sustained dialog between our two legislative bodies is important in the current era, and needed as we face what the group all felt was a most uncertain, turbulent, and even dangerous decade in the 1990's. Indeed, the view was expressed on more than one occasion that the 1990's could very well be the most dangerous period for the world and the United States of the entire 20th century. From our side, Mr. President, I broke the work and presentations of the Senate delegation down into several broad areas; TED STEVENS did a fine job on the defense and arms control questions, JIM SASSER gave a detailed exposition on our budget process and the macroeconomic issues we currently are wrestling with, HARRY REID gave an excellent presentation on environmental matters, and JIM MCCLURE gave a cogent and superb recitation of America's problems with regard to energy. The British delegation also gave presentations of their own, and virtually everyone present made contributions on these topics across-the-board.

At the request of the British side, the first couple of hours of discussion was devoted to the big picture questions of the changing nature of East-West relations, the collapse of the Soviet security bloc, the evolving situation in Eastern Europe, and the challenges that are emerging in the Far East and the Middle East.

It is clear, Mr. President, that we are faced with a major challenge in terms of the pace of current events, particularly regarding a European continent boiling with political change, and with a reawakening of ethnic consciousness. While democratic forces have gained and are in the ascendency, in a decisive but still fragile way in the east, centripetal forces resulting from ethnic rivalries and decades of economic failure and environmental decay are leaving their mark on Eastern Europe.

We are faced with the problem of our analytical capabilities lagging behind the kaleidoscopic blur of events in the Soviet Union and Eastern Europe. The group focused on the range of institutional questions being deliberated in the West, in NATO, in the CSCE Helsinki process, in the 4-plus-2 Germany talks, in the CFE multilateral arms control talks in Vienna, and on the question of the sustainability of the Soviet leadership. There was a consensus that changes in NATO doctrine must be examined, that we have to come to terms with the meaning of German reunification. There was considerable discussion on Germany, but no dissent from the assertion that Germany must remain in NATO and should not go the way of France in terms of independence from NATO decisionmaking. The German questions remain at the heart of the matter, but the specter of a disintegrating Soviet Union served as the backdrop for all our observations. There was discussion of the establishment of a new task force within the 35-nation European security framework talks to deal with verification of the CFE conventional force cuts. Indeed, the whole question of European-wide conventional force verification, as well as how the new nationalisms, new "Balkanisms," are going to be "policed," is a complex and daunting one.

Our Senators made the point quite clearly, I thought, about how our economic problems drive not only our defense budget, but the whole question of the future of United States involvement in the affairs of a new European security system. There is no doubt that we are going to reduce our military expenditures dramatically—indeed, we have actually reduced the size of our defense budget as a percentage of GNP over the decade of the 1980's already, and there is more to come. There was, however, a lively debate on the question of Soviet strategic force modernization, a subject that the American side is, more understandably, focused on. The British tend to see Soviet conventional force reductions as the main event, since that has a practical effect on NATO, but the point was made that Soviet strategic force modernization remains unchecked, and that is a factor that gives us pause in sizing the strategic force portions of our defense budget. The point was made by our side that it should not be automatically assumed that the United States will remain in Europe because it is the right thing to do; unless NATO says strongly that the United States should be there, the chances are that we will not. On the other side of the coin, it certainly is not foreordained that there will be an abrupt American pullout or severe drawdown. We may well have to face the difficult job of convincing a skeptical American public that U.S. forces must remain on the Continent, but it is clear that there must be both a fair sharing of the burden by our allies and a strong case made by them for a continued American presence for us to succeed in the public relations task.

There was a very spirited debate over Japan and the strength of the American economy during the next decade. While some felt that the United States was on the verge of regaining its competitiveness vis-a-vis Japan, others were more pessimistic. The feeling was that both our countries must face the Japan economic challenge clearly and more effectively,

and that it will have major impacts on the behavior of the other economic powers of the Pacific Rim.

The point was made that while Eastern Europe is looking to the United States as an advertisement for capitalism, the large size of our budget deficit reduces that American model in its attractiveness. There was a strong assertion put forward by our British friends that the Japanese effect and involvement in the American economy was too high, too dangerous, that United States competitiveness was vulnerable, and that it was difficult for the United States to tell Poland, for example, not to borrow and to increase the price of gasoline to pay for development when we in the United States were not following our own advice at home.

To put it bluntly, the British were telling us in a variety of ways that they sought stronger American leadership, and it would certainly be better if we put our economic house in better order. It certainly reinforced my own view that U.S. economic strength is directly related to our bedrock national security. A long-term debtor nation, with persistent poor trading performance, and continued foreign participation in our treasury auctions, cannot easily be reconciled with continued great power status.

The United States side made the point that we need British help to make sure that United States market access into the EEC in the process of the Europe '92 movement was assured, and that there was equitable European burden-sharing with us in the security field.

While much of the discussion focused on Europe, events in both the Far East and the Middle East also were discussed. As for the Far East, there was general concern over the militarization of the area, where large Chinese, Soviet Far East and Korean armies posed questions. Indeed, the point was made that there are more Japanese warships plying the northern Pacific today than there are American warships.

As for the Middle East, the spread of chemical, biological, and nuclear warships and the ballistic missiles to deliver them now proliferating in the region, as well as the continued spread of fundamentalist Muslim culture, in counterpoint to the spread of Christian-Judea religion, was of increasing concern. The question of how we are going to shift our attention and deal adequately with this volatile and increasingly dangerous region took up a considerable portion of our deliberations.

Clearly, the two anchors of the British-American relationship—our heritage of shared values and institutions, and our joint willingness to act together to attempt not only to react in a timely way to events on the European Continent and the world, but to help shape and fashion them to preserve and foster the values we have worked for—must be nurtured and deepened in the years immediately ahead. It would be impossible to recapture the full flavor of the whole discussion, but suffice it to say, Mr. President, that such a dialog is critical to our relationship and to our two nations' ability to think and act together in the decade that we have just entered. I look forward with anticipation to our next meeting, which will be in London.

I would also note in passing that next year is the 50th anniversary of the founding of the United Kingdom-United States Parliamentary Group, as it started at the height of World War II, in 1941. It is needed today as much as ever.

Mr. President, in addition to the fulsome discussions we had on the topics I have mentioned, the British provided some interesting detail on their working hours and practices. We can without hesitation be envious of the campaign and election spending situation that pertains in Great Britain. Campaigns last 3 weeks, and candidates are prohibited from buying time on radio or TV personally. The average amount spent on a typical election is about $10,000. The Members of the British Parliament work long and hard hours. They have only one or two personal staff members each, and, like us, are spending increasingly less time in their chamber and more time in committees, both parliamentary and party committees, a practice which they said derives directly from our own practice in this regard. The parliamentary select committees are expanding their staffs, and allowances, and travel are growing. Parliament sits for 34 weeks a year. Mondays through Thursdays are usually heavy voting days, while on Friday there is rarely voting, but still a lot of business. Specifically, the Monday through Thursday hours on the floor are quite long: the chamber convenes at 2:30 in the afternoon, the mornings being reserved for committee work. While the sessions are scheduled to go until 10:30 at night, most of the time they will run on until well after midnight. On Friday, the convening hours are 9:30 to 2:30. The mere recitation of this hard work ethic, and the reduced attention to campaigning and campaign money in Britain should be enough to give us incentive to redouble our efforts to get a handle on campaign finance reform. It strikes me that they have these things in far better balance and perspective than do we.

Mr. President, the group departed from the Greenbrier on Monday morning, June 11, to visit Charleston, WV, where it was hosted by the Governor of West Virginia and other West Virginia legislative, administrative, and judicial officials, as well as the city manager of Charleston.

Mr. President, on Monday, the British Members of the House of Commons traveled from the Greenbrier to Charleston, WV, State capital. The group assembled at the Executive Mansion in Charleston for a memorable formal luncheon hosted by Governor and Mrs. Gaston Caperton. The Governor asked several of his top aides to be present at the luncheon to be available to answer questions posed by the group about various facets of West Virginia State government.

After lunch, Governor Caperton made a brief statement on State and Federal government relations. The British asked several provocative questions about the advantages and disadvantages of State government, the duties of the governor, the most difficult problems Governor Caperton faces as the State's chief executive, and on what is happening currently in State politics. In addition, the group was very interested in the State's tax structure, budget, and initiatives to promote economic development.

Following the Governor's luncheon, the group was taken to the West Virginia Senate chamber in the State Capitol Building. During the next phase of the day's program, Senate President Keith Burdette, Speaker of the House of Delegates Robert "Chuck" Chambers, West Virginia Attorney General Roger Tompkins, and Executive Assistant to the Governor Tom Heywood answered questions about West Virginia's Legislature and the legislative process. This session lasted 2 hours and was lively and informative. Also, a more detailed explanation was given to the British on why States have legislative bodies, and what the "separation of powers" means on the State level.

At the conclusion of this segment of the program, the Members of Parliament were taken on a brief tour of the capitol, including the Governor's reception room and the House of Delegates chamber. The final stop on the tour was the West Virginia State Supreme Court of Appeals chamber. Justice William T. Brotherton talked with the group about the legal structure in West Virginia. He gave a candid presentation on the workings of State courts in West Virginia.

The delegation departed the State capitol at 4 p.m., for the brief drive to the Charleston Municipal Building. At the municipal building, the group met with John Price, executive assistant to the mayor, City Manager Frank Thomas, and City Councilman J. Thomas Lane. For almost an hour, a thoughtful discussion was held on the interaction of cities—the local level—with government on the county, State, and Federal levels. Also, the group wanted to know about the responsibilities of city government, tax-raising procedures, and the budget process.

Additionally, the group realized that the Charleston mayor is a Republican, and wondered how a Republican city administration gets along with a Democratic State administration and congressional delegation.

Mr. President, overall I have been well impressed with the degree of knowledge shown by the British group with regard to various levels of American government. Members of the delegation asked pointed and pertinent questions throughout their discussions with American officials.

SENATOR QUENTIN BURDICK

Mr. BENTSEN. Mr. President, for three decades, the people of North Dakota have been ably represented in the U.S. Senate by QUENTIN BURDICK. Only 35 other men have served as long in this body. Today he ranks third in seniority.

Throughout his 30 years as a Senator, QUENTIN BURDICK has never forgotten his roots in North Dakota; nor his commitment to the people of that fine State. His has been a stalwart voice for farmers, for the needs of rural communities, for the rights of native Americans, for senior citizens.

I especially valued our chance to work together on the Environment and Public Works Committee. We shared a strong interest in the Interstate Highway Program and worked together over the years to foster its development.

Today, of course, Senator BURDICK is the chairman of that important committee, as well as chairman of the Appropriations Subcommittee on Agriculture and Related Agencies. These positions give him the power and the opportunity to champion the very issues which have long concerned him.

One reason QUENTIN BURDICK works so hard for the people of North Dakota, I think, is that, before coming to the Senate, he had his share of political defeats. People in elective office have a special fondness for someone like QUENTIN who knows how to get up off the canvas and keep on fighting. And we have enormous admiration for anyone who can win the support of the voters, as he has, six times in a row.

Senator BURDICK may not be a fixture on national television, but he is very important to us in the Senate. Strong but quiet, friendly but highly principled, he casts a long shadow.

As Sam Rayburn used to say, people come to the Congress as work horses or show horses. The work horses make this a productive institution for our democracy; the show horses perform to great applause but leave no lasting mark. Senator BURDICK is one of those sturdy work horses.

Mr. President, it was just 30 years ago this month that QUENTIN BURDICK won a special election to the Senate. August 8 will mark the 30th anniversary of his taking the oath of office. These are special milestones for our distinguished colleague.

I wanted to take this time to call attention to these anniversaries and to the many years of public service which QUENTIN BURDICK has given to North Dakota and the Nation.

BREAST CANCER AWARENESS: "WASHINGTON RACE FOR THE CURE"

Mr. DOLE. Mr. President, today I would like to join other distinguished colleagues of mine in giving recognition to the success and importance of a national breast cancer awareness campaign—"Washington Race for the Cure." It was appropriate that this event held on June 16, 1990, was a family affair, because breast cancer strikes not just individuals, but families, communities, and this Nation. Each year more than 142,000 American women and about 900 men will find out they have breast cancer. It is estimated that 44,000 women will die in 1990 of this disease, making breast cancer the second leading cause of cancer deaths—lung cancer being first—among women ages 35-54 in the United States.

Women of this Nation have experienced a steadily increasing incidence of breast cancer since 1976. Early detection through self-examination, clinical examinations, and screening mammography can significantly improve the outlook for persons with breast cancer. Those same techniques can increase treatment options and improve a woman's chance of survival. Mammography can detect lesions too small to be felt by the most experienced examiner. In fact, if current guidelines on mammography and physical examinations are followed, our Nation can reduce the deaths caused by breast cancer by 30 percent. Yet a vast number of American women do not regularly avail themselves of the advantages of early detection. That is a tragic fact, considering one in every 10 American women will be diagnosed with breast cancer in their lifetime.

Clearly, we need to know more about breast cancer. Factors that have been associated with an increased chance of getting breast cancer include age, family history, personal history, and possibly diet. But for as many as 75 percent of the women with this condition there are no known risk factors. Scientists can not explain why one woman develops breast cancer while another woman does not. And four out of five breast lumps identified are not cancerous. Further scientific research is critical in this area to identify tumor markers for earlier detection of breast cancer and new promising treatment methodologies.

"The Washington race for the cure," cochaired by Vice President QUAYLE and Mrs. Quayle, was an overwhelmingly successful wake up call to heighten America's awareness about breast cancer and to alert the public of the need to address this issue. On June 16, 1990, that race was highlighted with vast National support to encourage early detection, education, and research toward a cure for breast cancer. The event was astoundingly successful, with greater than 10,000 participants. Funds generated through this campaign will be used for breast cancer research and the acquisition of a mobile mammogram, for residents of the District of Columbia.

Mr. President, I commend the efforts of Vice President QUAYLE and Mrs. Quayle. I urge my colleagues to join the awareness campaign and any other local or national efforts to find the cure for breast cancer. Knowing that you are contributing to the cure of such a deadly disease facing women of this Nation promises to be a rewarding experience.

HAITI'S DEMOCRATS DESERVE OUR SUPPORT

Mr. CRANSTON. Mr. President, I rise today to offer my fullest support to the Democrats of Haiti who are trying to return their country to constitutional rule. Last month, interim civilian President Madame Ertha Pascal-Trouillot visited Washington to seek U.S. support for fair elections. Given Haiti's recent past, I believe Madame Pascal-Trouillot faces a daunting task, and deserves our attention and our help.

Efforts to bring democracy to Haiti since the fall of the thuggish Dictator "Baby Doc" Duvalier in 1986 have been stained by rivers of blood and riddled by long nights of terror. How many can forget the tragedy of November 29, 1987—election day—when Haitian soldiers stood passively by as gunmen stormed polling places in Port-Au-Prince and murdered dozens of people who were lined up to vote? Was there, could there have been, anything more offensive to the conscience of the American people than the sight of men and women being gunned down merely for the crime of wanting to vote? That election, which international observers said afterward was rigged by the Government of then-head-of-state Gen. Henri Namphy, put a civilian in the Presidency, but one who rules at the sufferance of the military. He lasted less than 6 months. From the time of his ouster until March of this year, when Madame Pascal-Trouillot was drafted into the Presidency by civilian groups following widespread civil unrest, Haiti has been ruled by a series of military dictatorships.

President Pascal-Trouillot has pledged to hand over power to an elected successor, and many are now looking to elections as early as this fall. However, the largest remaining and continuing question mark regarding the ultimate success of that transition concerns the Haitian military. There are serious reservations about the military's ability and desire to maintain order, its capacity to protect the election process, and its fundamental willingness to allow civilians to exercise anything approaching real power.

The Haitian Army's current commander, Gen. Herard Abraham, has been making encouraging gestures in this regard. He appears genuinely to believe it is in the military's own self-interest to allow the elections to go forward. He has repeatedly stressed his forces' commitment to play a subordinate and supportive role in the transition to democracy.

Despite such signals, however, there is a real question about General Abraham's control of all elements of the military, once a mainstay of the 30-year reign of terror by the Duvalier family. During that time, the army became a thoroughly debased institution in which protection was extended to drug traffickers and contraband lords, and where plundering—when done from the shadows of the State—was not considered stealing. Although General Abraham is reputed to be a man of integrity and intelligence, it is unclear that he has sufficient control over the 7,000-man force to compel it to follow. In particular, it is uncertain whether he is in control of the force's remaining tactical unit, the Presidential guard.

Part of the problem, Mr. President, is that the Haitian military—like many of its counterparts in Latin America—has been formed with the notion that somehow they are "different and better" than their civilian counterparts. And, logically, if they are different and better, they begin to wonder: why should we take orders from civilians, even if they are elected?

Clearly, the most important task facing U.S. policy is the implementation of a strategy that reinforces efforts by President Pascal-Trouillot, General Abraham and others to ensure the military's full support for democratization at every step of the process. It is imperative that the Haitian people be guaranteed enough security that both candidates and voters can participate freely and openly in both the electoral campaign and on voting day. If such guarantees are not forthcoming, there is the risk of participation being reduced to such a level as to make the whole process meaningless. Therefore, it must be made clear to both the military and para-military forces—such as the dreaded tonton macoutes—that should they attempt to create a climate of violence and insecurity, their actions will face a full range of sanctions targeted at and designed to remove any benefits associated with access to the United States.

I believe there are several steps which might be undertaken to reassure the population in the runup to the election and to deliver a clear message to would-be elements of destabilization and insecurity. One step might be the sending of U.S. Army mobile trainers to work—under the guidance and control of the U.S. Ambassador, and perhaps in coordination with military units from another democratic nation in the region—with carefully selected elements of the Haitian military to put together units that would be charged with safeguarding the electoral process.

It is obvious that in order to make this proposal work, the embassy should be required to provide enough information about the background and attitudes of the Haitian personnel involved to give it a reasonable chance of success. Any effort in this regard would require the support and active involvement of senior Haitian military officers. If, at any time, the commitment of the Haitian military is compromised, the training mission should be immediately brought to an end. In order to be effective, the effort should also count on the clear support of both Haiti's democratic political leadership as well as the population at large.

A second initiative concerns a program to foster better relations between civilians and the military, in the context of promoting control by the former over the latter. In Haiti, as in many developing nations undergoing democratic transition, the military is seen as a caste apart. The lack of interaction between civilian and military institutions often contributes to the feeling of military officers that they are "different and better" than civilians. Obviously, such a view is antithetical to democratic institutions.

Fortunately, in the past several years, a number of universities and democratic development institutions have developed a certain expertise in the area of civil-military relations in emerging democracies. Among these groups are Florida International University, the National Democratic Institute for International Affairs [NDI], and the American University. The purpose of these programs is the promotion of a dialog between military officers and political practitioners—a heretofore improbable encounter given patterns of social interaction in many of these countries.

Such seminars and conferences—frequently conducted outside a country to further help break down existing patterns of behavior—usually yield a number of positive consequences.

First, personal ties, and thus confidence, between military officers and the political community are strengthened—and sometimes created for the first time.

Second, by discussing military issues with members of the Armed Forces, civilian political leaders and their staffs become empowered on security issues as valid interlocutors.

And third, by establishing relations with the political community, officers interested in the professionalization of their corps come to appreciate the value of community support for their efforts.

Mr. President, I believe the State Department and the Agency for International Development should be working with one or more of these groups on a crash program designed to promote healthier civil-military relations. The dollar amounts on these projects is relatively small—especially so when considering the important relationships that are initiated that are crucial to the strengthening of the democratic process.

After the seminar, or seminars, are conducted and a new group of political leaders take their places in Parliament, it is vital that they, together with a selected group of military officers, be invited to the United States to see how we have successfully handled our own civil-military relationship. In particular, I believe it is important that they see the degree of cooperation between the civilian and military sectors of our society in the formulation of the common defense, and the amount of participation of civilian managers in the security process. If past experiences in this area are any guide, personal relationships among the two groups will undoubtedly grow, and thus provide a cushion of good will during the difficult moments of transition.

INTERNATIONAL CRIMINAL COURT

Mr. SPECTER. Mr. President, on May 10, 1990, in the halls of the United States Senate, an important threshold step in fighting international crimes—especially the global problem of international drug trafficking—was taken. On that date, a group of 13 international criminal law scholars assembled at my behest in a 1-day symposium to develop another alternative to combat the international crime of drug trafficking. The alternative discussed was the creation of an international criminal court.

Joining the symposium were Congressman BOB KASTENMEIER and Congressman JIM LEACH who on March 2, 1989, had introduced House Concurrent Resolution 66, calling for the creation of an international Criminal Court. Congressmen LEACH and KAS-

TENMEIER reviewed the developments of the past 20 years of transnational criminal offenses and the need for an internationalization of law enforcement. They spoke out strongly of the need for an international criminal court. I cannot speak highly enough of the contributions and support these legislators are providing to the development of an international criminal court.

Indeed, their efforts complement efforts which I have made. In 1986, the Congress adopted my amendment to the Omnibus Security and Terrorism Act calling on the President to pursue negotiations to establish an international criminal court to try terrorists. And, in 1988, I included a provision in the Omnibus Anti-Drug Abuse Act calling on the President to pursue negotiations to establish an international criminal court with jurisdiction over international drug trafficking.

As a result of the discussion and exchange of views by symposium participants a consensus evolved by the end of the day. There was agreement that a regional international criminal court of limited scope and powers had the potential for making a significant contribution in the area of narcotics trafficking and should be further explored. Mr. President, without objection, I wish to include a copy of the written consensus drafted as a result of this symposium. I wish to add that I fully endorse this consensus.

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

AN INTERNATIONAL CRIMINAL COURT FOR THE 1990s; TOWARD A CONSENSUS MODEL

The desirability of a law-based system is as obvious for the international system as for national systems. Toward this end, proposals have been advanced for the creation of an international criminal court to assist in repressing some of the most dangerous violations of the international legal order.

The post-World-War-Two international tribunals for punishment of aggression, war crimes and crimes against humanity have been the paradigms that shaped past proposals. It appears, however, that such a supra-national tribunal has not been created for a variety of reasons.

Nevertheless, there is reason to believe that many nations in favor of concerted action against particular forms of criminal conduct, including in principle, a proposal for an international criminal court to deal with narcotics trafficking in the Americas and the U.N. General Assembly has referred this proposal to the International Law Commission of the United Nations for its view.

As a result, it appears to be a good time to give serious consideration to specific proposals for an international criminal court with limited scope and powers. A model must be chosen that will be both technically sound and acceptable to potential participating nations.

The most promising approach appears to be the creation of a regional court for the Americas (or the Caribbean) addressing narcotics trafficking. The model should be capable of meeting important needs of nations in that region without impairing the important interests of any of them.

Unless the U.S. is more active in this area, there is a risk that proposals for an international criminal court will be made that may ignore U.S. concerns.

An important threshold step in developing a practical proposal for an international criminal court was taken on May 10, 1990 when a symposium organized by Senator Arlen Specter met in Washington, D.C., to discuss the creation of an international criminal court. Participants exchanged views and shared information concerning current developments.

It was agreed that a proposal for a regional international criminal court of limited scope, and powers, had the potential for making a significant contribution in the area of narcotics trafficking and should be further explored.

In this regard, the participants at the symposium agreed that it would be constructive to focus on the development of a proposal pursuant to which such a regional court would:

a. Exercise jurisdiction on behalf of signatory states rather than universal jurisdiction;

b. Be part of an overall framework coordinating mechanisms for criminal cooperation, including extradition, transfer of prisoners, judicial cooperation, transfer of proceedings and enforcement of penal judgments;

c. Be complimentary to other existing standards and institutions;

d. Adjudicate individual responsibility, not responsibility of states.

Specific concerns that could be addressed in formulating proposals might include:

a. That the court not be construed as a panacea or excuse for inaction, particularly with respect to narcotics traffic suppression;

b. That there be no danger that the court could be dominated or manipulated for political purposes;

c. That the court mechanisms should address or at least not obscure inadequacies of national systems;

d. That gaps in jurisdiction be closed, such as those that occur when a nation will not extradite its nationals yet will not prosecute them for crimes with foreign aspects;

e. That a model should be as basic as possible, leaving expansion to an evolutionary process.

Generally, the participants agreed that the notion of a regional criminal court limited to narcotics trafficking offenses might be worth examining.

Professor Blakesley agreed to develop a draft model for exploration at a conference at the end of June in Siracusa, Sicily. Other suggestions made at the conclusion of the symposium for following up on this matter included a proposal to reconvene the symposium to consider any concrete proposals; creation of a U.S. national commission; and, possibly, at some appropriate time, Congressional hearings on the subject.

Mr. SPECTER. In addition, one participant, Prof. Christopher Blakesley, professor of law from the Louisiana State University Law Center, was requested to submit a draft model for further discussions and exploration. Without objection, I would like to include that draft into the RECORD.

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

LOUISIANA STATE UNIVERSITY
LAW CENTER,
Baton Rouge, LA June 5, 1990.

Re International Criminal Court Symposium (Att'n: Mr. Charles Battaglia, Symposium Director).

Hon. ARLEN SPECTER,
U.S. Senate, Washington, DC.

DEAR SENATOR SPECTER: As commissioned, I have enclosed the final version of the Model Regional International Criminal Tribunal, for you to put into the Congressional Record to begin the process, as discussed at the Symposium. I have included a model for an International Commission or Board of Inquiry (to provide the investigative and prosecutorial arm of the tribunal), as well as a Model for the Tribunal, as a whole. This Commission or Board of Inquiry is part of the Tribunal, which would have an investigative arm (the Commission of Board of Inquiry) and a court, among other organs.

As decided at the Symposium, we will take this model to Siracusa, for continued discussion and development. I look forward to the rest of the process.

Sincerely yours,
CHRISTOPHER L. BLAKESLEY,
Professor of Law.

[Draft Model International Criminal Tribunal]

(By Prof. Christopher L. Blakesley, Louisiana State University) [1]

COMMISSIONED BY PARTICIPANTS IN SYMPOSIUM: INTERNATIONAL CRIMINAL COURT, U.S. SENATE, MAY 10, 1990

EXECUTIVE MEMORANDUM

Introduction: Model(s)

This memorandum covers the final draft model for a regional international criminal court to be put into the Congressional Record. The basic model is a full-fledged *International Tribunal* System, which can be made Regional, by including only nations within a region. It combines a *Procuracy or Criminal Inquiry Commission [or Board of Criminal Inquiry] and a Court*, as the two essential institutions. I have also included a model of a separate *Criminal Inquiry Commission* for supplemental use. This Commission of Criminal Inquiry may be a separate alternative, to be used, if the full-blown Tribunal were not to come into being. My main purpose in including a model for it, however, is to use it to inform the Commission of Inquiry [or Procuracy] Arm of the Full Blown International Tribunal. The institutions could be established as two separate entities or as arms of the same Tribunal. The proposal could incorporate all or any part of the following alternatives. At the comment stage, I decided to send both models. My preference is to have these institutions coordinated and combined in a *Tribunal*, having several parts.

1. The full-fledged Court System—see 1953 Draft Statute [1] and 1980 Draft Statute. This Court System would include the functions of the *Commission* and the *Court*, presented separately below. It is presented as the below.

2. The non-adjudicative Model of an Inquiry System—see Model proposed by the ILA, adapted and discussed below.[3]

THE INTERNATIONAL [REGIONAL] TRIBUNAL

The International Tribunal may be adapted to a regional model, simply by making it applicable to nations within a region. Its characteristics are the same, either way. This model will provide not only a court for prosecution, but a tribunal that combines a

full fledged inquiry system for investigation, a mechanism for coordination and cooperation of domestic (national) criminal justice systems, through the promotion of transfer of proceedings and transfer of prisoners. It is important to NOTE that this model actually has four sub-models built into one (the (1) International Tribunal Model, which can be scaled down to a (2) Regional Tribunal; and the (3) International Commission of Inquiry. The International [Regional] Tribunal functions alternatively, and as a matter of choice by the party states in any given case, as an International Tribunal of original [though not exclusive] jurisdiction, having original jurisdiction over the offenses of drug trafficking and terrorism [or other offenses], as defined in the organic Convention. In addition, (4) the Convention provides a Transfer of Proceedings model: proceedings and prisoners may be transferred to and from the regional tribunal and the state-parties.

This is significant, and in reality creates an additional "model within the model." Jurisdiction with obtain not only for offenses for which the Tribunal has original jurisdiction, pursuant to the Convention, but also for any offenses that it receives by virtue of the transfer of proceedings provisions of the Convention. This means that nations which wish to avail themnselves of the Tribunal's support and jurisdiction may do so by triggering those parts of the Convention. The nation-parties may retain original jurisdiction, yet avail themselves of the benefits of the Tribunal. They will not lose jurisdiction by doing so. Also, the tribunal can function as a conduit for coordination and transfer of prisoners, fugitives, and proceedings between state-parties. It is designed, therefore, to be an additional alternative to be utilized by the state-parties, not a replacement for anything.

Thus, the International Tribunal is more than a court. It is really a tribunal in the "continental" sense. It includes the Court, of course, where prosecutions take place. But it also includes a commission of criminal inquiry [4] a coordinating body for coopeeration in matters of international criminal law.

The model International Tribunal, of course, is not a panacea. It is designed, however, to provide a significant incremental benefit in international cooperation in combating international crime. It does not deflect domestic concentration or effort in law enforcement. Rather, it provides additional wherewithall to be utilized by the nation-parties in the common effort against international crime. It is an attempt to have an international or regional mechanism that does not detract from domestic investigation, prosecution, or extradition, but enhances local efforts and provides incentive and actual support. It is designated to magnify the opportunity international cooperation. It provides for an institution to help investigation and prosecution of international crime, by internationalizing the notions of prisoner and proceedings transfer.

The Tribunal is not a replacement for current domestic and international institutions, but is an additional alternative to promote investigation and prosecution of international crimes. It is not designed to allow a cop-out by countries, but provides the wherewithall to investigate, prosecute, convict and punish offenders, if nations choose to allow it to do so. A nation may utilize its own investigative forces or those of the Board or Commission of Inquiry. A nation party may use its own prosecutors or those of the Board or Commission. A nation may use the auspices and services of the institute to gather evidence for prosecutions at home. In other words, this is not a substitute for or a distraction from domestic prosecution, but an additional means and facilitator for either domestic or international prosecution of international crimes. It is to promote, not detract from, local prosecution. It simply provides support for domestic prosecution or an alternative place and institution for prosecution in an international tribunal. Any fear that this will not work, because nations will use it as an excuse not to meet their own responsibility to prosecute crime is not well founded. If a nation fails to meet its duties under international law, because of corruption, incompetence, lack of funding or institutional support, that problem obtains for domestic prosecution, as well as international prosecution. It will hamper enforcement, prosecution domestically, and extradition on a bilateral or multilateral basis. The regional tribunal will only provide an additional means to assist nations to fight crime in a manner consistent with their own domestic interests and their international duty. The proposal would only provide an additional outlet for those nations that wish to accommodate their international duty to extradite or prosecute, but for whatever reason, do not have the wherewithall to do so. It would eliminate excuses for not meeting that duty.

The additional mechanism to promote investigation and prosecution of international crime does not replace domestic operations or allow a means for state-parties to avoid their domestic and international responsibility to prosecute or extradite, but provides the wherewithall to investigate, prosecute, convict and punish offenders, if nations choose to allow it to do so. A nation may utilize its own investigative forces or those of the Tribunal. A state-party may use its own prosecutors or those of the Tribunal. A nation may use the auspices of the Tribunal and prosecute at home. In other words, this is not a substitute for or a detraction from domestic prosecution, but an additional means and a facilitator for either domestic or international prosecution of international crimes.

The jurisdiction of the Tribunal may include all international crimes, as defined by listed international conventions. Or, it could be limited in jurisdiction to two basic types of offenses: terroristic offenses and narcotics trafficking, as defined by specific conventions and incorporated into this Convention.

The term "terrorism:" If the Tribunal, including the Court and Commission are to cover terroristic crimes, it may be wise to follow Professor Bassiouni's suggestion that it may not be appropriate to use the term *terrorism*, because, it seems to have been appropriated by propagandists on all sides. Also, the term only makes sense for criminal law purposes when it contains specific, material elements. These elements differ, of course on the type of terrorism that is being prosecuted. On the other hand, the term could be utilized, if it is demystified and given substantive elements. This would avoid its abuse and obfuscation. If we could have a convention that lists specific terroristic offenses, each with proper elements, and establish an international or regional criminal court to prosecute these offenses, it would actually assist in the battle against terrorism and erode the opportunity for propagandists to appropriate the terminology. It would be clear that *terrorism* is a generic term is meant to apply to the specific list of offenses in the convention. It may be, as suggested by some at the Symposium, that the Tribunal ought not to cover terroristic offenses, because it would be "taking on too much" and could lend itself to propagandistic manipulation.

The list of offenses, whatever they include ought to be based on international conventions, such as the United Nations Narcotics Convention, those covering Hijacking, Protection of Diplomats and other Internationally Protected Persons, Piracy and Offenses Against Civilian Vessels, etc. The Convention creating an international criminal court could provide a significant service by listing the offenses, including their elements, covered by the court and to be prosecuted therein. This would, in effect, be a sort of criminal code. The list of pp. 13–15 and 29, of Professor Bassiouni's Report provides the outline. If it were not possible to draft an entire penal code, the notion of *transfer of criminal proceedings*, as noted at p. 47, of Professor Bassiouni's report, would allow prosecution based on the substantive law of the transfering state. Would the court interpret the law in such a case as it believed the domestic courts of the transfering state would do, or would it develop its own base of interpretations.

It is important for the United States at least to be party to the study of the possibilities of such a regional tribunal. The opportunity for development of understanding among nations just from the study is important. In addition, participation in the study and development of a regional tribunal will allow some influence in the structure, ideals, procedures and substance of whatever results. Even if the United States Government ultimately were to decide not to become a party, there is value in having participated in the development.

Trial: Significant issues arise in relation to the form of trial (adversarial vs. not so adversarial); matters of evidence admission; burden and standard of proof; investigation and use of evidence obtained during investigation, etc. There could be difficulties in this regard. There are certainly differing perceptions of what is the better method to protect civil liberties, while obtaining conviction of the guilty. This would have to be considered carefully. Would the prosecution have to prove all the elements beyond a reasonable doubt? How would investigation and evidence gathering be controlled? Will there be cross-examination by defense counsel and prosecution?

Conviction: Will there be jury trials? What role will the jury have? Who will make up the jury? Will judges sit with the jurors, as in some European Systems? Will the verdict have to be unanimous?

Appeal: Will there be appeal of questions of fact as well as to question of law and legal error? Will there be a means of *collateral attack*, for those instances in which a convicted person learns of abuse or other significant violation of his rights, after appeals have concluded?

Resolution of these issues is provided in the attached draft Convention.

DETAILED MODEL CONVENTION FOR THE REGIONAL CRIMINAL TRIBUNAL[5]

Chapter 1. Definitions

Article I—The Convention

The Convention of the International Criminal Tribunal which is the legal authority and basis for the functioning of the Tribunal and its Organs.

Article II—The International Criminal Tribunal

All the Organs created by the Convention, which include the Court, the Procuracy [or Board of Criminal Inquiry], the Secretariat, and the Standing Committee of States-Parties.

Article III—The International Criminal Court

The judicial organ of the Tribunal, which adjudicates matters constituting an alleged violation of the International Criminal Code, determines guilt or innocence, and metes out penalties in accordance with the provisions of the Convention.

Article IV—The Procuracy [or Board of Criminal Inquiry]

That Organ of the Tribunal that investigates, prosecutes, and oversees the application of the decisions of the Court.[6]

Article V—The Secretariat

The clerical and administrative organ of the Tribunal.

Article VI—The Standing Committee

That body consisting of the States-Parties to the Convention that adopted the Convention.

Article VII—The Procurator

The Person elected by the Standing Committee to head the Procuracy [or Board of Criminal Inquiry].

Article VII—The Judge or Judges

The judicial person or persons who sit on the Tribunal, including the Procuracy or Board of Criminal Inquiry.

Article IX—The Secretary

The person elected by the Standing Committee to head the Secretariat.

Article X—The Convention

The instrument by virtue of which the Tribunal is adopted.

Chapter 2. General Provisions

Article XI—Purpose of the International Criminal Tribunal

This International [Regional] Criminal Tribunal is hereby established for the purpose of investigating, prosecuting, trying, and enforcing the provisions of the international offenses which have been promulgated as being within the jurisdiction of this Tribunal in the Convention and in any other Agreement made to Supplement the Convention.

Article XII—Nature of the Tribunal

The Tribunal shall be a permanent body, occupying facilities and performing its chief functions at [seat-nation to be determined], and utilizing as its official languages those of the United Nations.

Commentary

A. Establishment of the Tribunal:

1. The Tribunal would be established pursuant to a regional multilateral convention [hereinafter referred to as "the Convention"] open to all states in the region. A system would be worked out that would eliminate or reduce the possibility of the Tribunal being "stacked" or biased toward any particular political interest, group, or nation.

2. The Member-States to the Convention would agree on the establishment of the Tribunal whose seat would be in a state with the region.

3. The established Tribunal would have an international legal personality and would sign a host-country agreement with the host state. The Tribunal would thus have extra-territoriality for its premises and immunity for its personnel.

4. The Tribunal's costs and facilities, including detentional facilities will be paid on a pro-rata basis by the member-states to the Convention.

5. The Tribunal as an international regional organization would be granted jurisdiction by the member states to prosecute certain specified offenses embodied in international conventions and the authority to detain those accused, and those convicted of the charges (The merits of such a detentional scheme is that it removes pressures on the affected states, particularly in "terrorism" cases, and in cases involving major drug offenders.

Article XII—Organs of the Tribunal

1. The Tribunal shall consist of the following organs:

a. The Court;

b. The Procuracy [or Board of Criminal Inquiry];

c. The Secretariat; and

d. The Standing Committee of States-Parties to the Convention of the International Criminal Tribunal.

2. The functions and competence of the above organs shall be as described in this Convention.

Article XIII—Jurisdiction of the Tribunal

The Tribunal shall have jurisdiction, in accordance with international law and the provisions of this Convention. Its jurisdiction exists by virtue of a provision [or series of provisions] in the Convention, which will be in the nature of a "transfer of criminal proceedings."[7] It will have original jurisdiction based on territoriality, active or passive personality or other appropriate theory of jurisdiction. The Tribunal has jurisdiction to investigate, prosecute, adjudicate and punish persons and legal entities accused or found guilty of any of the crimes contained in the Convention and any other international offenses which may be embodied in a Supplemental Agreement.

Commentary

The Jurisdiction of the Tribunal exists by virtue of provision (or series of provisions) in the Convention, which will be in the nature of a "transfer of criminal proceedings."[8] Thus, each state that has original jurisdiction based on territorality, active or passive personality will not lose jurisdiction, but merely transfer the criminal proceedings to the Tribunal. This approach will alleviate some major jurisdictional and sovereignty problems).

Article XV—Competence of the Tribunal

1. The Tribunal shall, subject to the provisions of the present Convention, exercise its competence in accordance with international law whose sources are stated in Article 38 of the International Court of Justice.

2. The competence of the Organs of the Tribunal shall be interpreted and exercised in light of the purposes of the Tribunal as set forth in this Convention.

Article XVI—Subjects Upon Whom the Tribunal Shall Exercise Its Jurisdiction

The Tribunal shall exercise its jurisdiction over natural persons, organizations and States.

Article XVII—Sanctions

1. The Court as an organ of the Tribunal shall upon entering a finding of guilty, and in accordance with Article XXII and standards set forth in this Convention, have the power to impose the following sanctions:

a. Deprivation of liberty or any lesser measures of control where the person found guilty is a natural person; and,

b. Fine to be levied against a natural person, organization or State; and

c. Injunctions against natural persons or legal entities restricting them from engagin in certain conduct or activities; and

d. Order restitution and provide for damages.

2. Sanctions shall be established by the rules of the Court, and shall be published before their entry into effect. Such sanctions shall be based on the criteria set forth in the International Criminal Code.

Commentary

The intended consequence of this "transfer of criminal proceedings" approach, is that the Tribunal will use the substantive law of the transferring state, and its own procedural rules which will be part of the Convention and promulgated prior to the Tribunal's entry in function.[9]

The Procurator-General (or other designated official) of the Commission will act as the Chief Prosecutor but will be assisted by a prosecuting offical of the transferring state whose law is to be applied. The investigating auspices of the Commission will be available to be utilized by the member-states in their own internal investigations and prosecutions, as well. This does not mean that the Commission may do anything without the permission of the state in question, but may be invited to assist that state. The Commission is designed to be an additional arm in investigation and prosecution of international crime, not a replacement for what already exists internationally and domestically.[10]

Chapter 3. The Penal Processes of the Tribunal

Article XVIII—Initiation of the Process

Prosecution will be charged to the Commission under the control of the Procurator-General. The investigative part will come under the auspices of the Court.

No criminal process shall be initiated unless a complaint is communicated to the Procuracy [or Board of Criminal Inquiry] or originated within the Procuracy [or Board of Criminal Inquiry].

The Investigative Division of the Procuracy [or Board of Criminal Inquiry] shall determine whether such complaints are "manifestly unfounded" or not, and that determination shall be reported immediately to the source of the communication, if any.

No complaint by a State-Party to the present Convention or an Organ of the United Nations shall be deemed "manifestly unfounded." Other States and Intergovernmental Organizations whose complaints are determined to be "manifestly unfounded" may appeal such determinations to the Court pursuant to Article XXII of this Convention.

Unless otherwise directed by the Court, the Procuracy [or Board of Criminal Inquiry] may either take no further action on "manifestly unfounded" complaints or may continue further investigation.

Communications determined "not manifestly unfounded" shall be transferred together with the record of investigation to the Prosecutorial Division of the Procuracy [or Board of Criminal Inquiry], which shall immediately inform the accused and assume responsibility for the development of the case.

When a case is ready for prosecution, the Procurator shall submit it to an appropriate

Chamber of the Court pursuant to Article XIX and XX of this Convention, or to the Standing Committee pursuant to Article XVII of this Convention, or to both, but if a case based on a complaint submitted by a State-Party to this Convention or by an Organ of the United Nations has not been presented to the Court within one year of submission to the Standing Committee, the source of the complaint may request the Court to examine the case and act pursuant to Article XIX of this Convention.

Commentary

It is possible that the court, or at least judges, ought to oversee the investigative function, in order to protect human rights. Prosecution may commence on the basis of a criminal charge brought by a member-state. In addition, a member-state that does not have subject matter or in personam jurisdiction, or that does not wish to bring criminal charges within its jurisdiction, may petition the Procurator-General to inquire the potential direct prosecution before the Court. In such cases, the request by a member-state could be confidential, and only after the Procurator-General has deemed the evidence sufficient will the case for prosecution be presented to the Commission in camera for action. Alternatively, the Procurator General could present the case to the Court, in camera, which, in such a case, will be sitting as an International Judicial Inquiry Board. Once the Commission or the Court (sitting as a Judicial Inquiry Board) has decided whether or not to prosecute, the Procurator-General will issue an Indictment and request the surrender of the accused by the member-state where the accused may be found.

Alternatively, a member-state may, on the basis of the Judicial Inquiry Board's finding, issue its own indictment and ask the Court to prosecute. This latter approach would leave the prosecutorial initiative with member-states.

The Convention should include provisions on surrendering the accused to the Commission or Court and provisions on providing them with judicial assistance for the procurement of evidence (both tangible and testimonial)."

Article XIX—Pre-Trial Process

1. The Prosecutorial Division of the Procuracy for Board of Criminal Inquiry] may request an appropriate Chamber of the Court pursuant to this Article of the Convention to issue orders in aid of development of a case, in particular, orders in the nature of:

a. Arrest warrants;

b. Subpoenas;

c. Injunctions;

d. Search warrants;

e. Warrants for surrender of an accused so as to enable accused persons to be brought before the Court and to transit States without interference.

2. Requests for such orders may be granted with or without prior notice if opportunity to be heard would jeopardize the effectiveness of the requested order.

3. All such orders shall be executed pursuant to the relevant laws of the State in which they are to be executed.

4. The ultimate merits of a case shall not be considered pursuant to Article XI of this Convention until the case has been submitted to an appropriate Chamber of the Court, and the Chamber made the following determinations:

a. The case is reasonably founded in fact and law;

b. No prior proceedings before the Tribunal or elsewhere bar the process in accordance with the principal *ne bis in idem* or fundamental notions of fairness; and

c. No conditions exist that would render the application unreliable or unfair.

5. The schedule of proceedings shall be established by the appropriate Chamber in consultation with the Procuracy [or Board of Criminal Inquiry] and Court for the accused with due regard to the principle of fairness to the parties and the principle of "speedy trial."

Commentary

Protection of basic Civil Liberties & Jurisdiction: One of the dangers of an international criminal court is that it will not incorporate sufficient due process type protections for the accused. It will be important to establish a list of rights, protections, and procedures for practice before the court; a sort of "Bill of Rights" will need to be incorporated. This could be done via articles of Jurisdiction, based on convention provisions agreed to by the party states, in a manner similar to the *transfer of criminal proceedings* agreements, and incorporating procedural rules and principles incorporates the general principles of international law, particularly those in the International Covenant an Civil and Political Rights and other like conventions.

Article XX—Adjudication

1. Hearings on the ultimate merits of cases shall be conducted in public before a designated Chamber of the Tribunal [or the Court] but deliberations of the Chamber shall be *in camera.*

2. A Chamber may at any time dismiss a case and enter appropriately motivated orders. In case of dismissal for any reason other than on the merits, the principle *ne bis in idem* shall not apply.

3. In all proceedings a Chamber shall give equal weight to evidence and arguments presented by the Procurator and on behalf of the accused in accordance with the principle of "equality of arms" of the parties.

4. When all evidence respecting guilt or responsbility for wrongful acts has been presented, and argued by the parties, the Chamber shall close the Heaings and retire for deliberations.

5. The decisions of the Chambers shall be publicly announced orally, in summary or entirely, accompanied by written findings of fact and conclusions of law, or entered 30 days from the date of pronouncement of the oral decision, and any judge of that Chamber may write a separate dissenting or concurring opinion. [The opinions are to be anonymous].[12]

6. A determination of guilt shall be deemed entered when recorded by the Secretariat, which shall communicate it forthwith to the Procuracy [or Board of Criminal Inquiry] and the accused, but no such determination shall be regarded as effective until 3 days after the date of recording at which time the deciding Chamber may no longer modify its findings.

7. Each Chamber shall consist of three judges selected by lot, and cases shall be assigned to each Chamber by lot.

Article XXI—Sanctioning

1. Upon a Determination of guilt or responsibility, a separate hearing shall be held regarding sanctions to be imposed, at which hearing evidence of mitigation and aggravation shall be introduced and argued by the parties.

2. At the conclusion of this hearing the Chamber shall retire for deliberation and shall issue its Determination in the same manner and subject to the same conditions as for a Determination of guilt, as set forth in paragraph 5 and 6 of Article XX.

3. Upon conviction the individual may be returned to the surrending state, which will carry out the sentence on the basis of provisions in the Convention, in the nature of "transfer of prisoners" agreeements.[13]

Alternatively, the convicted person could be transferred to any other member-state on the same legal basis, or the Tribunal could place the convicted person in its areas detentional facilities which will be set up by the Convention in accordance with a host-state agreement between the Tribunal and the State wherein the determinal facility will be established.

By virtue of the Convention, an indictment by the tribunal sitting as a Judicial Inquiry Board will be recognized by all member-states, which could also, subject to appropriate national legislation, prosecute the accused in their national courts. This will be a new form of regional jurisdiction equivalent to the broader theory of universal jurisdiction.

Article XXII—Appeals

1. Appeals to the Court *en banc* from Determinations of Chambers as to the guilt or responsibility or as to sanctions may be commenced by the accused upon written notice filed with the Secretariat and communicated to the other party within 30 days of the date of entry of judgment or order appealed.

2. Other appeals from actions of Chambers may be taken before a final judgment is entered only if such actions are conclusive as to independent matters.

3. The Procuracy [or Board of Criminal Inquiry] may appeal questions of law in the same manner as an accused under paragraphs 1 and 2.

4. Decisions on Appeals shall be delivered in the same manner as other decisions of the Court *en banc* as provided in Article XX, paragraphs 5 and 6 of this Convention.

5. Decisions of the Court *en banc* and unappealed Determinations or orders of Chambers shall be deemed final unless it is shown that:

a. Evidence unknown at the time of the Determination or order has been discovered, which would have had a material effect on the outcome of the said Determination or order; or,

b. The Court or Chamber was flagrantly misled as to the nature of matters affecting the outcome; or

c. On the face of the record the facts alleged have not been proved beyond a reasonable doubt; or,

d. The facts proved do not constitute a crime within the jurisdiction of the Tribunal; or,

e. Other grounds for which the Court may provide by its Rules.

6. Appealed Determinations may be revised or vacated or remanded for new Determination, and when vacating a Determination the Court shall specify what if any *ne bis in idem* effect shall be given to the prior proceedings.

Commentary

To Provide for the right of appeal, the Tribunal could be divided in Chambers and the Judges drawn by lot. One Chamber will be the Judicial Inquiry Board, and one or more other Chambers will be adjudicating chambers. The Tribunal *en banc* will hear appeals (excluding the sitting judges on the case).

Should there be appeal of questions of fact as well as to questions of law and legal error? Will there be a mean of *collateral attack*, for those instances in which a convicted person learns of abuse or other significant violation of his rights, after appeals have concluded?

Article XXIII—Sanctions and Supervision

1. The Court may call upon any State-Party to execute measures imposed in respect of guilt, in accordance with the laws of the said State-Party.

2. With respect to each accused determined to be guilty, a judge of the Court shall be selected by lot as Supervisor of the sanction imposed.

3. All requests to modify sanctions shall be directed in the first instance to the Sanction Supervising judge who may submit the request to the Adjudicating Chamber for modification provided such action in no way increases the sanction or conditions imposed upon the person or legal entity found guilty.

4. Decisions of the Sanction Supervising Judges regarding modification requests may be appealed to the Chamber which imposed the sanction, but such appeals in the Chamber's discretion need not be the subject of full hearings and detailed written decisions.

5. Nothing here precludes the Court in accordance with its Rules to suspend its sanctions or place pre-conditions to their application in accordance with its Rules.

Chapter 4. Organs of the Tribunal

Article XXIV—The Court

1. The Tribunal will consist of as many judges as there are member-states to the Convention but not less than thirteen. No more than—of the judges shall be of the same nationality. They shall be elected by the Standing Committee of States-Parties from nominations submitted there. There will be four Chambers of three Judges each, and a Presiding Judge. The Judges will be drawn by lots to sit in rotation on the four Chambers (one of which, as stated above, will be the Judicial Inquiry Board.)

2. Nominees for positions as judges shall be of distinguished experts in the fields of international criminal law or human rights and other jurists qualified to serve on the highest courts of their respective States who may be of any nationality or have no nationality.

Each member-state will appoint a Judge from the ranks of its judiciary or from distinguished members of the Bar or from Academia. The Judges will be persons of high competence, knowledgeable in International Criminal Law, and of high moral character. Appointment of Judges and their tenure is to be established by the Convention.

3. Judges shall be elected by secret ballot and the Standing Committee of States-Parties shall strive to elect persons representing diverse backgrounds and experience with due regard to representation of the major legal and cultural systems of the world.

4. Elections shall be coordinated by the Secretariat under the supervision of the presiding officer of the Standing Committee of States-Parties and shall be held whenever one or more vacancies exist on the Court.

5. Judges shall be elected for the following terms: four judges for four-year terms, four judges for six-year terms, and four judges for eight-year terms. Judges may be re-elected for any term at any time available.

6. No judge shall perform any public function in any State.

7. Judges shall have no other occupation or business than that of judge of this Court. However, judges may engage in scholarly activity for remuneration provided such activity in no way interferes with their impartiality and appearance of impartiality.

8. A judge shall perform no function in the Tribunal with respect to any matter in which he may have had any involvement prior to his election to this Court.

9. A judge may withdraw from any matter at his discretion, or be excused by a two-thirds majority of the judges of the Court for reasons of conflict of interest.

10. Any judge who is unable or unwilling to continue to perform functions under this statute may resign. A judge may be removed for incapacity to fulfill his functions by a unanimous vote of the other judges of the Court.

11. Except with respect to judges who have been removed, judges may continue in office beyond their term until their replacements are prepared to assume the office and shall continue in office to complete work on any pending matter in which they were involved even beyond their term.

12. The judges of the Court shall elect a president, vice-president and such other officers as they deem appropriate. The president shall serve for a term of two years.

13. Judges of the Court shall perform their judicial functions in three capacities:

a. Sitting with other judges as the Court *en banc*;

b. Sitting in panels of three on a rotational basis in Chambers; and

c. Sitting individually as Supervisors of sanctions.

14. The salary of judges shall be equal to that of the judges of the International Court of Justice.

15. The Court *en banc* shall, subject to the provisions of this Convention, adopt Rules governing procedures before its Chambers and the Court *en banc*, and provide for establishment and rotation of Chambers.

6. The Court *en banc* shall announce its decisions orally in full or in summary, accompanied by written findings of fact and conclusions of law at the time of the oral decision or within thirty days thereafter, and any judge so desiring may issue a concurring or dissenting opinion. Opinions may be anonymous.

17. Decisions and orders of the Court *en banc* within thirty days of the Certification of the judgment enter its decision without notice.

18. The Court *en banc* may within thirty days of the Certification of the judgment enter its decisions without notice.

19. No actions taken by the Tribunal may be contested in any other forum than before the Court *en banc*, and in the event that any effort to do so is made, the Procurator shall be competent to appear on behalf of the Tribunal and in the name of all States-Parties of this Convention to oppose such action.

20. States-Parties agree to enforce the final judgments of the Court in accordance with the provisions of this Convention.

Article XXV—The Procuracy [or Board of Criminal Inquiry] [14]

1. The procuracy shall have the Procurator as its chief officer and shall consist of an administrative division, an investigative division and a prosecutorial division, each headed by a deputy procurator, and employing appropriate staff.

2. The procurator shall be elected by the Standing Committee of States-Parties from a list of at least three nominations submitted by members of the Standing Committee, and shall serve for a renewable term of six years, barring resignation or removal by two-thirds vote of the judges of the Court *en banc* for incompetence, conflict of interest, or manifest disregard of the provisions of this Convention or material Rules of the Tribunal.

3. The Procurator's salary shall be the same as that of the judges.

4. The deputy procurators and all other members of the Procurator's staff shall be named and removed by the Procurator at will.

5. In particular, the Standing Committee may:

a. Offer to mediate disputes between States-Parties relating to the functions of the Tribunal; and

b. Encourage States to accede to the Convention; and,

6. Propose to States-Parties international instruments to enhance the functions of the Tribunal.

7. The Standing Committee may exclude from participation representatives of States-Parties that have failed to provide financial support for the Tribunal as required by this Convention or States-Parties that failed to carry out their obligations under this Convention.

8. Upon request by the Procuracy [or Board of Criminal Inquiry], or by a party to a case presented for adjudication to a Chamber of the Court, the Standing Committee may be seized with a mediation and conciliation petition. In that case, the Standing Committee shall within 60 days decide on granting or denying the petition, from which decision there is no appeal. In the event that the Standing Committee grants the petition, Court proceedings shall be stayed until such time as the Standing Committee concludes its mediation and conciliation efforts, but not for more than one year except by stipulation of the Parties and with the consent of the Court.

Article XXVIII—General Institutional Matters

1. Each of the Organs of the Tribunal shall formulate and publish its own Rules in accordance with the Standards set forth in the Convention to regulate its functions under this Convention, but the Rules of the Procuracy [or Board of Criminal Inquiry] and Secretariat shall be subject to approval by a majority of the Court *en banc*.

2. The Procurator shall participate without a vote in formulating the Rules of the Court and of the Secretariat. The President of the Court shall participate without a vote in formulating the Rules of the Procuracy [or Board of Criminal Inquiry] and of the Secretariat.

3. Except to the extent of the adopted Rules, procedures of the Court shall be those of the International Court of Justice and those of the Secretariat shall be as for the Registrar of the International Court of Justice.

4. Each of the Organs of the Tribunal shall cooperate with the Secretariat in formulating its budget request and such budget requests shall be presented to the Court *en banc* for modification or approval, subject to adoption or rejection in their entirety by the Standing Committee.

5. The Judges, the Procurator and Deputy Procurators and their assistants and the Secretary shall be deemed officers of the Court, as well as Counsels appearing in a given case, and they shall enjoy immunity from legal processes of States with respect to the performance of their legal duties.

6. No officer of the Court other than Counsel in a given case shall perform any

function under this Convention without having first made a public, solemn declaration of impartiality and adherence to this Convention and the Rules of the Tribunal.

Chapter 5. Tribunal Standards

Article XXIX—Standards for Rules and Procedures

1. In all proceedings of the Tribunal and in the formulation of any Rules by any of its organs, the accused shall be entitled to those fundamental human rights enunciated in the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights, which for these purposes are:

a. The presumption of innocence

The presumption of innocence is a fundamental principle of criminal justice. It includes *inter alia:*

(1) No one can be convicted or formally declared guilty unless he has been tried according to law in a fair trial;

(2) No criminal punishment or any equivalent sanction may be imposed upon a person unless he has been proven guilty in accordance with the law;

(3) No person shall be required to prove his innocence;

(4) In case of doubt the decision must be in favor of the accused.

b. Procedural rights ("equality of arms")

The accused shall have substantial parity in proceedings and procedures and shall be given effective ways to challenge any and all evidence produced by the prosecution and to present evidence in defense of the accusation.

c. Speedy trial

Criminal proceedings shall be speedily conducted without, however, interfering with the right of the defense to adequately prepare for trial. To this effect:

(1) Time limitations should be established for each stage of the proceedings and should not be extended without reason by the appropriate Chamber of the Court.

(2) Complex cases involving multiple defendants or charges may be severed by the appropriate Chamber of the Court when it is deemed in the interest of fairness to the parties and justice to the case.

(3) Administrative or disciplinary measures shall be taken against officials of the Tribunal who deliberately or by negligence violate the provisions of this Convention and the rules of this Tribunal.

d. Evidentiary questions

(1) All procedures and methods for securing evidence which interfere with internationally guaranteed human rights shall be in accordance with the standards of justice set forth in this Convention and in the rules of the Tribunal.

(2) The admissibility of evidence in criminal proceedings must take into account the integrity of the judicial system, the rights of the defense, the interests of the victim and the interests of the regional [world] community.

(3) Evidence obtained directly or indirectly by illegal means which constitute a serious violation of internationally protected human rights, violate the provisions of this Convention, and the Rules of this Tribunal shall hold them inadmissible.

(4) Evidence obtained by means of lesser violations shall be admissible only subject to the judicial discretion of the Court on the basis of the veracity of the evidence presented and the values and interests involved.

e. The right to remain silent

Anyone accused of a criminal violation has the right to remain silent and must be informed of this right.

f. Assistance of counsel

(1) Anyone suspected of a criminal violation has the right to defend himself and to competent legal assistance of his own choosing at all stages of the proceedings, beginning when defendant is a specific focus of the criminal investigation.

(2) Counsel shall be appointed *ex officio* whenever the accused by reason of personal condition is unable to assume his own defense or to provide for such defense, and in those complex or grave cases where in the best interest of justice and in the interest of the defense such counsel is deemed necessary by the Court.

(3) Appointed counsel shall receive reasonable compensation from the Tribunal whenever the accused is financially unable to do so.

(4) Counsel for the accused shall be allowed to be present at all stages of the proceedings, including interrogations, lineups, and other critical investigatory proceedings which may impact on the fairness of the trial.

(5) Counsel for the accused or the accused shall be provided with all incriminating evidence available to the prosecution as well as all exeulpatory evidence as soon as possible but no later than at the conclusion of the investigation or before adjudication and in reasonable time to prepare the defense.

(6) Anyone detained shall have the right to access and to communicate in provate with his counsel personally and by correspondence, subject only to reasonable security measures decided by a judge of the Court.

g. Arrest and detention

(1) No one shall be subject to arbitrary arrest or detention.

(2) No one shall be deprived of his liberty except on such grounds and in accordance with such procedure as established by this Convention and Rules of the Tribunal and only on the basis of a determination by the Court.

(3) No one shall be arrested or detained without reasonable grounds to believe that he committed a criminal violation within the jurisdiction of the Tribunal.

(4) Anyone arrested or detained shall be promptly brought before a judge of the Court and shall be informed of the charges against him; after appearance before such judicial authority he may be returned to the custody of the arresting authority but he shall be subject to the jurisdiction of the Court even when in the custody of a State-Party.

(5) Preliminary or provisional arrest and detention shall take place only whenever necessary and as much as possible should be reduced to a minimum of cases and to the minimum of time.

(6) Preliminary or provisional detention shall not be compulsory but subject to the determination of the Court and in accordance with its Rules.

(7) Alternative measures to detention shall be used whenever possible and include *inter alia:* bail, limitations of freedom of movement, imposition of other restrictions.

(8) No detainee shall be subject to rehabilitative measures prior to conviction unless he freely consents thereto.

(9) No administrative preventive detention shall be permissible as part of any criminal proceedings.

(10) Any period of detention prior to conviction shall be credited toward the fulfillment of the sanction imposed by the Court.

(11) Anyone who has been the victim of allegal or unjustified detention shall have the right to compensation.

Commentary

Protection of basic Civil Liberties & Jurisdiction: This Convention has taken into consideration and accommodated a serious danger of an international criminal court; a failure to incorporate sufficient due process protections for the accused. It is important to establish a list of rights, protections and procedures for investigation and prosecution; a sort of "Bill of Rights" is incorporated. It provides substantive and procedural rules and incorporating the general principles of international law, particularly those in the international Convenant on Civil and Political Rights and other like conventions.

Trial: Significant issues arise in relation to the form of trial (adversarial vs. not so adversarial); matters of evidence admission; burden and standard of proof; investigation and use of evidence obtained during investigation, etc. Attention is paid to this. There are cetainly differing perceptions of what is the better method to protect civil liberties, while obtaining conviction of the guilty. This will have to be considered carefully. Issues relating to standard of proof for conviction; how investigation and evidence gathering be controlled; role of prosecutor and defense counsel are all addressed. Should there be direct and cross-examination by prosecutor and defense counsel?

Conviction: Will there be jury trials? What role will the jury have? Who will make up the jury? Will judges sit with the jurors, as in some European Systems? Will the verdict have to be unanimous?

h. Rights and interests of the victim

The rights and interests of the victim of a crime shall be protected in particular:

(1) the opportunity to participate in the criminal proceedings;

(2) the right to protect his civil interests;

(3) due regard shall be given in formulation of Rules of the Organs of the Tribunal to the principle of *no bis in idem,* but a seemingly duplicative prosecution shall not be barred provided that the record in the prior proceeding is taken into account along with any prior measures in respect to the guilt of the accused.

(4) Arrest and detention shall be in conformity with the Standard Minimum Rules for Treatment of Prisoners and the Principles on Freedom from Arbitary Arrest and Detention of the United Nations.

(5) Maximum flexibility regarding restrictive measures should be encouraged, including use of such mechanisms as house arrest, work release and bail, and credit shall be given for any pre-conviction restrictions to an accused.

(6) The Tribunal shall include all of the above in the formulation of its Rules of Practice and Procedures which shall be effective upon promulgation.

(7) No proceedings before the Tribunal shall commence prior to the promulgation of the Rules of Practice and Procedures of the Court, the Procuracy [or Board of Criminal Inquiry] and the Secretariat.

Chapter 6. Judicial Assistance and Other Forms of Cooperation

Article XXX—Cooperation between the State-Parties and the International Criminal Tribunal

Section 1. Duties of State-Parties

1.0 The State-Parties shall provide the International Ctriminal Tribunal with all means of judicial assistance and cooperation, including, but not limited to, extradition, letters rogatory, service of writs, assistance in securing testimony and evidence, transmittal of records, transfer of proceed-

ings and transfer of prisoners. The Tribunal will provide the State-Parties with similar support and cooperation.

Section 2. Methods and Procedures

1.1 The methods of judicial assistance and other forms of cooperation and regulating procedures between the State-Parties and the International Criminal Tribunal shall be those methods and procedures provided for, in a "Procedural Enforcement Part." [15]

1.2 The Rules of Practice of the Tribunal shall supplement the provisions of Procedural Enforcement Part with respect to ministerial matters.

Section 3. Recognition of the Judgments of the International Criminal Tribunal

1.1 The State-Parties agree to recognize the judgments of the Court and to execute its provisons. For the purposes of double jeopardy and evidentiary matters, the International Criminal Tribunal shall recognize the sanctions of other States in accordance with the provisions of Article XVII and other relevant articles.

1.2 The Court's Rules of Practice shall govern the recognition of the judgments of the Court by State-Parties and those of the other States by the Court.

Section 4. Transfer of Offenders and Execution of Sentences

1.1 In the event the International Criminal Tribunal does not have detentional facilities under its direct control, it may request a State-Party to execute the sentence in accordance with that Party's correctional system, and, in that case, the Tribunal shall continue to exercise jurisdiction over the offender, including his transfer to another State or facility.

1.2 In the event the International Criminal Tribunal has placed an offender in its own detention facilities, this person may by agreement be transferred for detention to his country of origin, subject to the Tribunal's jurisdiction.

1.3 The Tribunal's Rules of Practice shall determine the basis and condition of the transfer of offenders and the execution of sentences.

MODEL FOR PROPOSED INTERNATIONAL COMMISSION [OR BOARD] OF CRIMINAL INQUIRY [16]

The proposed International Criminal Tribunal will consist not only of an international court, but would also include an International Commission [or board] of Criminal Inquiry. This Commission would provide the investigative arm of the Tribunal. It would be available to provide assistance to state-party investigations and to investigate relevant criminal activity as commissioned by the state-parties, in the manner determined by the Convention. The Court would be established pursuant to a regional multilateral convention [hereinafter referred to as "the Convention"] open to all states in the region. A system would be worked out that would eliminate or reduce the possibility of the Court being "stacked" or biased toward any particular political interest, group, or nation. It is not required that the Tribunal be divided into Organs, such as the Commission and the Court, etc. This Commission or Inquiry Board is part of the International Tribunal and is to provide each of the functions, as in the model provided by Professor Bassiouni in his Report for the Symposium. All of the ideas and functions were provided in his model.

This is a Commission [or Inquiry Board] a coordinating body for cooperation in matters of international criminal law. It is designed to magnify the opportunity for international cooperation. It provides for an institution to help investigation and prosecution of international crime by internationalizing the notions of prisoner and proceedings transfer. The following model Convention provides the details of the Commission, which will be part of the Tribunal. The Commission Convention may be part of the Convention establishing the Tribunal.

Establishment and Jurisdiction

ARTICLE 1. A Regional Commission [or Board] of Criminal Inquiry (hereinafter referred to as "the Commission") is hereby established and empowered to hold inquiry according to this Convention.

Commentary

The Commission would be established pursuant to a regional multilateral convention [hereinafter referred to as "the Convention"] open to all states in the region. A system would be worked out that would eliminate or reduce the possibility of the Court being "stacked" or biased toward any particular political interest, group, or nation.

The Member-States to the Convention would agree on the establishment of the Commission whose seat would be in a state within the region.

The established Commission would have an international legal personality and would sign a host-country agreement with the host state. The Commission would thus have extra-territoriality for its premises and immunity for its personnel.

The Commission's costs and facilities, including detentional facilities will be paid on a pro-rata basis by the member-states to the Convention.[17]

The Commission as an international regional organization would be granted jurisdiction by the member states to prosecute certain specified offenses embodied in international conventions and the authority to detain those accused, and those convicted of the charges. (The merits of such a detentional scheme is that it removes pressures on the affected states, particularly in "terrorism" cases, and in cases involving major drug offenders.).

ARTICLE 2. *Ratification* of the present Convention may be limited to one or more of the Offenses listed in Article 2.

Commentary

This article allows the state-parties to choose which portions of the Convention they wish to utilize. A similar article ought to be included in the Court and other Parts of the Tribunal. It allows a state party to control the amount of sovereignty allocated to the Tribunal.

ARTICLE 3. The Commission shall consist of—members, of which—shall constitute the quorum.

ARTICLE 4. Members of the Commission shall be elected by the Contracting states from the candidates nominated by them. Each Contracting State may nominate two candidates and shall have one vote. The nominated candidates shall be citizens of a Contracting state. A Contracting State may not vote for its own nominees.

Commentary

This article provides the opportunity to develop a scheme which will minimize the risk of any "hijacking" or propagandistic appropriation of the Commission or Court. Ideas on how the members should be chosen need to be developed.

ARTICLE 5. Members of the Commission shall serve for a period of—years. They may be re-elected.

Commentary

Here is another opportunity to establish safeguards.

ARTICLE 6. The Commission shall have *authority* to investigate and otherwise deal with offenses described in the following international conventions, provided they have come into force.

Commentary

Here we would list the offenses to be within the authority of the Commission. It could include all those indicated in the Bassiouni Symposium Report, or be limited to certain terroristic and narcotics trafficking offenses, or merely be limited to narcotics trafficking.

ARTICLE: 7. The *Jurisdiction of the Commission.* would exist by virtue of a provision (or series of provisions) in the Convention, which would be in the nature of a "transfer of criminal proceedings." (Thus, each state that has original jurisdiction based on territoriality, active or passive personality or other appropriate theory of jurisdiction would not lose jurisdiction, but could merely choose to transfer the criminal proceedings to the Commission. The decision to transfer proceedings would be a matter of choice by the party-state in each instance. This approach will alleviate some major jurisdictional and sovereignty problems).

The intended consequence of this "transfer of criminal proceedings," approach is that the Commission will use the substantive law of the transferring state, and its own procedural rules which would be part of the Convention and promulgated prior to the Commission's entry in function.

The Procurator-General (or other designated official) of the Commission will act as the Chief Prosecutor but will be assisted by a prosecuting official of the transferring state whose law is to be applied. The investigating auspices of the Commission will be available to be utilized by the member-states in their own internal investigations and prosecutions, as well. This does not mean that the Commission may do anything without the permission of the state in question, but may be invited to assist the state. The Commission is designed to be an additional arm in investigation and prosecution of international crime, not a replacement for what already exists internationally and domestically.

ARTICLE 8. *Prosecution* will be charged to the Commission under the control of the Procurator-General. The investigative part will come under the auspices of the Commission and the trial part will come under the auspices of the Court.

It is possible that the court, or at least judges, ought to oversee the investigative function, in order to protect human rights. Prosecution may commence on the basis of a criminal charge brought by a member-state. In addition, a member-state that does not have subject matter or on personam jurisdiction, or that does not wish to bring criminal charges within its jurisdiction, may petition the Procurator-General to inquire the potential direct prosecution before the Court. In such cases, the request by a member-state could be confidential, and only after the Procurator-General has deemed the evidence sufficient will the case for prosecution be presented to the Commission in camera for action. Alternatively, the Procurator-General could present the case to the Court, in camera, which, in such case, would be sitting as an International Judicial Inquiry Board. Once the Commission or the Court (sitting as the Judicial Inquiry Board)

has decided whether or not to prosecute, the Procurator-General will issue an Indictment and request the surrender of the accused by the member-state where the accused may be found.

Alternatively, a member-state may, on the basis of the Judicial Inquiry Board's finding, issue its own indictment and ask the Court to prosecute. This latter approach would leave the prosecutorial initiative with member-states.

The Convention should include provisions on surrendering the accused to the Commission or Court and provisions on providing them with judicial assistance for the procurement of evidence (both tangible and testimonial).[21]

ARTICLE: 9. *Rules of Procedure.* The rules of day-to-day administrative procedure will be promulgated by the Commission itself. The rules of procedure for conducting investigations will be part of the Convention establishing the Commission and the Court. These rules of procedure will accommodate basic notions of civil liberty and protection of human rights.

Commentary

Protection of basic Civil Liberties & Jurisdiction: One of the dangers of an international criminal court is that it will not incorporate sufficient due process type protections for the accused. It would be important to establish a list of rights, protections, and procedures for practice before the court; a sort of "Bill of Rights" would need to be incorporated. This could be done via articles of Jurisdiction, based on convention provisions agreed to by the party states, in a manner similar to the *transfer of criminal proceedings* agreements, and incorporating procedural rules and principles incorporating the general principles of international law, particularly those in the International Covenant on Civil and Political Rights and other like conventions.

ARTICLE 10. *Funding.* The Contracting States shall create and maintain a fund which will pay for the maintenance and operation of the Commission as well as expenses for witnesses, experts, interpreters, and counsel if approved by the Commission. The collection and administration of finances in this fund shall be conducted in accordance with the regulations adopted by the Commission.

ARTICLE 11. (1) The Commission shall apply the definition of a particular offense which is prescribed by the conventions in force in the appropriate Contracting State(s), according to article 6 of this Convention, and jurisdiction will obtain in accordance with article 7.

(2) Also with regard to the general part of criminal law including grounds for defense and justification (when an indictment is recommended), the Commission shall apply the relevant rules of international law, and where no such rules exist, the national law of the state concerned, as above, in paragraph 1, if the latter is not in conflict with international law. [22]

ARTICLE 12. A person who is being tried or has already been tried in a Contracting State shall not be subject to an inquiry in the same matter before the Commission.

(2) No person shall be subject to an inquiry before the Commission if at the time of receipt of the petition, there are judicial criminal proceedings in the same matter pending against him in the Contracting State in which the alleged offense was committed or in a Contracting State of which he is a citizen. If judicial criminal proceedings are underway in a State-party, that state has the option of "staying proceedings" and submitting them to the Commission for investigation and prosecution before the Tribunal.

Commentary

This article provides a means of allowing the Tribunal in all its aspects to be a boon to local prosecution, not a replacement for it. It may be that this article should be modified to magnify this purpose.

ARTICLE. 13. The Commission shall be seized upon petition by:

[this will need to be worked out, but it could be] (a) any person, group of persons or non-governmental organization present in a Contracting State and claiming to be the victim of an alleged offense, or (b) a Contracting State, which has conferred jurisdiction upon the Commission with respect to the offenses concerned; or (c) both.

Commentary

This article, of course, would depend on the offenses covered by the Convention establishing the Tribunal. If it covered only narcotics offenses, for example, the entities who could seize to Commission would differ.

ARTICLE 14. The Commission's report shall be submitted with such comments as it may consider appropriate to the parties concerned. The report may include an indictment or its equivalent, which will trigger prosecution before the Court.

ARTICLE 15. The Commission may hear more than one petitioner on the same matter. Each petitioner shall have the right to be represented. Petitioners shall also have the right to cross-examine witnesses and to submit evidence in accordance with the Commission's rules of procedure. The proceedings and investigation shall conform to the protections of human rights as exist in the promulgated conventions and in international law generally. [23]

Commentary

This is where reference needs to be made to the "bill of rights" or other human rights conventions.

ARTICLE 16. The alleged offender shall have the right to be heard in respect of the petition. He or she shall have the right to be assisted by counsel of his or her own choice, to submit evidence, to cross-examine witnesses, and to inspect any document or other evidence introduced during the inquiry.

He or she shall be allowed reasonable expenses for defense, charged to the fund referred to in article —, if the Commission is satisfied that he or she is financially unable to engage the services of counsel.

Unless the Commission makes use of the power under article 18 (to take the accused into custody), the alleged offender shall be free to proceed to the destination of his or her choice; no proceedings shall be instituted against the accused by the authorities of the state in which the inquiry is held prior to the lapse of 30 days following the termination of the inquiry. These provisions shall apply to other persons involved in the inquiry.

ARTICLE 17. The Commission shall hold its sessions in public, unless private sessions are necessary in the international public interest. The deliberations of the Commission shall take place in private and shall not be disclosed; although opinions will be written, including dissenting opinions. The voting will be anonymous.

Commentary

Anonymous voting is designed to protect the judges from intimidation and reprisal or terrorism.

ARTICLE 18. Where the Commission has a strong suspicion and belief on reasonable and probable grounds that an offense covered by this Convention has been committed by a person subject to its inquiry, it may make an application to the Contracting State in accordance with the jurisdiction conferred upon it by that State, to take this person into custody.

The preceeding paragraph shall apply similarly to search and seizure.

The State to which the application is made shall decide upon the application according to its own laws and applicable international treaties.

ARTICLE 19. Having regard to the facts established at the inquiry, the Commission shall either: a) terminate the inquiry against the accused, should the complaint appear to be unfounded in law or in fact, or b) declare the matter settled by consent of the petitioner, the Procurator-General, the person who is subject to the inquiry and victim or their legal representatives, or c) recommend an indictment or its equivalent.

ARTICLE 20. In accordance with the jurisdiction conferred upon it by the Contracting States, the Commission may submit its recommendation of indictment and/or any other finding to the State where the suspected offender is present and request that the State act accordingly, or it may submit it to the Court for prosecution. The will of the State-party that presented the petition controls. A report of the Commission's findings shall be presented to the Contracting States, to the Court and to the parties involved in the investigation.

ARTICLE 21. The recommendation(s) of the Commission shall be established by a majority vote of the members present. The recommendation shall be given in the conclusion of the Commission's report.

ARTICLE 22. The Commission may request national authorities to assist it in the performance of its functions. A Contracting State shall render such assistance in conformity with any convention(s) or other instrument(s) it has accepted. The Commission may call upon any State to supply information which may be relevant to the inquiry. The States may request information and evidence and assistance from the Commission for domestic prosecution.

ARTICLE 23. The Commission shall examine the evidence offered by the petitioner and the accused. The Commissioin may call witnesses for examination, request evidence and call experts.

FOOTNOTES

[1] Professor of Law, Louisiana State University Law Center: B.A., Univ. of Utah; M.A., Fletcher School of Law and Diplomacy, Tufts; J.D., U. of Utah; LL.M., Columbia; J.S.D. Columbia University School of Law. Professor of Law, Louisiana State University Law Center. Formerly Attorney-Adviser, Office of the Legal Adviser, U.S. Dept. of State.

[2] M.C. Bassiouni, A DRAFT INTERNATIONAL CRIMINAL CODE AND A DRAFT STATUTE FOR AN INTERNATIONAL TRIBUNAL, at 21-52 (1987) [hereinafter, Draft Code].

[3] *See "Draft Statute for an International Commission of Criminal Inquiry and a Draft Statute for an International Criminal Court,"* INTERNATIONAL LAW ASSOCIATION, 60TH CONFERENCE, Montreal, August 29-September 4, 1982, in *Report of the 60th Conference of the International Law Association* (1983). Defenses were considered in PROTOCOL II, To THE STATUTE FOR AN INTERNATIONAL CRIMINAL COURT AND TO THE STATUTE FOR AN INTERNATIONAL COMMISSION OF CRIMINAL INQUIRY CONTAINING DEFENCES, International Law Association, REPORT OF THE 62ND CONFERENCE, Seoul, Aug. 24th to Aug. 30th, 1986.

[4] *Draft Statute for an International Commission of Criminal Inquiry,* in INTERNATIONAL LAW ASSO-

CIATION, REPORT OF THE 60TH CONFERENCE (MONTREAL, 1982) (1983) (at Appendix D).

[5] This Model combines the functions of the Commission of Criminal Inquiry and the Tribunal. Adapted from *Draft Statute of the International Criminal Tribunal*, in BASSIOUNI, A DRAFT INTERNATIONAL CRIMINAL CODE AND DRAFT STATUTE FOR AN INTERNATIONAL CRIMINAL TRIBUNAL 213 (1987).

[6] For more detail on a Procuracy or Board of Criminal Inquiry, see *Model for Proposed Regional International Commission of Criminal Inquiry*, supra this memorandum.

[7] *See e.g.*, the *European Convention on Transfer of Sentenced Persons* (E.T.S. No. 112) and the bilateral treaties between the U.S. and Canada, Mexico and other countries on Transfer of Prisoners. *See*, Bassiouni "Transfer of Prisoners Between the United States, Mexico and Canada" 239, and H. Epp "The European Convention on Transfer of Prisoners" 253, in M.C. Bassiouni INTERNATIONAL CRIMINAL LAW (Vol. II, 1986).

[8] *See e.g.* the *European Convention on the Transfer of Proceedings in Criminal Matters* (E.T.S. No. 73).

[9] The procedural rules would be on the basis of general principles of international law and in accordance with internationally protected human rights, particularly the International Covenant on Civil and Political Rights, and the Inter-American Convention on Human Rights.

[10] See, *Proposed International Commission or Board of Criminal Inquiry, supra.*

[11] *See e.g.*, the *European Convention on Mutual Legal Assistance* (E.T.S. No. 30), and the various bilateral Conventions between a number of states. *See* A. Ellis and R. Pisani, "The United States Treaties on Mutual Assistance in Criminal Matters" 151, in M.C. Bassiouni *International Criminal Law* (Vol. II, 1986).

[12] It might be wise to make the voting anonymous, so as to protect the judges from threats and violence in the arena of international terrorism and drug trafficking.

[13] *See e.g.*, the *European Convention on Transfer of Sentenced Persons* (E.T.S. No. 112) and the bilateral treaties between the U.S. and Canada, Mexico and other countries on Transfer of Prisoners. *See*, Bassiouni "Transfer of Prisoners Between the United States, Mexico and Canada" 239, and H. Epp "The European Convention on Transfer of Prisoners" 253, in M.C. Bassiouni INTERNATIONAL CRIMINAL LAW (Vol. II, 1986).

[14] See *Draft Model for Proposed International Commission of Criminal Inquiry, supra.*

[15] This Procedural Enforcement Part will be promulgated as part of the Convention and would incorporate matters of international cooperation in matters of criminal justice. This is modeled upon Transfer of Proceedings and Transfer of Prisoner conventions.

[16] Adapted from *Draft Statute for an International Commission of Criminal Inquiry*, in INTERNATIONAL LAW ASSOCIATION, REPORT OF THE 60TH CONFERENCE (MONTREAL, 1982) (1983) (at Appendix D). This Commission or Board of Criminal Inquiry will form an arm of the Tribunal to investigate crime and to prosecute cases before the Court.

[17] The detention aspect of the Tribunal could be under the auspices of the Commission or of another of the Tribunal's organs.

[18] See, e.g., list of offenses covered by the Draft Statute for an International Commission of Criminal Inquiry, in I.L.A., REPORT OF THE 60TH CONFERENCE *supra* note 4, at 424-425.

[19] *See e.g.* the *European Convention on the Transfer of Proceedings in Criminal Matters* (E.T.S. No. 73).

[20] The procedural rules would be on the basis of general principles of international law and in accordance with internationally protected human rights, particularly the International Covenant on Civil and Political Rights, and the Inter-American Convention on Human Rights.

[21] *See e.g.*, the *European Convention on Mutual Legal Assistance* (E.T.S. No. 30), and the various bilateral Conventions between a number of states. *See* A. Ellis and R. Pisani, "The United States Treaties on Mutual Assistance in Criminal Matters" 151, in M.C. Bassiouni *International Criminal Law*, (Vol. II. 1986).

[22] See alternatively, PROTOCOL II, TO THE STATUTE FOR AN INTERNATIONAL CRIMINAL COURT AND TO THE STATUTE FOR AN INTERNATIONAL COMMISSION OF CRIMINAL INQUIRY CONTAINING DEFENCES, International Law Association, REPORT OF THE 62ND CONFERENCE, Seoul, Aug. 24th to Aug. 30th, 1986.

[23] For additional articles for the protections afforded the accused, see PROTOCOL II, TO THE STATUTE FOR AN INTERNATIONAL CRIMINAL COURT AND TO THE STATUTE FOR AN INTERNATIONAL COMMISSION OF CRIMINAL INQUIRY CONTAINING DEFENCES, International Law Association, REPORT OF THE 62ND CONFERENCE, Seoul, Aug. 24th to Aug. 30th, 1986.

Mr. SPECTER. While the notion of an international criminal court can be traced back to World War I and certainly to the model of the Nuremberg and Tokyo trials following World War II, the last 20 years have witnessed a dramatic movement toward the internationalization of law enforcement because of the developments of transnational criminal offenses in the area of terrorism and international drug trafficking.

More recently, a 1989 proposal to the United Nations by Prime Minister Robinson from Trinidad-Tobago—endorsed by 16 other countries mostly from the Caribbean—calls for the creation of an international criminal court with jurisdiction over illicit trafficking in narcotics across national frontiers. I have met and discussed with Prime Minister Robinson his reasons for establishing such a court. He indicated that Trinidad-Tobago is an involuntary victim of drug trafficking because of its location. But, Trinidad-Tobago has neither resources to police its borders nor sufficient security forces to apply the rule of law in the face of violent narco-terrorism in that region of the world. Trinidad's proposal has now been advanced. The United Nations International Law Commission has been charged to address the question of establishing an international criminal court or other international criminal trial mechanism with jurisdiction over persons alleged to have committed crimes of international drug trafficking across national frontiers. The commission is currently meeting in Geneva.

But, the ILC is not the only forum for discussion of this proposal. Commencing later month in Italy, the International Institute of Higher Studies in Criminal Sciences in cooperation with the United Nations Crime Prevention Branch on Penal Codes will focus primary attention on the issue of creation of an international criminal court. And, in August, the United Nation's 8th Congress on Crime Prevention will also focus debate on the creation of such a court. Clearly, the progress made on the need for and creation of international criminal court has taken a quantum leap forward.

In sum, it is clear that there is broad agreement on the definition and threat posed by drugs and drug trafficking leading to the United Nations adoption on December 20, 1988 of the Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances. In spite of several international conventions on aviation, maritime safety and hostage-taking, there is less agreement on the definition of terrorism. While both represent a very serious problem to safety and security, the development of a regional international criminal court focusing on drugs and international drug trafficking, in my view, offers a start in establishing and developing the international criminal court system.

In closing, I wish to support the effort of the forthcoming fora in their efforts to create an international criminal court. In the months ahead I shall be introducing a new legislative proposal to move the United States closer to a more active role in the formulation of an international criminal court.

Mr. President, I would be gravely remiss if I did not recognize the extensive scholarship contributed by Cherif Bassiouni, professor of law at DePaul University College of Law to the development of an international criminal court and code. Professor Bassiouni's counsel and dedication have been a source of inspiration and guidance to this Senator and indeed to the community of international criminal lawyers and scholars. His competence and vision as an international criminal law scholar are universally shared. I thank him publicly for his contributions and leadership in this matter and look forward to greater cooperation with him in the formulative period ahead.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the time for morning business is now closed.

NATIONAL AFFORDABLE HOUSING ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 566, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 566) to authorize a new Housing Opportunities Partnerships program to support State and local strategies for achieving more affordable housing to increase home ownership, and for other purposes.

The Senate proceeded to consider the bill (S. 566) to authorize a new Housing Opportunities Partnerships Program to support State and local strategies for achieving more affordable housing to increase home ownership, and for other purposes, which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Affordable Housing Act".

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TITLE I—GENERAL PROVISIONS AND POLICIES

SEC. 101. THE NATIONAL HOUSING GOAL.

The Congress affirms the national goal that every American family be able to afford a decent home in a suitable environment.

SEC. 102. OBJECTIVE OF NATIONAL HOUSING POLICY.

The objective of national housing policy shall be to strengthen a nationwide partnership of public and private institutions able—

(1) to ensure that no resident of the United States is without either access to decent shelter or assistance in avoiding homelessness;

(2) to increase the Nation's supply of decent housing that is affordable to low-income and moderate-income families and accessible to job opportunities;

(3) to improve housing opportunities for all residents of the United States, particularly members of disadvantaged minorities, on a nondiscriminatory basis;

(4) to help make neighborhoods safe and livable;

(5) to expand opportunities for homeownership;

(6) to provide every American community with a reliable, readily available supply of mortgage finance at the lowest possible interest rates; and

(7) to encourage tenant empowerment and reduce generational poverty in federally-assisted and public housing by improving the means by which self-sufficiency may be achieved.

SEC. 103. PURPOSES OF THE NATIONAL AFFORDABLE HOUSING ACT.

The purposes of this Act are—

(1) to help families not owning a home to save for a down payment for the purchase of a home;

(2) to retain wherever feasible as housing affordable to low-income families those dwelling units produced for such purpose with Federal assistance;

(3) to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of housing affordable to low-income and moderate-income families;

(4) to expand and improve Federal rental assistance for very low-income families; and

(5) to increase the supply of supportive housing, which combines structural features and services needed to enable persons with special needs to live with dignity and independence.

SEC. 104. DEFINITIONS.

As used in this Act—

(1) The term "unit of general local government" means a city, town, township, county, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the Federated States of Micronesia and Palau, the Marshall Islands, or a general purpose political subdivision thereof; a consortium of such political subdivisions recognized by the Secretary in accordance with section 316(2)(B) of this Act; and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this Act.

(2) The term "State" means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(3) The term "jurisdiction" means a State or unit of general local government.

(4) The term "participating jurisdiction" means any State or unit of general local government whose comprehensive affordable housing strategy has been approved by the Secretary in accordance with section 105 of this Act.

(5) The term "nonprofit organization" means any private, nonprofit organization that—

(A) is organized under State or local laws,

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual,

(C) complies with standards of financial accountability acceptable to the Secretary, and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income and moderate-income persons.

(6) The term "community housing development organization" means a nonprofit organization, within the definition of paragraph (5), that—

(A) has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons;

(B) maintains, through significant representation on the organization's governing board and otherwise, accountability to low-income beneficiaries and low-income community residents with regard to decisions on the design, siting, development, and management of affordable housing;

(C) has a demonstrated capacity for carrying out activities assisted under this Act; and

(D) has a history of serving the local community or communities within which housing to be assisted under this Act is to be located.

(7) The term "government-sponsored mortgage finance corporations" means the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation.

(8) The term "very low-income families" means low-income families whose incomes do not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(9) The term "low-income families" means families whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(10) The term "moderate-income families" means families whose incomes do not exceed the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(11) The term "families" includes families consisting of a single person in the case of (A) a person who is at least 62 years of age, or is a person with disabilities within the meaning of section 521(j)(2) of this Act, (B) a displaced person, (C) the remaining member of a tenant family, and (D) other single persons in circumstances described in regulations of the Secretary.

(12) The term "security" has the same meaning as in section 2 of the Securities Act of 1933.

(13) The term "first-time homebuyer" means (A) an individual and his or her spouse who have had no ownership interest in a residence during the previous 3-year period, or (B) a person who, during the previous 3-year period, has become a displaced homemaker, which means an individual who may have had an ownership interest in a principle home and whose marriage has resulted in a legal separation, divorce, or death.

(14) The term "Secretary" means the Secretary of Housing and Urban Development, unless otherwise specified in this Act.

SEC. 105. STATE AND LOCAL HOUSING STRATEGIES.

(a) IN GENERAL.—The Secretary shall provide assistance directly to a jurisdiction only if—

(1) the jurisdiction submits to the Secretary a comprehensive housing affordability strategy (hereafter in this section referred to as the "housing strategy");

(2) the jurisdiction submits annual updates of the housing strategy; and

(3) the housing strategy, and any annual update of such strategy, is approved by the Secretary.

The Secretary shall establish such dates and manner for the submission and approval of housing strategies under this section that the Secretary determines will facilitate orderly program management by jurisdictions and provide for timely investment or other use of funds made available under this Act. If the Secretary finds there is good cause, the Secretary may provide reasonable extensions of any deadlines for submission of a jurisdiction's housing strategy.

(b) CONTENTS.—A housing strategy submitted under this section shall be in a form that the Secretary determines to be appropriate for the assistance the jurisdiction may be provided under this Act and shall—

(1) describe the jurisdiction's estimated housing needs projected for the ensuing 5-year period, and the jurisdiction's need for assistance for low-income and moderate-income persons under this Act, specifying such needs for different types of tenure and for different categories of residents, such as very low-income, low-income, and moderate-income persons, the elderly, single persons, large families, residents of nonmetropolitan areas, and other categories of residents that the Secretary determines to be appropriate;

(2) describe the nature and extent of homelessness within the jurisdiction, providing an estimate of the special needs of various categories of persons who are homeless or threatened with homelessness, and a description of the jurisdiction's strategy for (A) helping very low-income families avoid becoming homeless; (B) addressing the emergency shelter and transitional housing needs of homeless persons (including a brief inventory of facilities and services that meet such

needs within that jurisdiction); and (C) helping homeless persons make the transition to permanent housing and independent living;

(3) describe the significant characteristics of the jurisdiction's housing market, indicating how those characteristics will influence the use of funds made available under this Act for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units;

(4) explain how the cost of housing or the incentives to develop, maintain, or improve affordable housing in the jurisdiction are affected by public policies, particularly by policies of the jurisdiction, including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment, and describe the jurisdiction's strategy to remove or ameliorate any negative effects of such policies;

(5) explain the institutional structure, including private industry, nonprofit organizations, and public institutions, through which the jurisdiction will carry out its housing strategy, assessing the strengths and gaps in that delivery system and describing what the jurisdiction will do to overcome those gaps;

(6) indicate resources from private and public sources other than this Act that are reasonably expected to be made available to carry out the purposes of this Act, explaining how funds made available under this Act will leverage those additional resources and identifying, where the jurisdiction deems it appropriate, publicly owned land or property located within the jurisdiction that may be utilized to carry out the purposes of this Act;

(7) set forth the jurisdiction's plan for investment or other use of housing funds made available under this Act, the United States Housing Act of 1937, the Housing and Community Development Act of 1974, and the Stuart B. McKinney Homeless Assistance Act, during the ensuing year or such longer period as the Secretary determines to be appropriate, indicating the general priorities for allocating investment geographically within the jurisdiction and among different activities and housing needs;

(8) describe the means of cooperation and coordination among the State and any participating units of general local government in the development, submission, and implementation of their housing strategies;

(9) describe the number of public housing units in the jurisdiction, the physical condition of such units, and how they fit into the jurisdiction's housing strategy;

(10) describe the standards and procedures according to which the jurisdiction will monitor activities authorized under this Act and ensure long-term compliance with the provisions of this Act; and

(11) include a certification that the jurisdiction will affirmatively further fair housing.

The Secretary may provide for the submission of abbreviated housing strategies by jurisdictions that are not otherwise expected to be participating jurisdictions under this Act. Such an abbreviated housing strategy shall be appropriate to the types and amounts of assistance the jurisdiction is to receive as determined by the Secretary.

(c) APPROVAL.—

(1) IN GENERAL.—The Secretary shall review the housing strategy upon receipt. Not later than 60 days after receipt by the Secretary, the housing strategy shall be approved unless the Secretary determines before that date that (A) the housing strategy is inconsistent with the purposes of this Act, or (B) the information described in subsection (b) has not been provided in a substantially complete manner. For the purpose of the preceding sentence, the adoption or continuation of a public policy identified pursuant to subsection (b)(4) shall not be a basis for the Secretary's disapproval of a housing strategy. During the 18-month period following enactment of this Act, the Secretary may extend the review period to not longer than 90 days.

(2) ACTIONS IN CASE OF DISAPPROVAL.—If the Secretary disapproves the housing strategy, the Secretary shall immediately notify the jurisdiction of such disapproval. Not later than 15 days after the Secretary's disapproval, the Secretary shall inform the jurisdiction in writing of (A) the reasons for disapproval, and (B) actions that the jurisdiction could take to meet the criteria for approval. If the Secretary fails to inform the jurisdiction of the reasons for disapproval within such 15-day period, the housing strategy shall be deemed to have been approved.

(3) AMENDMENTS AND RESUBMISSION.—The Secretary shall, for a period of not less than 45 days following the date of first disapproval, permit amendments to, or the resubmission of, any housing strategy that is disapproved. The Secretary shall approve or disapprove a housing strategy not less than 30 days after receipt of such amendments or resubmission.

(d) COORDINATION OF STATE AND LOCAL HOUSING STRATEGIES.—The Secretary may establish such requirements as the Secretary deems appropriate to encourage coordination between and among the housing strategies of a State and any participating jurisdictions within the State, except that a unit of general local government shall not be required to have elements of its housing strategy approved by the State.

(e) CONSULTATION WITH SOCIAL SERVICE AGENCIES.—When preparing a housing strategy for submission under this section, a jurisdiction shall make reasonable efforts to confer with appropriate social service agencies regarding the housing needs of children, elderly persons, persons with disabilities, homeless persons, and other persons served by such agencies.

(f) BARRIER REMOVAL.—Not later than 4 months after completion of the final report of the Secretary's Advisory Commission on Regulatory Barriers to Affordable Housing, the Secretary shall submit to the Congress a written report outlining the Secretary's recommendations for legislative and administrative actions to facilitate the removal or modification of excessive, duplicative, or unnecessary regulations or other requirements of Federal, State, or local governments that (1) inflate the costs of or otherwise inhibit the construction, rehabilitation, or management of housing, particularly housing that otherwise could be affordable to low-income and moderate-income families, or (2) contribute to economic or racial discrimination.

SEC. 106. CERTIFICATION.

The Secretary shall, by regulation or otherwise, as deemed by the Secretary to be appropriate, require any application for housing assistance under this Act, the Housing and Community Development Act of 1974, or the Stuart B. McKinney Homeless Assistance Act, to contain or be accompanied by a certification by an appropriate State or local public official that the proposed housing activities are consistent with the housing strategy of the jurisdiction to be served.

SEC. 107. CITIZEN PARTICIPATION.

(a) IN GENERAL.—Before submitting a housing strategy under this section, a jurisdiction shall—

(1) make available to its citizens, public agencies, and other interested parties with information concerning the amount of assistance the jurisdiction expects to receive under this Act and the range of investment or other uses of such assistance that the jurisdiction may undertake;

(2) publish a proposed housing strategy in a manner that, in the determination of the Secretary, affords affected citizens, public agencies, and other interested parties a reasonable opportunity to examine its content and to submit comments on the proposed housing strategy;

(3) hold one or more public hearings to obtain the views of citizens, public agencies, and other interested parties on the housing needs of the jurisdiction; and

(4) provide citizens, public agencies, and other interested parties with reasonable access to records regarding any past uses of any assistance the jurisdiction may have received under this Act.

(b) NOTICE AND COMMENT.—Before submitting any performance report or substantial amendment to a housing strategy under this section, a participating jurisdiction shall provide citizens with reasonable notice of, and opportunity to comment on, such performance report or substantial amendment prior to its submission.

(c) CONSIDERATION OF COMMENTS.—A participating jurisdiction shall consider any comments or views of citizens in preparing a final housing strategy, amendment to a housing strategy or performance report for submission. A summary of such comments or views shall be attached when a housing strategy, amendment to a housing strategy or performance report is submitted. The submitted housing strategy, amendment, or report shall be made available to the public.

(d) REGULATIONS.—The Secretary shall by regulation establish procedures appropriate and practicable for providing a fair hearing and timely resolution of citizen complaints related to housing strategies or performance reports.

SEC. 108. COMPLIANCE.

(a) PERFORMANCE REPORTS.—(1) Each participating jurisdiction shall annually review and report, in a form acceptable to the Secretary, on the progress it has made in carrying out its housing strategy, which report shall include information on the number and types of households served, including the number of very low-income, low-income, and moderate-income persons served and the racial and ethnic status of persons served that will be assisted with funds made available under this Act.

(2) The Secretary shall (A) establish dates for submission of reports under this subsection, and (B) review such reports and make such recommendations as the Secretary deems appropriate to carry out the purposes of this Act.

(3) If a jurisdiction fails to submit a report satisfactory to the Secretary in a timely manner, assistance to the jurisdiction under this Act may be—

(A) suspended until a report satisfactory to the Secretary is submitted; or

(B) withdrawn and reallocated among participating jurisdictions in accordance with section 316(5) of this Act if the Secretary finds, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report.

(b) PERFORMANCE REVIEW BY SECRETARY.—(1) The Secretary shall ensure that activities of each participating jurisdiction are reviewed for compliance with the provisions of this Act not less frequently than annually. Such review shall include, insofar as practicable, on-site visits by employees of the Department of Housing and Urban Development and shall include an assessment of the participating jurisdiction's—

(A) management of funds made available under programs administered by the Secretary;

(B) compliance with its housing strategy;

(C) accuracy in the preparation of performance reports under subsection (h); and

(D) efforts to ensure that housing assisted under programs administered by the Secretary are in compliance with contractual agreements and the requirements of law.

(2) The Secretary shall report on the performance review in writing. The Secretary shall give the participating jurisdiction not less than 30 days to review and comment on the report. After taking into consideration the comments of the participating jurisdiction, the Secretary may revise the report and shall make the jurisdiction's comments and the report, with any revisions, readily available to the public within 30 days after receipt of the jurisdiction's comments.

(c) REVIEW BY COURTS.—The adequacy of information submitted under subsection (b)(4) shall not be reviewable by any Federal, State, or other court. Review of a housing strategy by any Federal, State, or other court shall be limited to determining whether the process of development and the content of the strategy are in substantial compliance with the requirements of this Act. During the pendency of any action challenging the adequacy of a housing strategy or the action of the Secretary in approving a strategy, the court shall not have the authority to enjoin activities taken by the jurisdiction to implement an approved housing strategy. Any housing assisted during the pendency of such action shall not be subject to any order of the court resulting from such action.

SEC. 109. ENERGY EFFICIENCY STANDARDS.

The Secretary of Housing and Urban Development shall, not later than one year after the date of enactment of this Act, promulgate energy efficiency standards for new construction of public and assisted housing. Such standards shall meet or exceed the provisions of the Model Energy Code of the Council of American Building Officials. The Secretary shall develop such standards through a Task Force composed of homebuilders, National, State, and local housing agencies (including public housing agencies), energy agencies and building code organizations and agencies, energy efficiency organizations, utility organizations, low-income housing organizations, and other parties designated by the Secretary.

SEC. 110. TAX AND HOUSING COORDINATING COUNCIL.

(a) ESTABLISHMENT.—There is created a Tax and Housing Coordinating Council that shall consist of the Secretary of the Treasury, the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the President's Chief Domestic Policy Advisor.

(b) DUTIES.—The Council shall (1) advise the President regarding the consistency among existing and proposed Federal housing policies and tax policies; (2) comment on tax legislation proposed in Congress or by the Administration; and (3) submit to both Houses of the Congress within the first 90 days of each Congress a report on the state of the Nation's housing, including a section considering Federal housing policies, their tax component, and the relationship between tax and housing policies.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—The Council may secure directly from any department or agency of the United States such data and information as the Council may require for the purpose of this subtitle. Upon request of the Council, any such department or agency shall furnish such data or information.

SEC. 111. CAPACITY STUDY.

(a) IN GENERAL.—The Secretary shall ensure that the Department of Housing and Urban Development has adequate capacity and resources, including staff and training programs, to carry out its mission and responsibilities, and to implement the provisions of this Act.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare and submit to the Committee on B, H, and UA of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a study detailing the Department's plan to maintain such capacity, together with any recommendations for legislative and administrative action as the Secretary determines to be appropriate.

TITLE II—HOMEOWNERSHIP

SEC. 201. FHA CEILING.

Section 203(b)(2) of the National Housing Act is amended by striking "during fiscal year 1990" and inserting "until September 30, 1992".

SEC. 202. DELEGATION OF PROCESSING.

Section 202 of the National Housing Act is amended by adding at the end the following:

"(s)(1) Not later than the expiration of the 60-day period beginning on the date of enactment of the National Affordable Housing Act, the Secretary shall implement a system of mortgage insurance for mortgages insured under this section or section 221, 223, 232, or 241 that delegates processing functions to selected approved mortgagees. Under such system, the Secretary shall retain the authority to approve rents, expenses, property appraisals, and mortgage amounts and to execute a firm commitment.

"(2) Notwithstanding paragraph (1), the Secretary shall maintain a viable system for full insurance programs under which all processing functions are performed by officers and employees of the Department of Housing and Urban Development.".

SEC. 203. REVERSE MORTGAGE INSURANCE.

(a) LIMITATION ON INSURANCE AUTHORITY AND MAXIMUM AMOUNT INSURED.—Section 255(g) of the National Housing Act (12 U.S.C. 1715z-20(g)) is amended by striking the second sentence and inserting the following: "The total number of mortgages insured under this section may not exceed 25,000.".

(b) TYPES OF LOANS.—Section 255(d) of the National Housing Act (12 U.S.C. 1715z-20(d)) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(9) provide for future payments to the mortgagor based on accumulated equity (minus any applicable fees and charges), according to the method that the mortgagor shall select from among the methods under this paragraph, by payment of the amount—

"(A) based upon a line of credit;

"(B) on a monthly basis over a term specified by the mortgagor;

"(C) on a monthly basis over a term specified by the mortgagor and based on a line of credit;

"(D) on a monthly basis over the tenure of the mortgagor;

"(E) on a monthly basis over the tenure of the mortgagor and based upon a line of credit; or

"(F) on any other basis that the Secretary considers appropriate; and

"(10) provide that the mortgagor may convert the method of payment under paragraph (9) to any other method during the term of the mortgage, except that for fixed rate mortgages, the Secretary may prescribe regulations limiting convertability under this paragraph.".

(c) LIMITATION ON LIABILITY OF MORTGAGOR.—Section 255(d)(7) of the National Housing Act (12 U.S.C. 1715z-20(d)(7)) is amended by striking subparagraph (A) and inserting the following new subparagraph:

"(A) the net sales proceeds from the dwelling that are subject to the mortgage (based upon the amount of the accumulated equity selected by the mortgagor subject to the mortgage, as agreed upon by the mortgagor and mortgagee); or".

TITLE III—INVESTMENT IN AFFORDABLE HOUSING

SEC. 301. SHORT TITLE.

This title may be cited as the "Housing Opportunities Partnerships Act".

SEC. 302. PURPOSES.

The purposes of this title are—

(1) to expand the capacity of States and units of general local government throughout the United States to design and implement strategies for achieving an adequate supply of affordable housing for low-income and moderate-income Americans;

(2) to provide participating jurisdictions, to the extent feasible on a one-stop basis, the various forms of Federal housing assistance needed to promote the development of partnerships among the Federal Government, States, and units of general local government, private industry, and nonprofit organizations able to utilize effectively all available resources for affordable housing;

(3) to develop and refine, on an ongoing basis, a selection of model programs incorporating the most effective methods for providing affordable housing, and accelerate the application of such methods where appropriate throughout the United States to achieve the prudent and efficient use of funds made available under this title;

(4) to increase the investment of private capital and the use of private sector resources in the provision of affordable housing;

(5) to allocate Federal funds for investment in affordable housing among participating jurisdictions by formula and incentive allocation;

(6) to leverage those funds insofar as practicable with State and local matching contributions and private investment;

(7) to establish for each participating jurisdiction a housing investment trust fund with a line of credit for investment in affordable housing, with repayments back to the housing investment trust fund being made available for reinvestment by the jurisdiction; and

(8) to provide credit enhancement for affordable housing by utilizing the capacities of existing agencies and mortgage finance institutions when most efficient and supplementing their activities when appropriate.

SEC. 303. COORDINATED FEDERAL SUPPORT FOR HOUSING STRATEGIES.

To the maximum extent practicable, the Secretary shall make assistance under this title, together with mortgage insurance, rental assistance, and other housing assistance provided by the Secretary, available to participating jurisdictions on a coordinated basis with respect to housing assisted under this title.

SEC. 304. ESTABLISHMENT OF HOUSING OPPORTUNITIES PARTNERSHIPS ADVISORY BOARD.

(a) IN GENERAL.—There is created a Housing Opportunities Partnerships Advisory Board, which shall continue to exist until dissolved by Act of Congress. The members of the Advisory Board shall represent the public interest in the achievement of the purposes of this title. The Advisory Board shall periodically review the activities under this title and provide advice to the Secretary with respect to the formulation of general policies related to the Housing Opportunities Partnerships and such other matters as the Secretary may deem appropriate. The Advisory Board shall, in all other respects, be subject to the provisions of the Federal Advisory Committee Act.

(b) COMPOSITION.—The Advisory Board shall be composed of 18 members to be appointed from among individuals who have expertise and broad experience related to the purposes of the Housing Opportunities Partnerships program, of whom—

(1) 10 shall be appointed by the Secretary;

(2) 4 shall be appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(3) 4 shall be appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(c) QUALIFICATIONS.—Membership of the Advisory Board shall include—

(1) not less than 3 persons who have had distinguished, private sector careers in housing finance, management or development industries;

(2) not less than 2 persons from State government and 2 persons from local government who have made outstanding achievements in housing finance or development;

(3) not less than 3 persons who have backgrounds of leadership in representing the interests of low-income tenants; and

(4) not less than 3 persons who have achieved excellence in nonprofit housing development.

(d) POLITICAL AFFILIATION.—Not more than 10 members of the Advisory Board may be from any one political party.

(e) TERMS.—Of the members of the Advisory Board first appointed, 6 shall have terms of 1 year, and 6 shall have terms of 2 years. Their successors and all other appointees shall have 3-year terms.

(f) AUTHORITY.—The Advisory Board shall have power to confer with, request information of, and make recommendations to the Secretary. The Secretary shall promptly provide the Advisory Board with information that the Advisory Board determines is needed to carry out its review of the activities and policies related to the Housing Opportunities Partnerships program.

(g) REPORT.—The Advisory Board shall, not later than December 31 of each year, submit to the Secretary and the Congress a report of its assessment of the activities under this title and its recommendations for improvement. Such report shall include any minority views.

(h) MEETINGS.—The Advisory Board shall meet at Washington, District of Columbia, not less than twice a year, or more frequently if requested by the Secretary or approved by a majority of the members. The Advisory Board may select its chairman, vice chairman and secretary, and adopt methods of procedure.

(i) COMPENSATION.—Subject to the provisions of section 7 of the Federal Advisory Committee Act, all members of the Advisory Board may be compensated, and shall be entitled to reimbursement from the Secretary for traveling expenses incurred in attendance at meetings of the Advisory Board.

SEC. 305. AUTHORIZATION.

There are authorized to be appropriated to carry out this title $2,000,000,000 for fiscal year 1991, $2,500,000,000 for fiscal year 1992, and $3,000,000,000 for fiscal year 1993, of which—

(1) $25,000,000 for fiscal year 1991, $25,000,000 for fiscal year 1992, and $25,000,000 for fiscal year 1993 shall be for activities authorized under subtitle C, and

(2) an amount equal to the amount appropriated for the fiscal year in which this Act is enacted to carry out section 17 of United States Housing Act of 1937 shall be for grants under such section.

Any funds appropriated under this section shall remain available until expended.

SEC. 306. NOTICE.

The Secretary shall establish standards to implement the provisions of this title by notice published in the Federal Register not later than 180 days after the date of enactment of this Act.

Subtitle A—Housing Opportunity Partnerships (HOP)

SEC. 311. AUTHORITY.

The Secretary is authorized to make funds available to participating jurisdictions for investment to expand the supply of affordable housing in accordance with provisions of this subtitle.

SEC. 312. ELIGIBLE USES OF INVESTMENT.

(a) HOUSING USES.—

(1) IN GENERAL.—Funds made available under this subtitle may be used by participating jurisdictions to provide incentives to support rental housing and homeownership affordability through the acquisition, construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, including real property acquisition, site improvement, conversion, demolition, and other expenses, including relocation expenses of any displaced persons, families, businesses, or organizations.

(2) PREFERENCE TO REHABILITATION.—A participating jurisdiction shall give preference to rehabilitation of substandard housing unless the jurisdiction determines that such rehabilitation is not the most cost effective way to meet the jurisdiction's need to expand the supply of affordable housing.

(b) INVESTMENTS.—Participating jurisdictions shall have discretion to invest funds made available under this subtitle as equity investments, interest-bearing loans, noninterest-bearing loans or advances, interest subsidies or other forms of assistance that the Secretary has determined to be consistent with the purposes of this subtitle. Each participating jurisdiction shall have the right to establish the terms of assistance.

(c) PROHIBITED USES.—Funds made available under this subtitle may not be used to—

(1) defray any administrative cost of a participating jurisdiction,

(2) provide direct rental assistance to tenants,

(3) provide non-Federal matching contributions required under any other Federal program;

(4) provide assistance authorized under section 9 of the United States Housing Act of 1937,

(5) carry out activities authorized under section 14 of the Housing Act of 1937, or

(6) provide assistance to eligible low-income housing under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

(d) MANUFACTURED HOUSING.—For purposes of this subtitle, the term "housing" includes manufactured housing and manufactured housing lots.

SEC. 313. DEVELOPMENT OF MODEL PROGRAMS.

(a) IN GENERAL.—The Secretary shall—

(1) in cooperation with participating jurisdictions, government-sponsored mortgage finance corporations, nonprofit organizations, the private sector, and other appropriate parties, develop, test, evaluate, refine, and, as necessary, replace a selection of model programs designed to carry out the purposes of this title;

(2) make available to participating jurisdictions alternative model programs, which shall include suggested guidelines, procedures, forms, legal documents and such other elements as the Secretary determines to be appropriate;

(3) assure, insofar as is feasible, the availability of an appropriate variety of model programs designed for local market conditions, housing problems, project characteristics, and managerial capacities as they differ among participating jurisdictions;

(4) negotiate and enter into agreements with agencies of the Federal Government, participating jurisdictions, private financial institutions, government-sponsored mortgage finance corporations, nonprofit organizations, and other entities to provide such services, products, or financing as may be required for the implementation of a model program;

(5) provide detailed information on model programs as requested by participating jurisdictions, private financial institutions, developers, nonprofit organizations, and other interested parties; and

(6) encourage the use of such model programs to achieve efficiency, economies of scale, and effectiveness in the investment of funds made available under this subtitle through third-party training, printed materials, and such other means of support as the Secretary determines will achieve the purpose of this subtitle.

(b) ADOPTION OF PROGRAMS.—Except as provided in section 324(2), each participating jurisdiction shall have the discretion to adopt one or more model programs, adapt one or more model programs to its own requirements, design additional forms of assistance by itself or in cooperation with other participating jurisdictions, and suggest additional model programs for adoption by the Secretary as the participating jurisdiction may deem appropriate, and the Secretary may assist a participating jurisdiction in adopting, adapting, or designing one or more model programs.

(c) SUBTITLE D PROGRAMS.—The selection of model programs shall include programs meeting the objectives set forth in subtitle D.

SEC. 314. INCOME TARGETING.

Each participating jurisdiction shall invest funds made available under this subtitle within each fiscal year so that—

(1) not less than 50 percent of such funds are invested with respect to dwelling units that are occupied by households that qualify as very low-income families at the time of initial occupancy or at the time funds are invested, whichever is later;

(2) not less than 80 percent of such funds, including funds under paragraph (1), are invested with respect to dwelling units that are occupied by households that qualify as low-income families at the time of initial occupancy or at the time funds are invested, whichever is later; and

(3) all such funds are invested with respect to housing that qualifies as affordable housing under section 315.

SEC. 315. QUALIFICATION AS AFFORDABLE HOUSING.

(a) RENTAL HOUSING.—

(1) QUALIFICATION.—Housing that is for rental shall qualify as affordable housing under this title only if the housing—

(A) bears rents not greater than the lesser of (i) the existing fair market rent for comparable units in the area as established by the Secretary under section 8 of the United States Housing Act of 1937, or (ii) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes;

(B) has not less than 20 percent of the units (i) occupied by very low-income families who pay as a contribution toward rent (excluding any Federal or State rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by the Secretary, or (ii) occupied by very low-income families and bearing rents not greater than the gross rent for rent-restricted residential units as determined under section 42(g)(2) of the Internal Revenue Code of 1986;

(C) is occupied only by households that qualify as low-income families;

(D) is not refused for leasing to a holder of a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as a holder of such rental credit, voucher, or certificate of eligibility;

(E) will remain affordable, according to binding commitments satisfactory to the Secretary, for the remaining useful life of the property, as determined by the Secretary, without regard to the term of the mortgage or to transfer of ownership, or for such other period that the Secretary determines is the longest feasible period of time consistent with sound economics, the purposes of this title, and the objective of this Act; and

(F) if newly constructed, meets the energy efficiency standards promulgated by the Secretary in accordance with section 109 of this Act.

(2) ADJUSTMENT OF QUALIFYING RENT.—The Secretary may adjust the qualifying rent established for a project under subparagraph (A) of paragraph (1), if the Secretary finds that such adjustment is necessary to support the continued financial viability of the project.

(3) INCREASES IN TENANT INCOME.—Housing shall qualify as affordable housing despite a temporary noncompliance with subparagraph (B) or (C) of paragraph (1) if such noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to the Secretary are being taken to ensure that all vacancies are filled in accordance with paragraph (1) until such noncompliance is corrected. Tenants who no longer qualify as low-income families shall pay as rent not less than 30 percent of the family's adjusted monthly income, as recertified annually.

(4) MIXED-INCOME PROJECT.—Housing that accounts for less than 100 percent of the dwelling units in a project shall qualify as affordable housing if such housing meets the criteria of this section.

(5) MIXED-USE PROJECT.—Housing in a project that is designed in part for uses other than residential use shall qualify as affordable housing if such housing meets the criteria of this section.

(b) HOMEOWNERSHIP.—Housing that is for homeownership shall qualify as affordable housing under this title only if the housing—

(1) has an initial purchase price that does not exceed 95 percent of the median purchase price for the area, as determined by the Secretary with such adjustments for differences in structure and for new and old housing as the Secretary determines to be appropriate;

(2) is the principal residence of an owner whose family qualifies as a moderate-income family at the time of purchase;

(3) provides ownership opportunities to families with a broad range of incomes below the area median income, including a preponderance of low-income families;

(4) is made available for initial purchase only to first-time homebuyers;

(5) is made available for subsequent purchase only—

(A) to persons who meet the qualifications specified under paragraph (2), and

(B) at a price consistent with guidelines that are established by the participating jurisdiction and determined by the Secretary to be appropriate to provide the owner with a fair return on investment, including any improvements, and to ensure that the housing will remain affordable to a reasonable range of moderate income homebuyers; and

(6) if newly constructed, meets the energy efficiency standards promulgated by the Secretary in accordance with section 109 of this Act.

SEC. 316. PARTICIPATION BY STATES AND LOCAL GOVERNMENTS.

The Secretary shall designate a State or unit of general local government to be a participating jurisdiction when it complies with procedures that the Secretary shall establish by regulation, which procedures shall provide for the following:

(1) ALLOCATION.—Not later than 20 days after funds to carry out this subtitle become available (or, during the first year after enactment of this Act, not later than 20 days after (A) funds to carry out this subtitle are provided in an appropriation Act, or (B) regulations to implement this subtitle are promulgated, whichever is later), the Secretary shall allocate funds in accordance with section 317 and promptly notify each jurisdiction receiving a formula allocation of its allocation amount. If a jurisdiction is not already a participating jurisdiction, the Secretary shall inform the jurisdiction in writing how the jurisdiction may become a participating jurisdiction.

(2) ELIGIBILITY.—A jurisdiction receiving a formula allocation under section 317 shall be eligible to become a participating jurisdiction if its formula allocation is $2,000,000 or greater, or if—

(A) the Secretary finds that—

(i) the jurisdiction is the city with the largest population in a metropolitan area, has a local housing authority, and has demonstrated a capacity to carry out provisions of this subtitle, and

(ii) the State has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula allocation and $2,000,000, or the State or jurisdiction has made available from the State's or jurisdiction's own sources an equal amount for use by the jurisdiction in conformance with the provisions of this subtitle; or

(B) geographically contiguous units of general local government have formed a consortium that, in the determination of the Secretary—

(i) has sufficient authority and administrative capability to act on behalf of its member jurisdictions in carrying out the purposes of this Act,

(ii) will, according to a written certification by the State (or States, if the consortium includes jurisdictions in more than one State), direct its activities to alleviation of the State's or the States' most severe housing problems, and

(iii) is comprised only of jurisdictions that have received a formula allocation for the fiscal year. Such a consortium shall be deemed to be a unit of general local government for purposes of this subtitle.

(C) If a jurisdiction has met the requirements of subparagraph (A), the jurisdiction's formula allocation for a fiscal year shall subsequently be deemed to equal the sum of the jurisdiction's allocation under section 317(a)(1) and the amount made available to the jurisdiction under paragraph (A)(ii). The formula allocation for a consortium that has met the requirements under subparagraph (B) shall equal the total of the formula allocations of its member jurisdictions.

(3) NOTIFICATION.—If an eligible jurisdiction notifies the Secretary in writing, not later than 30 days after receiving notification under paragraph (1), of its intention to become a participating jurisdiction, the Secretary shall reserve an amount equal to the jurisdiction's allocation (plus any reallocations for which the jurisdiction is eligible under section 317(d)(1)) pending the jurisdiction's designation as a participating jurisdiction. The Secretary shall reallocate, by formula in accordance with section 317(d), any funds reserved under the previous sentence if the Secretary determines that the jurisdiction will not meet the requirements for designation as a participating jurisdiction within a reasonable period of time.

(4) SUBMISSION OF STRATEGY.—Not later than 90 days after providing notification under paragraph (3), an eligible jurisdiction shall submit to the Secretary a comprehensive housing affordability strategy in accordance with section 105.

(5) REALLOCATION.—If the Secretary determines that a jurisdiction has failed to meet the requirements of the previous 3 paragraphs or if the Secretary, after providing for amendments and resubmissions in accordance with section 105(c)(3), disapproves the jurisdiction's comprehensive housing affordability strategy, the Secretary shall reallocate any funds reserved for the jurisdiction as follows:

(A) STATE.—If a State has failed to meet the requirements, the Secretary shall—

(i) make any funds reserved for the State available by incentive allocation among applications submitted by units of general local government within the State or consortia that include units of general local government within the State, insofar as approvable applications meeting the selection criteria under section 317(c) are received within 12 months after the funds become available for the incentive allocation, and

(ii) reallocate the remainder by formula in accordance with section 317(d).

(B) LOCAL.—If a unit of general local government has failed to meet the requirements and is located in a State that is a participating jurisdiction, the Secretary shall reallocate to the State any funds reserved for the locality.

(C) DIRECT REALLOCATION.—If a unit of general local government has failed to meet the requirements and is located in a State that is not a participating jurisdiction, the Secretary shall—

(i) make any funds reserved for the locality available for use within the State by incentive allocation among units of general local government and community housing development organizations, insofar as approvable applications meeting the selection criteria under section 317(c) are received within 12 months after the funds become available for the incentive allocation with priority going to applications for affordable housing within the locality, and

(ii) reallocate the remainder in accordance with section 317(d).

(D) CERTAIN JURISDICTIONS DEEMED TO BE PARTICIPATING JURISDICTIONS.—If a State or unit of general local government is meeting the requirements of paragraphs (2), (3), and (4), it shall be deemed to be a participating jurisdiction for purposes of reallocation under this paragraph.

(6) DESIGNATION.—The Secretary shall designate an eligible jurisdiction to be a participating jurisdiction as soon as its comprehensive housing affordability strategy is approved in accordance with section 105.

(7) CONTINUOUS DESIGNATION.—Once a State or unit of general local government is designated a participating jurisdiction, it shall remain a participating jurisdiction for subsequent fiscal years, except as provided in paragraph (8). The provisions of paragraphs (2) through (5) shall not apply to participating jurisdictions.

(8) REVOCATION.—The Secretary may revoke a jurisdiction's designation as a participating jurisdiction if—

(A) the Secretary finds, after reasonable notice and opportunity for hearing, that the jurisdiction is unwilling or unable to carry out the provisions of this title, or

(B) the jurisdiction's allocation falls below $2,000,000 for 3 consecutive years, below $1,750,000 for 2 consecutive years, or the jurisdiction does not receive a formula allocation of $1,500,000 or more in any 1 year.

If a jurisdiction's designation as a participating jurisdiction is revoked, any remaining line of credit in the jurisdiction's housing investment trust fund established under section 318 shall be reallocated by formula in accordance with section 317(d).

SEC. 317. ALLOCATION OF RESOURCES.

(a) IN GENERAL.—(1) After reserving such amounts for Indian tribes as required under paragraph (2) of this subsection, the Secretary shall allocate among participating jurisdictions such funds as are approved in an appropriations Act to carry out this subtitle as follows:

(A) 80 percent of the funds approved in an appropriations Act shall be allocated according to a formula established under subsection (b). Of the funds made available under the previous sentence, the Secretary shall (i) for fiscal years 1991 and 1992, allocate 60 percent among units of general local government and 40 percent among States, and (ii) for subsequent fiscal years, allocate such percentage among units of general local government and such percentage among States as are determined under subsection (e).

(B) 20 percent of the funds approved in an appropriations Act shall be allocated according to an incentive allocation as provided in subsection (c).

(2) For each fiscal year, of the amount approved in an appropriations Act to carry out this subtitle, the Secretary shall reserve for grants to Indian tribes 1 percent of the amount appropriated under such section. The Secretary shall provide for distribution of amounts under this paragraph to Indian tribes on the basis of a competition conducted pursuant to specific criteria for the selection of Indian tribes to receive such amounts. The criteria shall be contained in a regulation promulgated by the Secretary after notice and public comment.

(b) FORMULA ALLOCATION.—

(1) IN GENERAL.—The Secretary shall issue regulations establishing an allocation formula that reflects each jurisdiction's share of the Nation's need for an increased supply of affordable housing for low-income and moderate-income families of differing size, as identified by objective measures of tightness in the housing market, inadequate housing, poverty, and the costs of producing housing. This formula shall be used for all formula allocations and reallocations provided for in this subtitle. The data to be used for allocation of funds within a fiscal year shall be those that are available to the Secretary 90 days prior to the beginning of that fiscal year.

(2) MINIMUM STATE ALLOCATION.—

(A) If the formula, when applied to funds approved under this section in appropriations Acts for a fiscal year, would allocate less than $3,000,000 to any State, the allocation for such State shall be $3,000,000, and the increase shall be deducted pro rata from the allocations of other States.

(B) If no unit of general local government within a State receives an allocation under paragraph (3), the State's allocation shall be increased by $1,500,000. Priority for use of such increased allocation shall go to the provision of affordable housing within the boundaries of cities within the State that are the largest city within a metropolitan area. The increased allocation to a State under the preceding sentence shall be derived by a pro rata deduction from the allocations to units of general local government in all States.

(3) MINIMUM LOCAL ALLOCATION.—The Secretary shall allocate funds available for formula allocation to units of general local government so that, when all such funds are allocated by the formula, only those jurisdictions that are allocated an amount of $1,500,000 or greater shall receive an allocation.

(4) MAXIMUM ALLOCATIONS.—No State shall be allocated an amount greater than 15 percent of the total allocated under subsection (a)(1) among States, and no unit of general local government shall be allocated an amount greater than 15 percent of the total allocated under subsection (a)(1) among units of general local government.

(c) INCENTIVE ALLOCATION.—The Secretary shall make an incentive allocation among participating jurisdictions for funds made available under subsection (a)(1)(B). A jurisdiction shall be eligible for an incentive allocation under this paragraph only if the jurisdiction demonstrates to the satisfaction of the Secretary that the jurisdiction is engaged, or has made good faith efforts to engage, in cooperative efforts between the State and appropriate participating jurisdictions within the State to develop, coordinate, and implement housing strategies under this title. The Secretary shall by regulation establish selection criteria for such incentive allocations, which criteria shall take into account—

(1) the applicant's demonstrated commitment to expand the supply of affordable housing through actions that—

(A) direct funds made available under this subtitle to benefit very low-income families, with a range of incomes, in amounts that exceed the income targeting requirements of section 314, with extra consideration given for activities that expand the supply of affordable housing for very low-income families whose incomes do not exceed 30 percent of the median family income for the area, as determined by the Secretary;

(B) provide matching resources in excess of funds required under section 320; and

(C) stimulate a high degree of investment and participation in development by the private sector, including nonprofit organizations;

(2) the degree to which the applicant is pursuing policies that—

(A) make existing housing more affordable;

(B) remove or ameliorate any negative effects that public policies identified by the applicant pursuant to section 105(b)(4) may have on the cost of housing or the incentives to develop, maintain, or improve affordable housing in the jurisdiction;

(C) preserve the affordability of privately-owned housing that is vulnerable to conversion, demolition, disinvestment, or abandonment;

(D) increase the supply of housing that is affordable to very low-income, low-income, and moderate-income persons, particularly in areas that are accessible to expanding job opportunities; and

(E) remedy the effects of discrimination and improve housing opportunities for disadvantaged minorities; and

(3) the degree to which the applicant needs an allocation under this section to carry out an approved housing affordability strategy that, in the determination of the Secretary, will—

(A) serve as a national model,

(B) demonstrate promising new methods for expanding the supply of affordable housing,

(C) ease a severe regional shortage in one or more categories of affordable housing, or

(D) respond to particularly difficult housing problems.

The total amount allocated to a jurisdiction under this subsection in any fiscal year shall not exceed the jurisdiction's allocation under subsection (b) in that fiscal year.

(d) REALLOCATIONS.—

(1) IN GENERAL.—The Secretary shall make any reallocations under this subtitle periodically throughout each fiscal year so as to ensure that all funds to be reallocated are made available to eligible jurisdictions as soon as possible, consistent with orderly program administration. Jurisdictions eligi-

ble for such reallocations shall include participating jurisdictions and jurisdictions meeting the requirements of paragraphs (2), (3), and (4) of section 316.

(2) COMMITMENTS.—The Secretary shall establish procedures according to which participating jurisdictions may make commitments to invest funds made available under this section. Such procedures shall provide for appropriate stages of commitment of funds to a project from initial reservation through binding commitment. Notwithstanding any other provision of this section, funds that the Secretary determines are needed to fulfill binding commitments shall not be available for reallocation.

(3) LIMITATION.—Unless otherwise specified in this subtitle, any reallocation of funds from a State shall be made only among all participating States, and any reallocation of funds from units of general local government shall be made only among all participating units of general local government.

(e) REVIEW OF ALLOCATION PERCENTAGE.—

(1) IN GENERAL.—For fiscal years that begin later than 18 months after the enactment of this Act, the Secretary shall provide annually for an independent study of the participation under this title of States and eligible units of general local government to determine the appropriate percentage allocation among units of general local government and among States under subsection (a)(1). Such study shall consider—

(A) the percentage of States and of eligible units of general local government that have become participating jurisdictions;

(B) the extent to which participating States and units of general local government exceed the income targeting requirements under section 314; and

(C) the extent to which participating States and units of local government exceed the matching requirements under section 320, after taking into account differences in fiscal capacity among jurisdictions.

(2) RECOMMENDATIONS.—Alter consulting with the Housing Opportunity Partnerships Advisory Board on the results of the independent study, the Secretary shall submit to Congress any recommendation for change in the percentage allocation among States and among units of general local government under subsection (a)(1) that the Secretary deems to be appropriate.

(3) CONTINUITY.—Notwithstanding other provisions of this section, if a percentage allocation among States and among units of general local government has not been specified in statute for a fiscal year prior to the beginning of the fiscal year, such percentage allocation for the fiscal year shall be the same as the percentage allocation for the previous fiscal year.

SEC. 318. HOUSING INVESTMENT TRUST FUNDS.

(a) ESTABLISHMENT.—The Secretary shall establish for each participating jurisdiction a housing investment trust fund, which shall be an account (or accounts as provided in section 319(c)) for use solely to invest in affordable housing within the participating jurisdiction's boundaries in accordance with the provisions of this subtitle.

(b) LINE OF CREDIT.—The Secretary shall establish a line of credit in the housing investment trust fund of each participating jurisdiction, which line of credit shall include—

(1) funds allocated or reallocated to the participating jurisdiction under section 317, and

(2) any payment or repayment made pursuant to section 319.

(c) REDUCTIONS.—A participating jurisdiction's line of credit shall be reduced by—

(1) funds drawn from the housing investment trust fund by the participating jurisdiction,

(2) funds expiring under subsection (g), and

(3) any penalties assessed by the Secretary under section 324.

(d) CERTIFICATION.—A participating jurisdiction may draw funds from its housing investment trust fund, but not to exceed the remaining line of credit, only after providing certification, in a form satisfactory to the Secretary, that the funds shall be used pursuant to the participating jurisdiction's approved housing strategy and in compliance with all requirements of this title. When such certification is received, such funds shall be immediately disbursed in accordance with the form of the assistance determined by the participating jurisdiction.

(e) INVESTMENT WITHIN 15 DAYS.—The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction's housing investment trust fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

(f) NO INTEREST OR FEES.—The Secretary shall not charge any interest or levy any other fee with regard to funds in a housing investment trust fund.

(g) EXPIRATION OF RIGHT TO DRAW FUNDS.—If any funds becoming available to a participating jurisdiction under this title are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction's housing investment trust fund, the jurisdiction's right to draw such funds from the housing investment trust fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction's housing investment trust fund by the expiring amount and shall reallocate the funds by formula in accordance with section 317(d).

(h) ADMINISTRATIVE PROVISION.—The Secretary shall keep each participating jurisdiction informed of the status of its housing investment trust fund, including the status of amounts under various stages of commitment.

SEC. 319. REPAYMENT OF INVESTMENT.

(a) IN GENERAL.—Any repayment of funds drawn from a jurisdiction's housing investment trust fund, and any payment of interest or other return on the investment of such funds, shall be deposited in such jurisdiction's housing investment trust fund, except that, if the jurisdiction is not a participating jurisdiction when such payment or repayment is made, the amount of such payment or repayment shall be reallocated in accordance with section 317(d). Repayments of funds under this subsection are not receipts of the Federal Government.

(b) ASSURANCE OF REPAYMENT.—Each participating jurisdiction shall enter into an agreement with the Secretary ensuring that funds invested in affordable housing under this subtitle are repayable when the housing no longer qualifies as affordable housing. Any repayment under the previous sentence shall be for deposit in the housing investment trust fund of the jurisdiction making the investment; except that if such jurisdiction is not a participating jurisdiction when such repayment is made, the amount of such repayment shall be reallocated in accordance with section 317(d).

(c) AVAILABILITY.—The Secretary shall take such actions as are necessary to ensure that any repayments deposited in a housing investment trust fund in accordance with this section shall be immediately available to the participating jurisdiction for investment subject to the provisions of this subtitle that apply to funds that are allocated under section 317. Actions authorized under the preceding sentence may include the establishment for a participating jurisdiction of a housing investment trust fund account outside of the Federal Government that, under arrangements satisfactory to the Secretary, shall be used solely to invest in affordable housing within the participating jurisdiction's boundaries in accordance with the provisions of this subtitle.

SEC. 320. MATCHING REQUIREMENTS.

(a) CONTRIBUTION.—Each participating jurisdiction shall make contributions to affordable housing assisted under this subtitle that total, throughout a fiscal year, not less than 25 percent of the total funds drawn from the jurisdiction's housing investment trust fund in that fiscal year. Such contributions shall be in addition to any amounts made available by the participating jurisdiction under section 316(2)(A)(ii).

(b) RECOGNITION.—

(1) IN GENERAL.—A contribution shall be recognized for purposes of the previous sentence only if it—

(A) is made with respect to housing that qualifies as affordable housing under section 315, or

(B) is made with respect to any portion of a project not less than 50 percent of the units of which qualify as affordable housing under section 315.

(2) ADMINISTRATIVE EXPENSES.—Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of funds provided for investment under this title.

(c) FORM.—Such contributions may be in the form of—

(1) cash contributions from non-Federal resources, which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(2) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, including funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(3) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that achieves affordability of housing assisted under this title;

(4) the value of land or other real property as appraised according to procedures acceptable to the Secretary;

(5) the value of sweat equity invested in the housing as determined by the Secretary;

(6) the value of investment in on-site and off-site infrastructure required for affordable housing assisted under this subtitle, or

(7) such other in-kind contributions as the Secretary may approve.

(d) REDUCTION OF REQUIREMENT.—If a jurisdiction demonstrates to the satisfaction of the Secretary that a reduction of the matching requirement specified in subsection (a) is necessary to permit the jurisdiction to carry out the purposes of this title, the Secretary may reduce the matching requirement during a period not to exceed 3 years after the jurisdiction is first designated as a participating jurisdiction. Such reduction shall be not more than 75 percent in the first year, not more than 50 percent in the second year, and not more than 25 percent in the third year.

SEC. 321. PRIVATE-PUBLIC PARTNERSHIP.

Each participating jurisdiction shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in the implementation of the jurisdiction's housing strategy, including participation in the financing, development, rehabilitation and management of affordable housing. Nothing in the previous sentence shall preclude public housing authorities from fully participating in the implementation of a jurisdiction's housing strategy.

SEC. 322. DISTRIBUTION OF ASSISTANCE.

(a) LOCAL.—Each participating jurisdiction shall, insofar as is feasible, distribute assistance under this subtitle geographically within its boundaries and among different categories of housing need, according to the priorities of housing need identified in the jurisdiction's approved housing strategy.

(b) STATE.—Participating States shall be responsible for distributing assistance throughout the State according to the State's assessment of the geographical distribution of the housing need within the State, as identified in the State's approved housing strategy. Participating States shall distribute assistance to rural areas in amounts that take into account the nonmetropolitan share of the State's total population and objective measures of rural housing need, such as poverty and substandard housing, as set forth in the State's housing strategy approved under section 105 of this Act. To the extent the need is within the boundaries of a participating unit of general local government, the State and the unit of general local government shall coordinate activities to address that need.

SEC. 323. SET-ASIDE FOR COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS.

(a) IN GENERAL.—Each participating jurisdiction, for a period of 18 months after funds under this subtitle are made available to the jurisdiction, shall reserve not less than 10 percent of such funds for investment only in housing to be developed, sponsored, or owned by community housing development organizations. Following the third year after a jurisdiction first becomes a participating jurisdiction, the share to be reserved under the previous sentence shall increase to 15 percent, unless the jurisdiction annually demonstrates to the satisfaction of the Secretary that such amounts cannot be used effectively by qualified community housing development organizations. Each participating jurisdiction shall make reasonable efforts to identify community housing development organizations that are capable of carrying out elements of the jurisdiction's housing strategy and to encourage such community housing development organizations to do so. A participating jurisdiction is authorized to enter into contracts with community housing development organizations to carry out this section.

(b) RECAPTURE AND REUSE.—If any reserved funds remain uninvested for a period of 18 months and the participating jurisdiction demonstrates to the satisfaction of the Secretary that it has complied with subsection (a) but such funds cannot be used effectively within the participating jurisdiction by qualified community housing development organizations, then the participating jurisdiction shall, for a period not to exceed 12 months, have the right to invest not more than 50 percent of such funds without regard to the requirements of subsection (a), and the Secretary shall, to the extent deemed appropriate by the Secretary, make the remainder of such funds available by incentive allocation (1) among community housing development organizations to achieve the purposes of this title, or (2) among eligible organizations to carry out capacity development of community housing development organizations consistent with section 352(3), with preference to community housing development organizations serving the jurisdiction.

(c) RECAPTURE AND DEDUCTION.—If any reserved funds remain uninvested for a period of 18 months and the participating jurisdiction has not demonstrated to the satisfaction of the Secretary that it has complied with subsection (a), the Secretary shall deduct such funds from the line of credit in the participating jurisdiction's housing investment trust fund and make such funds available by incentive allocation among community housing development organizations giving preference to approvable applications from qualified community housing development organizations for affordable housing within the boundaries of the jurisdiction.

(d) INCENTIVE ALLOCATION CRITERIA.—Insofar as practicable, incentive allocations under this section shall be made according to the selection criteria established under section 317(c).

SEC. 324. PENALTIES FOR MISUSE OF FUNDS.

If the Secretary finds after reasonable notice and opportunity for hearing that a participating jurisdiction has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the Secretary shall reduce the line of credit in the participating jurisdiction's housing investment trust fund by the amount of any expenditures that were not in accordance with the requirements of this subtitle, and the Secretary may—

(1) prevent withdrawals from the participating jurisdiction's housing investment trust fund for activities affected by such failure to comply;

(2) restrict the participating jurisdiction's activities under this title to activities that conform to one or more model programs made available under section 313; or

(3) remove the participating jurisdiction from participation in allocations or reallocations of funds made available under this subtitle.

SEC. 325. LIMITATION ON JURISDICTIONS UNDER COURT ORDER.

Notwithstanding any other provision of this Act, if a participating jurisdiction has been adjudicated, by a Federal, State, or local court, to be in violation of title VI of the Civil Rights Act of 1964, the Fair Housing Act, or any other Federal, State, or local law promoting fair housing or prohibiting discrimination, or if a settlement has been entered into in any case where claims of such violations have been asserted against a participating jurisdiction, the Secretary shall ensure that funds provided under this subtitle shall be employed to carry out all housing remedies, other than fines or penalties, required by such judgment or settlement until the Secretary is satisfied that all such housing remedies have been carried out.

SEC. 326. TENANT AND PARTICIPANT PROTECTIONS.

(a) LEASE.—(1) The lease between a tenant and an owner of affordable housing assisted under this title for rental shall be for not less than one year, unless by mutual agreement between the tenant and the owner, and shall contain such terms and conditions as the Secretary shall determine to be appropriate.

(2) Each lease shall provide that the tenant, any member of the tenant's household, or a guest or other person under the tenant's control shall not engage in activity that adversely affects the health, safety, or right to quiet enjoyment of the premises of other tenants, and shall not engage in criminal activity, including drug-related criminal activity, that threatens the health or safety of, or right to quiet enjoyment by, the other tenants of the premises, and such criminal activity shall be cause for termination of tenancy.

(b) TERMINATION OF TENANCY.—An owner shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted under this title except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause. Any termination or refusal to renew must be preceded by the owner's service upon the tenant of a written notice specifying the grounds for the action.

(c) MAINTENANCE AND REPLACEMENT.—The owner of rental housing assisted under this title shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

(d) TENANT SELECTION.—The owner of rental housing assisted under this title shall adopt written tenant selection policies and criteria that are (1) consistent with the purpose of providing housing for very low-income and low-income families, and (2) reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease. Tenants shall be selected from a written waiting list in the chronological order of their application, insofar as is practicable. Owners shall promptly notify in writing any rejected applicant of the grounds for any rejection.

SEC. 327. MONITORING OF COMPLIANCE.

(a) ENFORCEABLE AGREEMENTS.—Each participating jurisdiction, through binding contractual agreements with owners and otherwise, shall ensure long-term compliance with the provisions of this title. Such measures shall provide for (1) enforcement of the provisions of this title by the jurisdiction or by the intended beneficiaries, and (2) remedies for the breach of such provisions.

(b) PERIODIC MONITORING.—Each participating jurisdiction, not less frequently than annually, shall review the activities of owners of affordable housing assisted under this title for rental to assess compliance with the requirements of this title. The results of each review shall be included in the jurisdiction's performance report submitted to the Secretary under section 108(a) and made available to the public.

SEC. 328. TRANSITION RULE FOR RENTAL REHABILITATION PROGRAM.

Notwithstanding any other provision of this title, the Secretary shall, during fiscal years 1991 and 1992, set aside such portion of the funds made available under section 317(a)(1)(A) that is equal to the amount appropriated in fiscal year 1990 under section 17(a) of the United States Housing Act of 1937 to carry out a transitional rental rehabilitation program. The Secretary shall administer such program in accordance with the rules and regulations promulgated pursuant to sections 17(a), (b) and (c) of the United States Housing Act of 1937 that were in effect on the date of enactment of this Act.

Subtitle B—Mortgage Credit Enhancement

SEC. 331. ESTABLISHMENT OF COMMISSION ON CREDIT ENHANCEMENT.

There is created a Commission on Credit Enhancements ("Commission"), which shall exist for 9 months after the appointment of the members. The Commission shall carry out a study of ways in which financing for affordable housing may be made available to assist in the most efficient implementation of comprehensive housing affordability strategies of participating jurisdictions. In conducting the study, the Commission shall draw upon the expertise of such representatives of State and local government, State and local housing finance agencies, agencies of the United States, government-sponsored mortgage finance corporations, for-profit and nonprofit housing developers, private financial institutions, and sources of long-term mortgage investment, as the Commission determines to be appropriate. The Commission shall, in all other respects, be subject to the provision of the Federal Advisory Committee Act.

SEC. 332. COMPOSITION OF THE COMMISSION.

(a) APPOINTMENTS.—The Commission shall be composed of 15 members to be appointed from among individuals who have expertise and broad experience related to the purposes of the Commission, of whom—

(1) 5 shall be appointed by the Secretary;

(2) 5 shall be appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(3) 5 shall be appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(b) QUALIFICATIONS.—Membership of the Commission shall include—

(1) not less than 3 persons who have had distinguished, private sector careers in the housing finance, management, or development industries;

(2) not less than 3 persons from State government who have made outstanding achievements in housing finance or development;

(3) not less than 3 persons from local government who have made outstanding achievements in housing finance or development;

(4) not less than 3 persons who have backgrounds of leadership in representing the interests of low-income tenants; and

(5) not less than 3 persons who have achieved excellence in nonprofit housing development.

(c) POLITICAL AFFILIATION.—Not more than 8 members of the Commission may be from any one political party. All members shall be appointed within 6 months of the enactment of the National Affordable Housing Act.

(d) REPORT.—The Commission shall submit to the Secretary and the Congress its final report containing any recommendations for legislative or administrative actions needed to improve the availability of mortgage finance for affordable housing. Such report shall include any minority views. The study shall include, but need not be limited to, an assessment of—

(1) the need for the Department of Housing and Urban Development, government sponsored mortgage finance corporations, or other agencies of the United States to provide partial credit enhancement to make financing for affordable housing available efficiently and at the lowest possible cost; and

(2) alternative ways in which—

(A) the Department could provide any needed credit enhancement on a one-stop basis for participating jurisdictions, in coordination with other forms of assistance under this subtitle;

(B) the Department or other agencies of the Federal Government could assist government-sponsored mortgage finance corporations in the financing of mortgages on affordable housing through the development of mortgage-backed securities that are more standardized and readily traded in the capital markets;

(C) the capacities of existing agencies of the United States could be used to provide mortgage finance more efficiently for affordable housing through government-sponsored mortgage finance corporations; and

(D) the interests of the Federal Government could be protected and any risks of loss could be minimized through requirements for fees, mortgage insurance, risk-sharing, secure collateral, and guarantees by other parties, and through standards relating to minimum capital and prior experience with underwriting, origination and servicing.

(e) ADMINISTRATION.—The Commission shall meet at Washington, District of Columbia, as requested by the Secretary or approved by a majority of the members. The Commission shall select its chairman, vice chairman and secretary, and adopt methods of procedure.

(f) COMPENSATION.—Subject to the provision of section 7 of the Federal Advisory Committee Act, all members of the Commission may be compensated, and shall be entitled to reimbursement from HUD for traveling expenses incurred in attendance at meetings of the Commission.

Subtitle C—Other Support for State and Local Housing Strategies

SEC. 351. AUTHORITY.

The Secretary shall, insofar as is feasible through contract with eligible organizations, develop the capacity of participating jurisdictions, State and local housing finance agencies, nonprofit organizations and for-profit corporations, working in partnership, to identify and meet needs for an increased supply of decent, affordable housing.

SEC. 352. PRIORITIES FOR CAPACITY DEVELOPMENT.

To carry out section 351, the Secretary shall provide assistance under this subtitle to—

(1) facilitate the exchange of information that would help participating jurisdictions carry out the purposes of this title, including information on program design, housing finance, land use controls, and building construction techniques;

(2) improve the ability of States and units of general local government to design and implement comprehensive housing affordability strategies, particularly those States and units of general local government that are relatively inexperienced in the development of affordable housing;

(3) increase the ability of community housing development organizations to maintain, rehabilitate or construct housing for low-income and moderate-income families, particularly in areas with substantial need for such housing and inadequate resources to produce such housing;

(4) encourage private lenders and for-profit developers of low-income housing to participate in public-private partnerships to achieve the purposes of this title;

(5) increase the investment of private capital in housing for very low-income families, particularly by encouraging the establishment of benevolent loan funds through which private financial institutions will accept deposits at below-market interest rates and make those funds available at favorable rates to developers of low-income housing and to low-income home buyers;

(6) support locally initiated efforts to establish privately owned, local community development banks and credit unions to finance affordable housing; and

(7) improve the ability of States and units of general local government, community housing development organizations, private lenders, and for-profit developers of low-income housing to incorporate energy efficiency into the planning, design, financing, construction, and operation of affordable housing.

SEC. 353. CONDITIONS OF CONTRACTS.

(a) ELIGIBLE ORGANIZATIONS.—The Secretary shall carry out this subtitle insofar as is practicable through contract with—

(1) a participating jurisdiction or agency thereof;

(2) a public purpose organization established pursuant to State or local legislation and responsible to the chief elected official of a participating jurisdiction;

(3) an agency or authority established by two or more participating jurisdictions to carry out activities consistent with the purposes of this title;

(4) a national or regional nonprofit organization that has a membership comprised predominantly of entities or officials of entities that qualify under paragraph (1), (2), or (3); or

(5) a nonprofit organization that—

(A) customarily provides in more than one State services related to the provision of decent housing that is affordable to low-income and moderate-income persons or the revitalization of deteriorating neighborhoods;

(B) has demonstrated experience in providing a range of assistance, such as financing, grants, technical assistance, construction and property management assistance, capacity building and training, to community housing development organizations or similar organizations that engage in community revitalization; and

(C) has a demonstrated ability to provide technical assistance and training for local developers of affordable housing.

(b) CONTRACT TERMS.—Contracts under this section shall be for not more than 3 years and shall provide not more than 20 percent of the operating budget of the contracting organization in any one year. Within any fiscal year, contracts with any one organization may not be entered into for a total of more than 20 percent of the funds appropriated under this subtitle in that fiscal year.

(c) MATCHING REQUIREMENT FOR TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall not enter into contracts pursuant to paragraph (3) of section 352 for amounts that exceed 50 percent of the projected costs that the Secretary determines to be appropriately related to a project in preparation for approval of an application for assistance under this Act and insurance under the National Housing Act.

(2) ELIGIBLE USES OF FUNDS UNDER THIS SECTION.—Funds made available under paragraph (3) of section 352 may be used only for costs that the Secretary determines to be customary and reasonable project preparation costs, including but not limited to—

(A) assessment of market and financial feasibility;

(B) engagement of a development team;

(C) preliminary design and engineering costs;

(D) site control and title clearance;

(E) cost estimation; and

(F) other professional costs related to the development of the housing, including committee staff.

(3) ELIGIBLE MATCHING CONTRIBUTIONS.—An organization entering into a contract with the Secretary under this section shall make matching contributions to project preparation costs from non-Federal resources in amounts not less than 50 percent of the project preparation costs, as determined by the Secretary under paragraph (1), which contributions may include but not necessarily be limited to—

(A) costs that are eligible under paragraph (2);

(B) identification, screening, and counseling of prospective residents; and

(C) administrative and planning costs that the Secretary determines are appropriately related to the project and the ongoing provision of affordable housing in the area to be served by the project.

(4) ADJUSTMENTS OF OTHER ASSISTANCE.—The Secretary shall take account of assistance provided to a project under paragraph (3) of section 352 when adjusting other assistance to be provided to the project as required by section 102(d) of the Department of Housing and Urban Development, Reform Act of 1989.

SEC. 354. RESEARCH IN HOUSING AFFORDABILITY.

The Secretary is authorized to support, through contracts with eligible organizations and otherwise, such research and publishing such reports as will assist in the achievement of the purposes of this title. Activities authorized by the previous sentence may include an ongoing analysis of the impact of public policies at the Federal, State, and local levels, both individually and in the aggregate, on the incentives to expand and maintain the supply of energy-efficient affordable housing in the United States, particularly in areas with severe problems of housing affordability. For purposes of this section, agencies of the United States, government-sponsored mortgage finance corporations, and qualified research organizations shall be included as eligible organizations in addition to eligible organizations specified under section 353.

Subtitle D—Specified Model Programs

SEC. 361. IN GENERAL.

Among the alternative model programs that the Secretary shall make available for use by participating jurisdictions under the provisions of section 313 shall be model programs specified in this subtitle.

SEC. 362. RENTAL REHABILITATION.

(a) IN GENERAL.—The Secretary shall make available a model program to support the rehabilitation of privately owned rental housing located in neighborhoods where the median income does not exceed 80 percent of the area median as determined by the Secretary and where rents can reasonably be expected not to change materially over an extended period of time.

(b) AMOUNT OF SUBSIDY.—The amount of the rehabilitation subsidy shall be moderate and shall generally not exceed 50 percent of the total costs associated with the rehabilitation of the housing.

(c) OWNER AGREEMENTS.—Owners of assisted housing shall agree not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State or local housing assistance program for at least 10 years beginning on the date on which the rehabilitated units in the housing are made available for occupancy. For the purposes of activities under such model program, the Secretary may determine, under section 315(a)(1)(E) of this Act, that a period of 10 years is the longest feasible period of time consistent with sound economics.

(d) ADDITIONAL RESTRICTIONS.—The guidelines of the model program shall generally comport with the additional protections and restrictions specified under section 17(c) of the United States Housing Act of 1937.

SEC. 363. REHABILITATION LOANS.

(a) IN GENERAL.—The Secretary shall make available a model program to provide direct loans to finance the rehabilitation of low and moderate income single family and multifamily residential properties.

(b) CONDITION OF LOANS.—The Secretary shall establish terms and conditions to ensure that such loans are acceptable risks, taking into consideration the need for rehabilitation, the security for the loan and the ability of the borrower to repay the loan. The Secretary may establish the interest rate for loans under the model program, which shall include special interest rates for loans to borrowers with incomes below 80 percent of the area median income.

(c) ADDITIONAL RESTRICTIONS.—Guidelines for the model program may require that the property—

(1) be located in an area that contains a substantial number of dwellings in need of rehabilitation;

(2) the property is residential and owner-occupied; and

(3) the property is in need of rehabilitation or concentrated code enforcement within a reasonable time, and the rehabilitation of such property is consistent with a local plan for rehabilitation or code enforcement.

Additional guidelines of the model program shall generally comport with the additional protections and restrictions specified under section 312 of the Housing Act of 1964.

SEC. 364. SWEAT EQUITY MODEL PROGRAM.

(a) IN GENERAL.—The Secretary shall make available to participating jurisdictions as described in section 313 a model program to provide grants to public and private nonprofit organizations and community housing development organizations to provide technical and supervisory assistance to low-income and very low-income families, including the homeless, in acquiring, rehabilitating, and constructing housing by the self-help housing method.

(b) REHABILITATION OF PROPERTIES.—The program shall target for rehabilitation properties which have been acquired by the Federal, State, or local governments.

(c) HOMEOWNERSHIP OPPORTUNITIES THROUGH SWEAT EQUITY.—

(1) The program shall utilize the skilled or unskilled labor of eligible families in exchange for acquisition of the property.

(2) Basic training shall be provided to eligible families in home maintenance skills and homeownership counseling.

(d) RENTAL OPPORTUNITIES THROUGH SWEAT EQUITY.—(1) The program shall include rental opportunities for eligible families which will help expand the stock of affordable housing which is most appropriate for the target group.

(2) The use of the tenant's skilled or unskilled labor shall be encouraged in lieu of or as a supplement to rent payments by the tenant.

(e) DEFINITION.—The term "self-help housing" means the same as in section 523 of the Housing Act of 1949.

(f) ADDITIONAL RESTRICTIONS.—The guidelines of the model program shall generally comport with the additional protections and restrictions specified under section 523 of the Housing Act of 1949.

Subtitle E—General Provisions

SEC. 381. NONDISCRIMINATION.

No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

SEC. 382. ANNUAL AUDITS AND ACCOUNTABILITY.

(a) INDEPENDENT AUDITS.—The Secretary, except as provided in paragraph (b)(1), shall contract annually with an independent accounting firm to provide for a full financial audit of the records of the Housing Opportunities Partnerships program for each fiscal year. Each audit shall be performed as soon as practicable after the close of the fiscal year and in accordance with generally accepted Government auditing standards approved by the Comptroller General of the United States ("Comptroller General"), and shall be consistent with the requirements of sections 9105 and 9106 of title 31, United States Code. The Secretary shall promptly submit the report of the independent accounting firm to the Congress, consistent with the requirements of section 9106 of title 31, United States Code, and such report shall be published. The requirement for an audit under this section shall be in lieu of the requirement for an audit by the Comptroller General under section 9105(a) of title 31, United States Code.

(b) AUDITS BY THE COMPTROLLER GENERAL.—

(1) AUDITS OF THE HOUSING OPPORTUNITIES PARTNERSHIPS PROGRAM.—The Comptroller General, when the Comptroller General deems it to be appropriate or when requested by the Committee on Banking, Housing, and Urban Affairs of the Senate or the Committee on Banking, Finance and Urban Affairs of the House of Representatives, shall conduct a full financial audit of the records of the Housing Opportunities Partnerships program for any fiscal year. The initiation of an audit for a fiscal year under the previous sentence shall obviate the requirement for an audit by an independent accounting firm under paragraph (a) for that fiscal year. The report of the Comptroller General shall be submitted promptly to the Secretary and the Congress and shall be published.

(2) AUDITS OF RECIPIENTS.—The financial transactions of participating jurisdictions and of other recipients of funds provided under this title may, insofar as they relate to funds provided under this title, be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertain-

ing to such financial transactions and necessary to facilitate the audit.

SEC. 383. UNIFORM RECORDKEEPING AND REPORTS TO THE CONGRESS.

(a) UNIFORM REQUIREMENTS.—The Secretary shall develop and establish uniform recordkeeping, performance reporting, and auditing requirements for use by participating jurisdictions.

(b) REPORT TO THE CONGRESS.—Not later than 120 days after the end of each fiscal year, the Secretary shall make an annual report to the Congress that summarizes and assesses the results of reports provided under this section.

SEC. 384. CITIZEN PARTICIPATION.

The Secretary shall ensure that each participating jurisdiction, and each jurisdiction seeking to become a participating jurisdiction, complies with the requirements of section 105(i) of this Act.

SEC. 385. LABOR.

Any contract for the construction of affordable housing with 12 or more units assisted with funds made available under this subtitle shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a—276a-5), shall be paid to all laborers and mechanics employed in the development of affordable housing involved, and participating jurisdictions shall require certification as to compliance with the provisions of this section prior to making any payment under such contract. The Secretary may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

SEC. 386. INTERSTATE AGREEMENTS.

The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of activities authorized under this title as they pertain to interstate areas and to localities within such States, and to establish such agencies, joint or otherwise, as they may deem desirable for making such agreements and compacts effective.

SEC. 387. ENVIRONMENTAL REVIEW.

(a) IN GENERAL.—In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of funds for particular projects to participating jurisdictions under this title who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

(b) PROCEDURE.—The Secretary shall approve the release of funds subject to the procedures authorized by this section only if, at least 15 days prior to such approval and prior to any commitment of funds to such projects the participating jurisdiction has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of subsection (c). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(c) CERTIFICATION.—A certification under the procedures authorized by this section shall—

(1) be in a form acceptable to the Secretary,

(2) be executed by the chief executive officer or other officer of the recipient of assistance under this title qualified under regulations of the Secretary,

(3) specify that the recipient of assistance under this title has fully carried out its responsibilities as described under subsection (a), and

(4) specify that the certifying officer (A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provision of law apply pursuant to subsection (a), and (B) is authorized and consents on behalf of the participating jurisdiction and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

(d) ASSISTANCE TO A STATE.—In the case of assistance to States, the State shall perform those actions of the Secretary described in subsection (b) and the performance of such actions shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of such subsection.

TITLE IV—HOMEOWNERSHIP AND OPPORTUNITY THROUGH HOPE

Subtitle A—HOPE Grants for Public and Indian Housing Homeownership

SEC. 401. HOPE FOR PUBLIC AND INDIAN HOUSING HOME- OWNERSHIP.

The United States Housing Act of 1937 is amended by adding the following new title at the end thereof:

"TITLE III—HOPE FOR PUBLIC AND INDIAN HOUSING HOMEOWNERSHIP

"AUTHORITY

"SEC. 301. (a) PROGRAM AUTHORITY.—The Secretary is authorized to make—

"(1) planning grants to help applicants to develop homeownership programs for specified public housing projects in accordance with this title; and

"(2) implementation grants to carry out specified public housing projects and homeownership programs in accordance with this title.

"(b) AUTHORITY TO RESERVE HOUSING ASSISTANCE.—In connection with a grant under this title, the Secretary may reserve authority to provide assistance under section 8 of this Act to the extent necessary to provide rental assistance for a nonpurchasing tenant who resides in the project on the date the Secretary approves the application for an implementation grant, for use by the tenant in another project.

"(c) AUTHORIZATION.—There are authorized to be appropriated for grants under this title $50,000,000 for fiscal year 1991, $75,000,000 for fiscal year 1992, and $100,000,000 for fiscal year 1993, of which not more than $2,000,000 may be appropriated in any fiscal year for planning grants under this title. Sums appropriated pursuant to this subsection shall remain available until expended.

"PLANNING GRANTS

"SEC. 302. (a) GRANTS.—The Secretary is authorized to make planning grants to applicants for the purpose of developing homeownership programs under this title.

"(b) ELIGIBLE ACTIVITIES.—Planning grants may be used for the following activities—

"(1) development of resident management corporations and resident councils;

"(2) training and technical assistance for applicants;

"(3) development of homeownership programs, including determining their affordability;

"(4) preliminary architectural and engineering work;

"(5) tenant and homebuyer counseling and training;

"(6) planning for economic development, job training, and self-sufficiency activities that promote economic self-sufficiency of homebuyers and homeowners under the homeownership program;

"(7) development of security plans; and

"(8) preparation of an application for an implementation grant under this title.

"(c) APPLICATION.—(1) An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(2) The Secretary shall require that an application contain at a minimum—

"(A) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located;

"(B) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, and the amount of the grant requested;

"(C) a description of the applicant and a statement of its qualifications;

"(D) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing; and

"(E) identification and description of the public housing project or projects involved, and a description of the composition of the tenants, including family size and income.

"(d) SELECTION CRITERIA.—The Secretary shall establish selection criteria for a national competition for assistance under this section, which shall include—

"(1) the qualifications or potential capabilities of the applicant;

"(2) the extent of tenant interest in the development of a homeownership program for the project;

"(3) the potential for developing an affordable homeownership program and the suitability of the project for homeownership;

"(4) such other factors as the Secretary determines to be appropriate for purposes of

carrying out the program established by this title in an effective and efficient manner.

"(e) LIMITATION ON PLANNING GRANTS.—Assistance provided under this section with respect to any public housing project may not exceed $100,000.

"IMPLEMENTATION GRANTS

"SEC. 303. (a) GRANTS.—The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out homeownership programs approved under this title.

"(b) ELIGIBLE ACTIVITIES.—Implementation grants may be used for the following activities—

"(1) architectural and engineering work;

"(2) acquisition of the public housing project from a public housing agency for the purpose of transferring ownership to eligible families in accordance with an approved homeownership program;

"(3) rehabilitation of any public housing project covered by the homeownership program, in accordance with standards established by the Secretary;

"(4) administrative costs of the applicant and any charges by the applicant for developing and carrying out the homeownership program;

"(5) legal fees;

"(6) counseling and training of homebuyers and homeowners under the homeownership program;

"(7) defraying costs for the ongoing training needs of the recipient that are related to developing and carrying out the homeownership program;

"(8) defraying costs related to relocation of tenants who elect to move;

"(9) defraying costs related to any necessary temporary relocation of tenants during rehabilitation;

"(10) economic development activities that promote economic self-sufficiency of homebuyers and homeowners under the homeownership program;

"(11) funding of operating and replacement reserves of the project covered by the homeownership program; and

"(12) defraying some or all of the costs related to implementation of a replacement housing plan.

"(c) MATCHING FUNDING.—(1) Each recipient shall assure that contributions equal to not less than 25 percent of the grant amount made available under this section shall be provided from non-Federal sources to carry out the homeownership program.

"(2) Such contributions may be in the form of—

"(A) cash contributions from non-Federal resources, which may not include Federal tax expenditures or funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

"(B) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, including funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

"(C) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that facilitates the implementation of a homeownership program assisted under this subtitle;

"(D) the value of land or other real property as appraised according to procedures acceptable to the Secretary;

"(E) the value of investment in on-site and off-site infrastructure required for a homeownership program assisted under this subtitle; or

"(F) such other in-kind contributions as the Secretary may approve.

Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of the total amount of grants made available under this section.

"(d) APPLICATION.—(1) An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(2) The Secretary shall require that an application contain at a minimum—

"(A) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that (i) the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located, and (ii) the matching funding required under subsection (c) shall be provided;

"(B) a request for an implementation grant, specifying the amount of the grant requested;

"(C) where applicable, an application for assistance under section 9 of this Act (i) specifying the proposed uses of such assistance and the period during which the assistance will be needed, and (ii) including an economic self-sufficiency plan specifying an estimated target date for phasing out the section 9 assistance;

"(D) a description of the proposed homeownership program, consistent with section 304 and the other requirements of this title, specifying the activities proposed to be carried out and their estimated costs, demonstrating that the program will be affordable to eligible families, and identifying the schedules for carrying it out;

"(E) identification and description of the public housing project or projects involved, and a description of the composition of the tenants, including family size and income;

"(F) a workable plan for giving all tenants an opportunity to become owners, which plan shall identify—

"(i) the price at which the applicant intends to transfer ownership interests in, or shares representing, units in the project;

"(ii) the factors that will influence the setting of such price;

"(iii) how such price compares to the estimated appraised value of the ownership interests or shares;

"(iv) the underwriting standard the applicant plans to use (or reasonably expects a public or private lender to use) for potential tenant purchasers;

"(v) the financing arrangements the tenants are expected to pursue or be provided; and

"(vi) a workable schedule of sale (subject to the limitations of section 304(p)) based on estimated tenant incomes.

"(G) a description of the resources that are expected to be made available to provide the matching funding required under subsection (c) and of other resources that are expected to be made available in support of the homeownership program;

"(H) identification and description of the financing proposed;

"(I) where the applicant is not a public housing agency, the proposed sales price, if any, and terms to the applicant;

"(J) identification and description of the entity that will operate and manage the property;

"(K) a plan for—

"(i) identifying and selecting eligible families to participate in the homeownership program;

"(ii) providing relocation assistance to families who elect to move;

"(iii) assuring continued affordability by tenants, homebuyers, and homeowners in the project; and

"(iv) providing ongoing training and counseling for homebuyers and homeowners; and

"(L) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

"(e) SELECTION CRITERIA.—The Secretary shall establish selection criteria for a national competition for assistance under this section, which shall include—

"(1) the ability of the applicant to develop and carry out the proposed homeownership program, taking into account the quality of any related ongoing program of the applicant, and the extent of tenant interest in the development of a homeownership program and community support;

"(2) the extent to which current tenants and other eligible families will be able to afford the purchase;

"(3) the quality and viability of the proposed homeownership program, including the viability of the economic self-sufficiency plan;

"(4) the extent to which funds for activities that do not qualify as eligible activities will be provided in support of the homeownership program; and

"(5) whether the approved comprehensive housing affordability strategy for the jurisdiction within which the public housing project is located includes the proposed homeownership program as one of the general priorities identified pursuant to section 105(b)(7) of the National Affordable Housing Act.

"(f) APPROVAL.—The Secretary shall notify the applicant whether the application is approved or not approved. The Secretary may approve the application for an implementation grant with a statement that the application for the section 9 assistance is conditionally approved, subject to the availability of appropriations in subsequent fiscal years.

"OTHER PROGRAM REQUIREMENTS AND LIMITATIONS

"SEC. 304. (a) LOCATION WITHIN PARTICIPATING JURISDICTIONS.—The Secretary may approve applications for grants under this title only for public housing projects located within the boundaries of jurisdictions that are participating jurisdictions under title III of the National Affordable Housing Act.

"(b) FINANCING.—(1) The application shall identify and describe the proposed financing for (A) any rehabilitation, and (B) acquisition (i) of the project, where applicable, by an entity other than the public housing agency for transfer to eligible families, and (ii) by eligible families of ownership interests in, or shares representing, units in the project. Financing may include use of the implementation grant, sale for cash, or other sources of financing (subject to applicable requirements), including conventional mortgage loans and mortgage loans insured under title II of the National Housing Act.

"(2) Property transferred under this title shall not be pledged as collateral for debt or otherwise encumbered except when the Secretary determines that—

"(A) such encumbrance will not threaten the long-term availability of the property for occupancy by low-income families;

"(B) neither the Federal Government nor the public housing agency will be exposed to undue risks related to action that may have to be taken pursuant to paragraph (3);

"(C) any debt obligation can be serviced from project income, including operating assistance that is provided in accordance with subsection (j); and

"(D) the proceeds of such encumbrance will be used only to meet housing standards in accordance with subsection (c) or to make such additional capital improvements as the Secretary determines to be consistent with the purposes of this title.

"(3) Any lender that provides financing in connection with a homeownership program under this title shall give the public housing agency, resident management corporation, or other appropriate entity a reasonable opportunity to cure a financial default before foreclosing on the property, or taking other action as a result of the default.

"(c) HOUSING STANDARDS.—(1) Public housing projects transferred under this title shall meet housing standards established by the Secretary. The Secretary, in response to a written plan contained in an application, may give an applicant a period of not to exceed 3 years (from the date the property is transferred from the public housing agency to the applicant or another entity specified in the approved application) to meet such housing standards.

"(2) A public housing agency shall not convey fee simple title to a public housing project transferred under this title until the property meets the housing standards established under paragraph (1).

"(d) QUALIFIED MANAGEMENT.—As a condition of approval of a homeownership program under this title, the resident management corporation (or such other entity representing the interests of the tenants) shall have demonstrated its abilities to manage public housing by having done so effectively and efficiently for a period of not less than 3 years or by entering into a contract with a qualified management entity that meets such standards as the Secretary may prescribe to ensure that the property will be maintained in a decent, safe, and sanitary condition.

"(e) ECONOMIC SELF-SUFFICIENCY PLAN.—Where a homeownership program involves the use of section 9 assistance for homebuyers or homeowners, the application shall include an economic self-sufficiency plan designed to reduce the need for the assistance through the provision of training, employment, and supportive services opportunities.

"(f) SALE BY PUBLIC HOUSING AGENCY TO APPLICANT OR OTHER ENTITY REQUIRED.—Where the Secretary approves an application providing for the transfer of the eligible project from the public housing agency to another applicant, the public housing agency shall transfer the project to such other applicant, in accordance with the approved homeownership program.

"(g) PREFERENCES.—In selecting eligible families for homeownership, the recipient shall give a first preference to otherwise qualified current tenants and a second preference to otherwise qualified eligible families who have completed participation in the project independence program authorized under section 14(j) of this Act, or in another economic self-sufficiency program specified by the Secretary.

"(h) COST LIMITATIONS.—The Secretary may establish cost limitations on eligible activities under this subtitle.

"(i) ANNUAL CONTRIBUTIONS.—Notwithstanding the purchase of a public housing project under this section, or the purchase of a unit in a public housing project by an eligible family, the Secretary shall continue to pay annual contributions with respect to the project. Such contributions may not exceed the maximum contributions authorized in section 5(a).

"(j) OPERATING SUBSIDIES.—To the extent that the total income of a public housing project transferred under this title is not sufficient to cover the costs of operation, the public housing agency may enter into a 5-year operating assistance contract from amounts made available for use under section 9 of this Act, subject to the availability of appropriations, to provide assistance for the operating costs of an approved homeownership program. The total amount of the contract shall not exceed 5 times the current annual operating subsidy determined under section 9 of this Act with respect to the project for the year before sale of the project under this title, plus an annual inflation adjustment determined by the Secretary. The assistance shall be paid on an annual basis, and may not exceed an amount for each year that is equal to the annual operating subsidy determined under section 9 of this Act with respect to the project for the year before sale of the project under this title, plus an annual inflation adjustment determined by the Secretary.

"(k) USE OF PROCEEDS FROM SALES TO ELIGIBLE FAMILIES.—The entity that transfers ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, may use 50 percent of the proceeds, if any, from the initial sale for costs of the homeownership program, including improvements to the project, business opportunities for lower income families, and supportive services related to the homeownership program; additional homeownership opportunities; and other activities approved by the Secretary. The remaining 50 percent shall be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

"(l) RESTRICTIONS ON RESALE BY HOMEOWNERS.—(1) A homeowner under a homeownership program may transfer the homeowner's interest in, or shares representing, the unit only (A) to low-income families; and (B) at a price consistent with guidelines established by the Secretary that are designed to provide the owner with a fair return on investment (subject to paragraph (2)), including any improvements, and to ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. Where a resident management corporation or resident council has jurisdiction over the unit, that entity shall have the right to purchase the ownership interest in, or shares representing, the unit from the homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. If such an entity elects to purchase, it shall make the unit available for purchase by eligible families in accordance with the preferences established under subsection (f).

"(2) If the sale to the first eligible family is for less than market value, the homeownership program shall provide for appropriate restrictions to assure that an eligible family may not receive any undue profit. The plan shall provide for—

"(A) authorizing the family to retain a portion of the net proceeds of the sale on a sliding scale over a 10-year period;

"(B) limiting the family's consideration for its interest in the property to the total of—

"(i) the contribution to equity paid by the family;

"(ii) the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and

"(iii) the appreciated value determined by an inflation allowance at a rate which may be based on a cost-of-living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity; such entity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed;

"(C) execution by the initial purchaser of a promissory note equal to the difference between the market value and the purchase price, payable to the public housing agency or other entity designated in the homeownership plan, together with a mortgage securing the obligation of the note; or

"(D) any other appropriate arrangement that the Secretary determines is adequate to prevent undue profit for at least 10 years.

"(3) Upon sale, the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, shall ensure that subsequent owners are bound by the same limitations on resale and further restrictions on equity appreciation.

"(4) Fifty percent of any portion of the net sales proceeds that may not be retained by the homeowner under the plan approved pursuant to paragraph (2) shall be paid to the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, for use for improvements to the project, business opportunities for lower income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary. The remaining 50 percent shall be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

"(m) REPLACEMENT PLAN.—(1) Public housing projects shall not be transferred under this title unless the Secretary has entered into a binding agreement with the local public housing agency to make available to such agency any Federal funding assistance to provide an additional decent, safe, sanitary, and affordable dwelling unit as a replacement for each unit in a public housing project to be transferred. Such replacement housing may consist of—

"(A) the development of new public housing units by the public housing agency in accordance with section 5;

"(B) the rehabilitation of vacant public housing units by the public housing agency in accordance with section 14(n)(1);

"(C) the use of 5-year, tenant-based rental assistance under section 8(b)(2) and section 8(o)(9);

"(D) the use of a State or local program that is comparable to any of the Federal programs referred to in subparagraphs (A) through (C) as to housing standards, eligibility, and contribution to rent, and provides a term of assistance of not less than 5 years;

"(E) where the applicant is a resident management corporation, resident council, or cooperative association, the acquisition of nonpublicly owned housing units, which the applicant shall operate as rental housing comparable to public housing as to term of assistance, housing standards, eligibility, and contribution to rent; or

"(F) any combination of such methods.

"(2) Tenant-based rental assistance under section 8 (or a comparable State or local program) shall be counted as replacement housing only if the Secretary finds that replacement with assistance specified under subparagraphs (1) (A) and (B) is not feasible, and the supply of private rental housing actually available to those who would receive tenant-based assistance is sufficient for the total number of certificates and vouchers available in the community after implementation of the agreement under subparagraph (1) and that such supply is likely to remain available for the full 5-year term of such assistance.

"(n) PROTECTION OF NON-PURCHASING FAMILIES.—(1) No tenant residing in a dwelling unit in a public housing project on the date the Secretary approves an application for an implementation grant may be evicted by reason of a homeownership program approved under this title.

"(2) If the tenant decides not to purchase a unit, or is not qualified to do so, the recipient shall, during the term of the operating assistance contract entered into under subsection (j), permit each otherwise qualified tenant to continue to reside in the project at rents that do not exceed levels consistent with section 3(a) of this Act or, if an otherwise qualified tenant chooses to move (at any time during the term of such operating assistance contract), the public housing agency shall, to the extent approved in appropriations Acts, offer such tenant (A) a unit in another public housing project, or (B) section 8 assistance for use in other housing.

"(3) The recipient shall also inform each such tenant that if the tenant chooses to move, the recipient will pay relocation assistance in accordance with the approved homeownership program.

"(4) Tenants renting a unit in a project transferred under this subtitle shall have all rights provided to tenants of public housing under this Act.

"(o) DOLLAR LIMITATION ON ECONOMIC DEVELOPMENT ACTIVITIES.—Not more than an aggregate of $250,000 from amounts made available under sections 302 and 303, and under section 14 of this Act, may be used for economic development activities under sections 302(b)(6) and 303(b)(10) for any project.

"(p) TIMELY HOMEOWNERSHIP.—Recipients shall transfer ownership of the property to tenants within a specified period of time that the Secretary determines to be reasonable. During the interim period when the property continues to be operated and managed as rental housing, the recipient shall utilize written tenant selection policies and criteria that are approved by the Secretary as consistent with the purpose of improving housing opportunities for very low-income families. The recipient shall promptly notify in writing any rejected applicant of the grounds for any rejection. Tenants renting a unit in a project transferred under this subtitle shall have all rights provided to tenants of public housing under this Act.

"(q) RECORDS AND AUDIT OF RECIPIENTS OF ASSISTANCE.—(1) Each recipient shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of assistance received under this title (and any proceeds from financing obtained in accordance with subsection (b) or sales under subsections (k) and (l)(4)), the total cost of the homeownership program in connection with which such assistance is given or used, and the amount and nature of that portion of the program supplied by other sources, and such other sources as will facilitate an effective audit.

"(2) The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title.

"(3) The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall also have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title.

"DEFINITIONS

"SEC. 305. For purposes of this title—

"(1) The term 'applicant' means the following entities that may represent the tenants of the project: a public housing agency (including an Indian housing authority); a resident management corporation, established in accordance with requirements of the Secretary under section 20 of this Act; a resident council; a cooperative association; a public or private nonprofit organization; or a public body, including an agency or instrumentality thereof.

"(2) The term 'eligible family' means a family or individual who is a tenant in the public or Indian housing project on the date the Secretary approves an implementation grant, a lower income family, or a family or individual who is assisted under a housing program administered by the Secretary or the Secretary of Agriculture.

"(3) The term 'homeownership program' means a program providing for acquisition by eligible families of ownership interests in, or shares representing, at least one-half of the units in a public housing project under any arrangement determined by the Secretary to be appropriate, such as cooperative ownership (including limited equity cooperative ownership) and fee simple ownership (including condominium ownership), for occupancy by the eligible families.

"(4) The term 'recipient' means an applicant approved to receive a grant under this title or such other entity specified in the approved application that will assume the obligations of the recipient under this title.

"(5) The term 'resident council' means any incorporated nonprofit organization or association that—

"(A) is representative of the tenants of the housing;

"(B) adopts written procedures providing for the election of officers on a regular basis; and

"(C) has a democratically elected governing board, elected by the tenants of the housing.

"RELATIONSHIP TO OTHER HOMEOWNERSHIP OPPORTUNITIES

"SEC. 306. The provisions of this title shall not apply to housing developed or transferred for homeownership purposes prior to the enactment of the National Affordable Housing Act under the turnkey III, the mutual help, or any other homeownership program established under section 5(h), section 6(c)(4)(D), or section 21 of this Act.

"ANNUAL REPORT

"SEC. 307. The Secretary shall annually submit to the Congress a report setting forth—

"(1) the number, type, and cost of public housing units sold pursuant to this title;

"(2) the income, race, gender, children, and other characteristics of families participating (or not participating) in homeownership programs funded under this title;

"(3) the amount and type of financial assistance provided under and in conjunction with this title;

"(4) the amount of financial assistance provided under this title that was needed to ensure continued affordability and meet future maintenance and repair costs; and

"(5) the recommendations of the Secretary for statutory and regulatory improvements to the program.

"LIMITATION

"SEC. 308. Any authority of the Secretary under this title to provide financial assistance, or to enter into contracts to provide financial assistance, shall be effective only to such extent or in such amounts as are or have been provided in advance in an appropriation Act.".

SEC. 402. RELATED AMENDMENTS TO SECTION 18, DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) REPEAL OF DISPOSITION AUTHORITY.—Section 18(b)(1) of such Act is amended by striking out "disposition" and inserting in lieu thereof the following: "disposition, and the tenant councils and resident management corporation, if any, have been given appropriate opportunities to purchase the project or portion of the project covered by the application,".

(b) APPLICABILITY.—Section 18 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(e) The provisions of this section shall not apply to the disposition of a public housing project in accordance with an approved homeownership program under title III of this Act.".

SEC. 403. RELATED AMENDMENT TO SECTION 8.

(a) ELIGIBILITY.—The first sentence of section 8(o)(3) of such Act is amended by—

(1) striking "or"; and

(2) insert the following before the period: ", or

"(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the National Affordable Housing Act.".

(b) REPLACEMENT HOUSING.—(1) Section 8(b) of the United States Housing Act of 1937 is amended by adding at the end the following new paragraph:

"(2) The Secretary is authorized to enter into annual contributions contracts with public housing agencies for the purpose of replacing public housing transferred in accordance with title III of this Act. Each contract entered into under this subsection shall be for a term of not more than 60 months.".

(2) Section 8(o) of the United States Housing Act of 1937 is amended by adding at the end the following new paragraph:

"(9) The Secretary is authorized to enter into contracts with public housing agencies to provide rental vouchers for the purpose of

replacing public housing transferred in accordance with title III of this Act. Each contract entered into under this paragraph shall be for a term of not more than 60 months.".

SEC. 404. RELATED CIAP AMENDMENTS.

Section 14 of the United States Housing Act of 1937 is amended by adding at the end the following subsection:

"(n)(1) The Secretary shall make available and contract to make available assistance in the form of grants for the purpose of rehabilitating vacant public housing units as replacement housing for public housing transferred in accordance with title III of this Act.

"(2) The Secretary shall make available and contract to make available assistance in the form of grants for the purpose of supplementing implementation grants made available in accordance with title III of this Act.

"(3) Grants under paragraphs (1) and (2) shall be made only from amounts provided for such purposes in appropriations Acts.".

SEC. 405. RELATED AMENDMENT TO RESIDENT MANAGEMENT.

Section 20(f)(1) of the United States Housing Act of 1937 is amended by adding in the first sentence after "financial assistance" the following: "for activities not in conjunction with activities assisted under title III of this Act.".

SEC. 406. RELATED AMENDMENT TO SECTION 9, PUBLIC HOUSING OPERATING SUBSIDIES.

Section 9(a)(3)(B) of the United States Housing Act of 1937 is amended—

(1) by striking "and" at the end of clause (iii);

(2) by striking the period at the end of clause (iv) and inserting "; and"; and

(3) by adding at the end the following new clause:

"(v) if a public housing agency transfers a public housing project in accordance with an approved homeownership program under title III of this Act, the payments received under this section with respect to such project shall continue for a 5-year period, subject to the availability of appropriations for such purpose, in amounts not less than the amounts that would have been received without such transfer.".

SEC. 407. IMPLEMENTATION.

(a) IN GENERAL.—Not later than 120 days after the date funds authorized under title III of the United States Housing Act of 1937 first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this title. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period following the date of the notice.

(b) TERMINATION OF EXISTING PUBLIC HOUSING HOMEOWNERSHIP PROVISIONS.—

(1) IN GENERAL.—Effective on the date of enactment of this Act, section 5(h) and section 21 of the United States Housing Act of 1937 are repealed.

(2) SAVINGS PROVISION.—The provisions of paragraph (1) shall not affect housing transferred for homeownership purposes prior to the enactment of this Act under section 5(h) or section 21 of this Act.

SEC. 408. APPLICABILITY.

In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by this subtitle shall also apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority, except that nothing in this title affects the program under section 202 of such Act.

Subtitle B—HOPE for HUD Multifamily Homeownership

SEC. 411. PROGRAM AUTHORITY.

(a) The Secretary is authorized to make—

(A) technical assistance grants to develop the capacity of applicants to develop and carry out homeownership programs for specified eligible properties in accordance with this subtitle;

(B) planning grants to enable applicants to develop homeownership programs for specified eligible properties in accordance with this subtitle; and

(C) implementation grants to enable applicants to carry out homeownership programs for specified eligible properties in accordance with this subtitle.

(b) AUTHORITY TO RESERVE HOUSING ASSISTANCE.—In connection with a grant under this subtitle, the Secretary may reserve authority to provide assistance under section 8 of the United States Housing Act of 1937 to the extent necessary—

(1) to provide housing assistance to an otherwise qualified eligible family, for use by the family in connection with the purchase and continued ownership by the family of an ownership interest in, or shares representing, a unit in the property; and

(2) to provide rental assistance for a nonpurchasing tenant who resides in the property on the date the Secretary approves an application for an implementation grant, for use by the tenant in that or another property.

(c) AUTHORIZATION.—There are authorized to be appropriated for grants under this subtitle $25,000,000 for fiscal year 1991, $35,000,000 for fiscal year 1992, and $45,000,000 for fiscal year 1993, of which not more than $1,000,000 may be appropriated in any fiscal year for technical assistance grants under this subtitle and not more than $1,000,000 may be appropriated in any fiscal year for planning grants under this subtitle. Sums appropriated pursuant to this subsection shall remain available until expended.

SEC. 412. TECHNICAL ASSISTANCE GRANTS.

(a) GRANTS.—The Secretary is authorized to make technical assistance grants to applicants for the purpose of developing the capacity of applicants to develop and carry out homeownership programs under this subtitle and under the Low-Income Housing Preservation and Resident Homeownership Act of 1990, and to develop and carry out other homeownership opportunities involving acquisition of single family property, containing no more than four units, owned by the Secretary.

(b) ELIGIBLE ACTIVITIES.—Technical assistance grants may be used for the purpose of providing training and technical assistance for potential applicants.

(c) APPLICATION.—(1) An application for a technical assistance grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) The Secretary shall require that an application contain at a minimum—

(A) a certification by the public housing official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the eligible property is located;

(B) a request for a technical assistance grant, specifying the activities proposed to be carried out, the schedule for completing the activities, and the amount of the grant requested; and

(C) a description of the applicant and a statement of its qualifications.

(d) SELECTION CRITERIA.—The Secretary shall establish selection criteria, which shall include—

(1) the qualification or potential capabilities of the applicant; and

(2) such other factors as the Secretary determines to be appropriate for purposes of the program established by this title.

SEC. 413. PLANNING GRANTS.

(a) GRANTS.—The Secretary is authorized to make planning grants to applicants for the purpose of developing homeownership programs under this subtitle.

(b) ELIGIBLE ACTIVITIES.—Planning grants may be used for the following activities—

(1) training and technical assistance of applicants related to the development of a specific homeownership program;

(2) development of homeownership programs, including determining their affordability;

(3) preliminary architectural and engineering work;

(4) tenant and homebuyer counseling and training;

(5) planning for economic development, job training, and self-sufficiency activities that promote economic self-sufficiency for homebuyers and homeowners under the homeownership program;

(6) development of security plans; and

(7) preparation of an application for an implementation grant under this subtitle or of a homeownership program proposal under the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

(c) APPLICATION.—(1) An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) The Secretary shall require that an application contain at a minimum—

(A) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located;

(B) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, and the amount of the grant requested;

(C) a description of the applicant and a statement of its qualifications;

(D) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing; and

(E) identification and description of the eligible property involved, and a description of the composition of the tenants, including family size and income.

(d) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

(1) the qualifications or potential capabilities of the applicant;

(2) the extent of tenant interest in the development of a homeownership program for the property;

(3) the potential for developing an affordable homeownership program and the suitability of the property for homeownership; and

(4) such other factors as the Secretary determines to be appropriate for purposes of carrying out the program established by the subtitle in an effective and efficient manner.

(e) LIMITATION ON PLANNING GRANTS.—Assistance provided under this section with respect to any eligible property may not exceed $100,000.

SEC. 414. IMPLEMENTATION GRANTS.

(a) GRANTS.—The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out homeownership programs approved under this subtitle.

(b) ELIGIBLE ACTIVITIES.—Implementation grants may be used for the following activities—

(1) architectural and engineering work;

(2) acquisition of the eligible property for the purpose of transferring ownership to eligible families in accordance with an approved homeownership program;

(3) rehabilitation of any property covered by the homeownership program, in accordance with standards established by the Secretary;

(4) administrative costs of the applicant and any charges by the applicant for developing and carrying out the homeownership program;

(5) legal fees;

(6) counseling and training of homebuyers and homeowners under the homeownership program;

(7) defraying costs related to ongoing training needs of the recipient related to developing and carrying out the homeownership program;

(8) defraying costs related to relocation of tenants who elect to move;

(9) defraying costs related to any necessary temporary relocation of tenants during rehabilitation;

(10) economic development, job training, and self-sufficiency activities that promote economic self-sufficiency of the project's homebuyers and homeowners of the property covered by the homeownership program; and

(11) funding for operating and replacement reserves of the property covered by the homeownership program.

(c) MATCHING FUNDING.—(1) Each recipient shall assure that contributions equal to not less than 25 percent of the grant amounts made available under this section shall be provided from non-Federal sources to carry out the homeownership program.

(2) Such contributions may be in the form of—

(A) cash contributions from non-Federal resources, which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(B) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, including funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(C) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that facilitates the implementation of a homeownership program assisted under this subtitle;

(D) the value of land or other real property as appraised according to procedures acceptable to the Secretary;

(E) the value of investment in on-site and off-site infrastructure required for a homeownership program assisted under this subtitle; or

(F) such other in-kind contributions as the Secretary may approve.

Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of the total amount of grants made available under this section.

(d) APPLICATION.—(1) An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) The Secretary shall require that an application contain at a minimum—

(A) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that (i) the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located, and (ii) the matching funding required under subsection (c) shall be provided;

(B) a request for an implementation grant, specifying the amount of the grant requested;

(C) where applicable, an application for assistance under section 9 of the United States Housing Act of 1937, specifying the proposed uses of such assistance and the period during which the assistance will be needed;

(D) a description of the proposed homeownership program, consistent with section 415 and the other requirements of this subtitle, specifying the activities proposed to be carried out and their estimated costs, demonstrating the program will be affordable by eligible families, and identifying the schedule for carrying it out;

(E) identification and description of the property involved, and a description of the composition of the tenants, including family size and income;

(F) a workable plan for giving all tenants an opportunity to become owners, which plan shall identify—

(i) the price at which the applicant intends to transfer ownership interests in, or shares representing, units in the project;

(ii) the factors that will influence the setting of such price;

(iii) how such price compares to the estimated appraised value of the ownership interests or shares;

(iv) the underwriting standard the applicant plans to use (or reasonably expects a public or private lender to use) for potential tenant purchasers;

(v) the financing arrangements the tenants are expected to pursue or be provided; and

(vi) a workable schedule of sale (subject to the limitations of section 415(m)) based on estimated tenant incomes.

(G) a description of the resources that are expected to be made available to provide the matching funding required under subsection (c) and of other resources that are expected to be made available in support of the homeownership program;

(H) identification and description of the financing proposed;

(I) the proposed sales price and terms to an entity, if any, that will purchase the property for resale to eligible families;

(J) identification and description of the entity that will operate and manage the property;

(K) a plan for—

(i) identifying and selecting eligible families to participate in the homeownership program;

(ii) providing relocation assistance to families who elect to move;

(iii) assuring continued affordability by tenants, homebuyers, and homeowners in the property;

(iv) providing ongoing training and counseling for homebuyers and homeowners; and

(v) where homebuyers or homeowners under a homeownership program are expected to receive the benefit of Federal, State, or local assistance, promoting economic self-sufficiency of homebuyers and homeowners; and

(L) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

(e) APPROVAL.—The Secretary shall notify the applicant whether the application is approved or not approved. The Secretary may approve the application for an implementation grant with a statement that the application for the section 8 assistance is conditionally approved, subject to the availability of appropriations in subsequent fiscal years.

(f) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

(1) the ability of the applicant to develop and carry out the proposed homeownership program, taking into account the quality of any related ongoing program of the applicant, and the extent of tenant interest in the development of a homeownership program and community support;

(2) the extent to which current tenants and other eligible families will be able to afford to purchase;

(3) the quality and viability of the proposed homeownership program;

(4) the extent and urgency of the need to approve the application in order to protect the opportunity to provide homeownership of units in the property;

(5) the extent to which funds for activities that do not qualify as eligible activities will be provided in support of the homeownership program; and

(6) whether the approved comprehensive housing affordability strategy for the jurisdiction within which the eligible property is located includes the proposed homeownership program as one of the general priorities identified pursuant to section 105(b)(7) of the National Affordable Housing Act.

SEC. 415. OTHER PROGRAM REQUIREMENTS AND LIMITATIONS.

(a) LOCATION WITHIN PARTICIPATING JURISDICTIONS.—The Secretary may approve applications for grants under this subtitle only for eligible properties located within the boundaries of jurisdictions that are participating jurisdictions under title III of the National Affordable Housing Act.

(b) FINANCING.—(1) The application shall identify and describe the proposed financing for (A) any rehabilitation, and (B) acquisition (i) of the property, where applicable, by a resident or other entity for transfer to eligible families, and (ii) by eligible families of ownership interests in, or shares representing, units in the property. Financing

may include use of the implementation grant, sale for cash, and other sources of financing (subject to applicable requirements), including conventional mortgage loans and mortgage loans insured under title II of the National Housing Act.

(2) Property transferred under this subtitle shall not be pledged as collateral for debt or otherwise encumbered except when the Secretary determines that—

(A) such encumbrance will not threaten the long-term availability of the property for occupancy by low-income families;

(B) the Federal Government will not be exposed to undue risks related to action that may have to be taken pursuant to paragraph (3);

(C) any debt obligation can be serviced from project income, including operating assistance that is provided in accordance with section 415; and

(D) the proceeds of such encumbrance will be used only to meet housing standards in accordance with subsection (c) or to make such additional capital improvements as the Secretary determines to be consistent with the purposes of this subtitle.

(3) Any lender that provides financing in connection with a homeownership program under this subtitle shall give the Secretary, the resident management corporation, or other appropriate entity a reasonable opportunity to cure a financial default before foreclosing on the property, or taking other action as a result of the default.

(c) HOUSING STANDARDS.—(1) Eligible properties transferred under this subtitle shall meet housing standards established by the Secretary. The Secretary, in response to a written plan contained in an application, may give an applicant a period of not to exceed 3 years (from the date the property is transferred from the Secretary or an existing owner to the applicant or another entity specified in the approved application) to meet such housing standards.

(2) Neither the Secretary nor an existing owner shall convey fee simple title to an eligible property transferred under this subtitle until the property meets the housing standards established under paragraph (1).

(d) QUALIFIED MANAGEMENT.—As a condition of approval of a homeownership program under this subtitle, the resident management corporation (or such other entity representing the interests of the tenants) shall have demonstrated its abilities to manage eligible properties by having done so effectively and efficiently for a period of not less than 3 years or by entering into a contract with a qualified management entity that meets such standards as the Secretary may prescribe to ensure that the property will be maintained in a decent, safe, and sanitary condition.

(e) ECONOMIC SELF-SUFFICIENCY PLAN.—Where a homebuyer or homeowner under a homeownership program is expected to receive the benefit of Federal, State, or local assistance, the application shall include an economic self-sufficiency plan designed to provide training, employment, and supportive services opportunities in order to eliminate the need for assistance for such persons.

(f) PREFERENCES.—In selecting eligible families for homeownership, the recipient shall give a first preference to otherwise qualified current tenants and a second preference to otherwise qualified eligible families who have completed participation in the project independence program authorized under section 14(j) of the United States Housing Act of 1937, or in another economic self-sufficiency program specified by the Secretary.

(g) COST LIMITATIONS.—The Secretary may establish cost limitations on eligible activities under this subtitle.

(h) USE OF PROCEEDS FROM SALES TO ELIGIBLE FAMILIES.—The entity that transfers ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, may use 50 percent of the proceeds, if any, from the initial sale for costs of the homeownership program, including improvements to the project, business opportunities for lower income families, and supportive services related to the homeownership program; additional homeownership opportunities; and other activities approved by the Secretary. The remaining 50 percent shall be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

(i) RESTRICTIONS ON RESALE BY HOMEOWNERS.—(1) A homeowner under a homeownership program may transfer the homeowner's interest in, or shares representing, the unit only (A) to low-income families; and (B) at a price consistent with guidelines established by the Secretary that are designed to provide the owner with a fair return on investment (subject to paragraph (2)), including any improvements, and to ensure that the housing will remain affordable to a reasonable range of low-income homebuyers.

(2) If the sale to the first eligible family is for less than fair market value, the homeownership program shall provide for appropriate restrictions to assure that an eligible family may not receive any undue profit. The plan shall provide for—

(A) authorizing the family to retain a portion of the net proceeds of the sale on a sliding scale over a 10-year period;

(B) limiting the family's consideration for its interest in the property to the total of—

(i) the contribution to equity paid by the family;

(ii) the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and

(iii) the appreciated value determined by an inflation allowance at a rate which may be based on a cost of living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity; such entity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed;

(C) execution by the initial purchaser of a promissory note equal to the difference between the market value and the purchase price, payable to the recipient or other entity designated in the homeownership plan, together with a mortgage securing the obligation of the note; or

(D) any other appropriate arrangement that the Secretary determines is adequate to prevent undue profit for at least 10 years.

(3) Upon sale, the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, shall ensure that subsequent owners are bound by the same limitations on resale and further restrictions on equity appreciation.

(4) Fifty percent of any portion of the net sales proceeds that may not be retained by the homeowner under the plan approved pursuant to paragraph (2) shall be paid to the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, for use for improvements to the project, business opportunities for lower income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary. The remaining 50 percent of such proceeds shall be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

(j) PROTECTION OF NONPURCHASING FAMILIES.—(1) No tenant residing in a dwelling unit in a property on the date the Secretary approves an application for an implementation grant may be evicted by reason of a homeownership program approved under this subtitle.

(2) If a tenant decides not to purchase a unit, or is not qualified to do so, the Secretary shall, subject to the availability of appropriations, ensure that rental assistance under section 8 is available for use by each otherwise qualified tenant in that or another property.

(3) The recipient shall also inform each such tenant that if the tenant chooses to move, the recipient will pay relocation assistance in accordance with the approved homeownership program.

(k) SALE OF ELIGIBLE PROPERTIES BY THE SECRETARY—FORECLOSURE SALES.—In connection with a foreclosure sale, the Secretary may require, as a term or condition of sale, that an eligible property be used by the purchaser, and its successors and assigns, only in accordance with a homeownership program approved under this subtitle.

(l) DOLLAR LIMITATION ON ECONOMIC DEVELOPMENT ACTIVITIES.—Not more than an aggregate of $225,000 from amounts made available under sections 413 and 414 may be used for economic development activities under sections 413(b)(5) and 414(b)(10) for any project.

(m) TIMELY HOMEOWNERSHIP.—Recipients shall transfer ownership of the property to tenants within a specified period of time that the Secretary determines to be reasonable. During the interim period when the property continues to be operated and managed as rental housing, the recipient shall utilize written tenant selection policies and criteria that are approved by the Secretary as consistent with the purpose of improving housing opportunities for very low-income families. The recipient shall promptly notify in writing any rejected applicant of the grounds for any rejection.

(n) RECORDS AND AUDIT OF RECIPIENTS OF ASSISTANCE.—(1) Each recipient shall keep such records as may reasonably be necessary to fully disclose the amount and the disposition by such recipient of the proceeds of assistance received under this subtitle (including any proceeds from financing obtained in accordance with subsection (b) or sales under subsections (h) and (i)(4)), the total cost of the homeownership program in connection with which such assistance is given or used, and the amount and nature of that portion of the program supplied by other sources, and such other sources as will facilitate an effective audit.

(2) The Secretary shall have access for the purpose of audit and examination to any books, documents, papers and records of the recipient that are pertinent to assistance received under this subtitle.

(3) The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall also have access for the purpose of audit and examination to any books, documents, papers and records of the recipient that are pertinent to assistance received under this subtitle.

(o) CERTAIN ENTITIES NOT ELIGIBLE.—Any entity that assumes, as determined by the Secretary, a mortgage covering eligible property in connection with the acquisition of the property from an owner under this section must comply with any low-income affordability restrictions for the remaining term of the mortgage. This requirement shall only apply to an entity, such as a cooperative association, that, as determined by the Secretary, intends to own the housing on a permanent basis.

SEC. 416. SECTION 8 ASSISTANCE.

(a) HOMEOWNERSHIP.—To the extent that the total income of an eligible property transferred under this subtitle is not sufficient to cover the costs of operation, the Secretary may extend existing contracts for loan management assistance under section 8(v) for a period not to exceed 5 years and, if such extensions are not sufficient, provide additional rental assistance under section 8(b)(3), subject to the availability of appropriations, to provide assistance for the operating costs of an approved homeownership program.

(b) EXCEPTION TO SECTION 8 PREFERENCE.—The requirement for giving preference to certain categories of eligible families under sections 8(d)(1)(A) and 8(o)(3) shall not apply to the provision of assistance to a family residing in a dwelling unit in an eligible project on the date the Secretary approves an application for an implementation grant.

SEC. 417. DEFINITIONS.

For purposes of this title—

(1) The term "applicant" means the following entities that may represent the tenants of the housing: a resident management corporation or a resident council, established in accordance with requirements of the Secretary; a cooperative association; or a public or private nonprofit organization; a public body (including an agency or instrumentality thereof); or a public housing agency (including an Indian housing authority). For purposes of technical assistance grants under section 412, the term "applicant" also means any other entity determined to be suitable by the Secretary to receive a grant and to provide training and technical assistance to potential applicants for homeownership programs under this subtitle or to other entities interested in developing other homeownership opportunities involving eligible property.

(2) The term "eligible family" means a family or individual who is a tenant of the eligible property on the date the Secretary approves an implementation grant or who is a lower income family.

(3) The term "eligible property" means a multifamily rental property, containing five or more units, that is (A) owned by the Secretary and was financed by a loan or mortgage that was insured or held by the Secretary under the National Housing Act or by a loan held by the Secretary under section 312 of the Housing Act of 1964; (B) financed by a loan or mortgage that is held by the Secretary and was insured by the Secretary under such Act; or (C) determined by the Secretary to have serious physical or financial problems under the terms of such an insurance or loan program. For purposes of technical assistance grants under section 412, the term "eligible property" also means single family property, containing no more than four units, owned by the Secretary and eligible low-income housing, as defined in the Low-Income Housing Preservation and Resident Homeownership of 1990.

(4) The term "homeownership program" means a program providing for acquisition by eligible families of ownership interest in, or shares representing, the units in an eligible property under any arrangement determined by the Secretary to be appropriate, such as cooperative ownership (including limited equity cooperative ownership) and fee simple ownership (including condominium ownership), for occupancy by the eligible families.

(5) The term "Indian housing authority" has the meaning given such term in section 3(b)(11) of the United States Housing Act of 1937.

(6) The term "low income family" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(7) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

(8) The term "recipient" means an applicant approved to receive a grant under this subtitle or such other entity specified in the approved application that will assume the obligations of the recipient under this subtitle.

(9) The term "resident council" means any incorporated nonprofit organization or association that—

(A) is representative of the tenants of the housing;

(B) adopts written procedures providing for the election of officers on a regular basis; and

(C) has a democratically elected governing board, elected by the tenants of the housing.

(10) The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 418. ANNUAL REPORT.

The Secretary shall annually submit to the Congress a report setting forth—

(1) the number, type and cost of eligible properties transferred pursuant to this subtitle;

(2) the income, race, gender, children and other characteristics of families participating (or not participating) in homeownership programs funded under this subtitle;

(3) the amount and type of financial assistance provided under and in conjunction with this subtitle;

(4) the amount of financial assistance provided under this subtitle that was needed to ensure continued affordability and meet future maintenance and repair costs; and

(5) the recommendations of the Secretary for statutory and regulatory improvements to the program.

SEC. 419. LIMITATION.

Any authority of the Secretary under this subtitle to provide financial assistance, or to enter into contracts to provide financial assistance, shall be effective only to such extent or in such amounts as are or have been provided in advance in an appropriation Act.

SEC. 420. EXEMPTION.

Eligible property covered by a homeownership program approved under this subtitle shall not be subject to (1) the Low-Income Housing Preservation and Resident Homeownership Act of 1990, or (2) the requirements of section 203 of the Housing and Community Development Amendments of 1978 applicable to the sale of projects either at foreclosure or after acquisition by the Secretary.

SEC. 421. RELATED NATIONAL HOUSING ACT AMENDMENT.

Section 203(b)(9) of the National Housing Act is amended by inserting after "Housing Act of 1961," the following: "or with respect to a mortgage covering a single family home in connection with a homeownership program under title IV of the National Affordable Housing Act,".

SEC. 422. RELATED SECTION 9 AMENDMENT.

Section 8(b) of the United States Housing Act of 1937 is amended by adding at the end the following new paragraph:

"(3) The Secretary is authorized to enter into a contract for assistance payments with an owner of eligible property transferred in accordance with subtitle B of title IV of the National Affordable Housing Act to provide assistance for the operating costs of an approved homeownership program. Each contract entered into under this section shall be for a term of not more than 60 months.".

SEC. 423. IMPLEMENTATION.

Not later than 120 days after the date funds authorized under this subtitle first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this subtitle. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period following the date of the notice.

Subtitle C—HOPE for Homeownership Through Nonprofit Organizations

SEC. 431. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary is authorized to make implementation grants to enable applicants to carry out homeownership programs in accordance with this subtitle.

(b) AUTHORITY TO RESERVE HOUSING ASSISTANCE.—In connection with a grant under this section which will be used for a homeownership program covering an occupied eligible property, the Secretary may reserve authority to provide assistance under section 9 of the United States Housing Act of 1937 to the extent necessary to provide rental assistance for a non-purchasing tenant who resides in the property on the date the Secretary approves the application for an implementation grant, for use by the tenant in that or another property.

(c) AUTHORIZATION.—There are authorized to be appropriated for grants under this subtitle $25,000,000 for fiscal year 1991, $35,000,000 for fiscal year 1992, and $45,000,000 for fiscal year 1993. Sums appropriated pursuant to this subsection shall remain available until expended.

SEC. 432. IMPLEMENTATION GRANTS.

(a) GRANTS.—The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out homeownership programs approved under this subtitle.

(b) ELIGIBLE ACTIVITIES.—Implementation grants may be used for the following activities—

(1) architectural and engineering work;

(2) acquisition of the property for the purpose of transferring ownership to eligible

families in accordance with an approved homeownership program;

(3) rehabilitation of the property covered by the homeownership program, in accordance with standards established by the Secretary;

(4) administrative costs of the applicant and any charges by the applicant for developing and carrying out the homeownership program;

(5) legal fees;

(6) counseling and training of homebuyers and homeowners under the homeownership program;

(7) defraying costs related to ongoing training needs of the recipient that are related to developing and carrying out the homeownership program;

(8) defraying costs related to relocation of tenants who elect to move;

(9) defraying costs related to any necessary temporary relocation of tenants during rehabilitation; and

(10) funding of replacement reserves of the property covered by the homeownership program.

(c) MATCHING FUNDING.—(1) Each recipient shall assure that contributions equal to not less than 25 percent of the grant amounts under this section are provided from non-Federal sources to carry out the homeownership program.

(2) Such contributions may be in the form of—

(A) cash contributions from non-Federal resources which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(B) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, including funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(C) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that facilitates the implementation of a homeownership program assisted under this subtitle;

(D) the value of investment in on-site and off-site infrastructure required for a homeownership program assisted under this subtitle; or

(E) such other in-kind contributions as the Secretary may approve.

Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of the total amount of grants made available under this section.

(d) APPLICATION.—(1) An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) The Secretary shall require that an application contain at a minimum—

(A) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that (i) the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located and (ii) the matching fund required under subsection (c) shall be provided;

(B) a request for an implementation grant, specifying the amount of the grant requested;

(C) where section 8 assistance is to be used, (i) a certification from the applicant that it has entered into an agreement with a public housing agency under which the agency has agreed to apply for and administer any necessary section 8 assistance for use under the homeownership program; or (ii) an application from a public housing agency for assistance under section 9 of the United States Housing Act of 1937, specifying the proposed uses of such assistance and the period during which the assistance will be needed;

(D) a description of the qualifications and experience of the applicant in providing lower income housing; and where the applicant is a private nonprofit organization, a statement from the State or unit of general local government endorsing the application;

(E) a description of the proposed homeownership program, consistent with section 422 and the other requirements of this subtitle (i) specifying the activities proposed to be carried out and their estimated costs (including an estimated range of acquisition and rehabilitation costs), (ii) identifying the area proposed to be served, (iii) demonstrating the financial affordability of the program, and (iv) identifying the schedule for carrying out the proposed program;

(F) where properties are occupied by tenants, a workable plan for giving all tenants an opportunity to become owners, which plan shall identify—

(i) the price at which the applicant intends to transfer ownership interest in or shares representing, the unit or units in the project;

(ii) the factors that will influence the setting of such price;

(iii) how such price compares to the estimated appraised value of the ownership interests or shares;

(iv) the underwriting standard the applicant plans to use (or reasonably expects a public or private lender to use) for potential tenant purchasers;

(v) the financing arrangements the tenants are expected to pursue or be provided; and

(vi) a workable schedule of sale (subject to the limitations of section 414(m)) based on estimated tenant incomes;

(G) a description of the types of properties to be covered by the homeownership program (identifying the current owners, in the case of eligible property as defined in sections 424(3) (A) and (B), and demonstrating that it appears feasible to acquire eligible property from the owners), and a description of the composition of potential eligible families, including family size and income;

(H) a description of the resources that are ex- pected to be made available to provide the matching funding required under subsection (c);

(I) identification and description of the financing proposed;

(J) a plan for—

(i) identifying and selecting eligible families to participate in the homeownership program;

(ii) providing relocation assistance to families who elect to move; and

(iii) assuring continued affordability by tenants, homebuyers, and homeowners in the property; and

(K) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

(e) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this subtitle, which shall include—

(1) the ability of the applicant to develop and carry out the proposed homeownership program, taking into account the qualifications and experience of the applicant and the quality of any related ongoing program of the applicant;

(2) the quality and viability of the proposed homeownership program;

(3) the extent to which suitable eligible property is available for use under the program in the area to be served, and the extent to which the types of property expected to be covered by the proposed homeownership program are federally owned; and

(4) whether the approved comprehensive housing affordability strategy for the jurisdiction within which the eligible property is located includes the proposed homeownership program as one of the general priorities identified pursuant to section 105(b)(7) of the National Affordable Housing Act.

SEC. 433. OTHER PROGRAM REQUIREMENTS AND LIMITATIONS.

(a) HOMEOWNERSHIP PROGRAM.—A homeownership program under this subtitle shall provide for—

(1) the recipient to acquire the eligible property and to reimburse the seller;

(2) the eligible family to acquire an ownership interest in, or shares representing, the unit from the recipient only if the unit meets housing standards established by the Secretary;

(3) the eligible family to make payments towards the costs of homeownership in accordance with the affordability standards set forth in the homeownership program;

(4) the eligible family to make or cause to be made repairs and improvements required to (A) correct all defects that pose a substantial danger to health and safety within one year, (B) make such repairs and improvements to the property as may be necessary to meet housing standards established by the Secretary within three years, and (C) permit reasonable periodic inspections at reasonable times by the unit of general local government or the recipient; and

(5) the recipient to convey fee simple title to, or shares representing, the unit, upon compliance by the family with the requirements of paragraph (4) and any other requirements specified by the Secretary.

(b) PREFERENCES.—In selecting eligible families for homeownership, the recipient shall give a first preference to otherwise qualified current tenants and a second preference to otherwise qualified eligible families who participate in the project independence program under section 14(j) of the United States Housing Act of 1937 or another economic self-sufficiency program specified by the Secretary.

(c) COST LIMITATIONS.—The Secretary may establish cost limitations on eligible activities under this subtitle.

(d) RESALE BY HOMEOWNERS.—(1) A homeowner under a homeownership program may transfer the homeowner's interest in, or shares representing, the unit only (A) to low-income families; and (B) at a price consistent with guidelines established by the Secretary that are designed to provide the owner with a fair return on investment (subject to paragraph (2)), including any improvements, and to ensure that the housing will remain affordable to a reasonable range of low-income homebuyers.

(2) If the sale to the first eligible family is for less than market value, the homeownership program shall provide for appropriate restrictions to assure that an eligible family

may not receive any undue profit. The plan shall provide for—

(A) authorizing the family to retain a portion of the net proceeds of the sale on a sliding scale over a 10-year period;

(B) limiting the family's consideration for its interest in the property to the total of—

(i) the contribution to equity paid by the family;

(ii) the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and

(iii) the appreciated value determined by an inflation allowance at a rate which may be based on a cost of living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity, such equity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed;

(C) execution by the initial purchaser of a promissory note equal to the difference between the market value and the purchase price, payable to the recipient or other entity designated in the homeownership plan, together with a mortgage securing the obligation of the note; or

(D) any other appropriate arrangement that the Secretary determines is adequate to prevent undue profit.

(3) Upon sale, the entity that transferred ownership interests in, or shares representing, unity to eligible families, or another entity specified in the approved application, shall ensure that subsequent owners are bound by the same limitations on resale and further restrictions on equity appreciation.

(4) In the case of multifamily projects, 50 percent of any portion of the net sales proceeds that may not be retained by the homeowner under the plan approved pursuant to paragraph (3) shall be paid to the recipient, for use by the recipient for eligible activities under this subtitle. The remaining 50 percent of such proceeds shall be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

(e) PROTECTION OF NONPURCHASING FAMILIES.—(1) No tenant residing in a dwelling unit in a property on the date the Secretary approves an application for an implementation grant may be evicted by reason of a homeownership program approved under this subtitle. If the tenant decides not to purchase a unit, or is not qualified to do so, the Secretary shall, subject to the availability of appropriations, ensure that rental assistance under section 8 is available for use by each otherwise qualified tenant (who meets the eligibility requirements under such section).

(2) The recipient shall also inform each such tenant that if the tenant chooses to move, the recipient will pay relocation assistance in accordance with the approved homeownership program.

SEC. 434. EXCEPTION TO SECTION 8 PREFERENCE.

The requirement for giving preference to certain categories of eligible families under sections 8(d)(1)(A) and 8(o)(3) shall not apply to the provision of assistance to a family residing in a dwelling unit in an eligible property on the date the Secretary approves an application for an implementation grant.

SEC. 435. DEFINITIONS.

For purposes of this title—

(1) The term "applicant" means (A) a private nonprofit organization, or (B) a public agency (including an agency or instrumentality thereof) in cooperation with a private nonprofit organization.

(2) The term "eligible family" means a family or individual who is a lower income family and who does not currently own a home.

(3) The term "eligible property" means (A) a single family property, containing no more than four units, owned by the Secretary, the Secretary of Veterans Affairs, the Secretary of Agriculture, the Resolution Trust Corporation, a State or local government, or a public housing agency (including an Indian housing authority), (B) a multifamily property, containing five or more units, that is owned by any public entity specified in subparagraph (A), other than by the Secretary or a public housing agency, or (C) manufactured housing owned by the Secretary.

(4) The term "homeownership program" means a program providing for acquisition by eligible families of ownership interests in, or shares representing, units in an eligible property under any arrangement determined by the Secretary to be appropriate, such as cooperative ownership (including limited equity cooperative ownership) and fee simple ownership (including condominium ownership), for occupancy by the eligible families.

(5) The term "Indian housing authority" has the meaning given such term in section 3(b)(11) of the United States Housing Act of 1937.

(6) The term "low income family" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(7) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

(8) The term "recipient" means an applicant approved to receive a grant under this title.

(9) The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 436. IMPLEMENTATION.

Not later than 120 days after the date funds authorized under this subtitle first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this subtitle. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period following the date of the notice.

TITLE V—AFFORDABLE RENTAL HOUSING

Subtitle A—Preservation of Affordable Rental Housing

SEC. 501. MANAGEMENT AND PRESERVATION OF FEDERALLY ASSISTED HOUSING.

(a) SECTION 236.—Section 236(f) of the National Housing Act is amended by adding the following new paragraph after paragraph (4):

"(5)(A) Notwithstanding paragraph (1), tenants whose incomes exceed 80 percent of area median income shall pay as rent the lower of the following amounts: (A) 30 percent of the family's adjusted monthly income; or (B) the relevant fair market rental established under section 8(b) of the United States Housing Act of 1937 for the jurisdiction in which the housing is located.

"(B) An owner shall phase in any increase in rents for current tenants resulting from subparagraph (A). Rental charges collected in excess of the basic rental charges shall continue to be credited to the reserve fund described in subsection (g)(1).".

(b) SECTION 221.—Section 221 of the National Housing Act is amended by inserting the following after subsection (k):

"(l)(1) Notwithstanding any other provision of law, tenants residing in eligible multifamily housing whose incomes exceed 80 percent of area median income shall pay as rent not more than the lower of the following amounts: (A) 30 percent of the family's adjusted monthly income; or (B) the relevant fair market rental established under section 8(b) of the United States Housing Act of 1937 for the jurisdiction in which the housing is located. An owner shall phase in any increase in rents for current tenants resulting from this subsection.

"(2) For purposes of this subsection, the term 'eligible multifamily housing' means any housing financed by a loan or mortgage that is (A) insured or held by the Secretary under subsection (d)(3) and assisted under section 101 of the Housing and Urban Development Act of 1965 or section 8 of the United States Housing Act of 1937; or (B) insured or held by the Secretary and bears interest at a rate determined under the proviso of subsection (d)(5).".

SEC. 502. FLEXIBLE SUBSIDY PROGRAM.

(a) EXTENSION.—Section 236(f)(3) of the National Housing Act is amended by striking "September 30, 1991" and inserting "September 30, 1993".

(b) AUTHORIZATION.—Section 201(j) of the National Housing Act is amended by adding at the end the following paragraph:

"(5) There are authorized to be appropriated for assistance under the flexible subsidy Fund not to exceed $50,000,000 for fiscal year 1991, $52,000,000 for fiscal year 1992, and $54,080,000 for fiscal year 1993.".

SEC. 503. PRESERVATION OF LOW-INCOME HOUSING AND RESIDENT HOMEOWNERSHIP.

(a) IN GENERAL.—Subtitles A and B of the Emergency Low Income Housing Preservation Act of 1987 are amended to read as follows:

"TITLE II—PRESERVATION OF LOW-INCOME HOUSING AND RESIDENT HOMEOWNERSHIP

"Subtitle A—Short Title

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Low-Income Housing Preservation and Resident Homeownership Act of 1990'.

"Subtitle B—Prepayment of Mortgages Insured Under the National Housing Act and Resident Homeownership

"SEC. 221. GENERAL PREPAYMENT LIMITATION.

"An owner of eligible low-income housing may prepay, and a mortgagee may accept prepayment of, a mortgage on such housing only in accordance with a plan of action approved by the Secretary under this subtitle. An insurance contract with respect to eligible low-income housing may be terminated pursuant to section 229 of the National Housing Act ('voluntary termination') only in accordance with a plan of action approved by the Secretary under this subtitle. A mortgagee may not foreclose the mortgage on, or acquire by deed in lieu of foreclosure, any eligible low-income housing project without the approval of the Secretary.

"SEC. 222. NOTICE OF INTENT.

"(a) FILING WITH THE SECRETARY.—An owner of eligible low-income housing that intends to terminate the low-income affordability restrictions through prepayment or voluntary termination in accordance with section 224 or seeks to extend the low-income affordability restrictions of the housing in accordance with section 225, or transfer the housing to a qualified purchaser in accordance with section 226, shall file with the Secretary a notice indicating this intent in such form and manner as the Secretary shall prescribe. An owner shall not be eligible to file a notice of intent under this subsection if—

"(1) the mortgage covering the housing falls into default on or after the effective date of the National Affordable Housing Act; or

"(2)(A) the mortgage covering the housing fell into default before, but is current as of, that date; and

"(B) the owner does not agree to recompense, in such amount as the Secretary may determine, the appropriate Insurance Fund for any losses sustained by the Fund as a result of any work-out or other arrangement agreed to by the Secretary and the owner with respect to the defaulted mortgage.

"(b) FILING WITH THE STATE OR LOCAL GOVERNMENT; COPY TO TENANTS.—The owner shall simultaneously file the notice of intent with the office of the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located, and advise the tenants of the housing.

"SEC. 223. INFORMATION FROM THE SECRETARY; PLAN OF ACTION.

"(a) INFORMATION FROM THE SECRETARY.—

"(1) TO OWNER.—Within 6 months of receipt of a notice of intent under section 222 the Secretary shall provide the owner with such information as the owner needs to prepare a plan of action. In the case of an owner seeking to terminate the low-income affordability restrictions of the housing, this information shall include a description of the criteria specified under section 224 and the documentation required to satisfy such criteria. In the case of an owner seeking to extend the low-income affordability restrictions of the housing or transfer the housing to a qualified purchaser, this information shall include (A) notice of the housing's preservation value as calculated in accordance with section 228; and (B) a description of the Federal incentives authorized under sections 225 and 226 of this title.

"(2) TO TENANTS.—The Secretary shall make the information referred to in paragraph (1), as well as other information related to the rights and opportunities of the tenants, available to the tenants of the housing.

"(b) SUBMISSION OF PLAN OF ACTION.—

"(1) TIME FOR SUBMISSION.—Within 6 months of receipt of the information from the Secretary under subsection (a), the owner may submit the plan of action to the Secretary in such form and manner as the Secretary shall prescribe.

"(2) COPIES OF PLAN.—If the owner submits a plan to the Secretary under paragraph (1), the owner shall also submit a copy to the tenants of the housing. The owner shall simultaneously submit the plan of action to the office of the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located. An appropriate agency of such State or local government shall review the plan and advise the tenants of the housing of any programs that are available to assist the tenants in carrying out the purposes of this title.

"(3) FAILURE TO SUBMIT A PLAN.—If the owner does not submit a plan of action to the Secretary within the 6-month period referred to in paragraph (1) (or such longer period as the Secretary determines to be appropriate where the owner seeks to transfer the housing to a qualified purchaser), the notice of intent shall be null and void and the owner may not submit another notice of intent under section 222 for 6 additional months.

"(c) CONTENTS.—(1) If the notice of intent seeks to terminate the low-income affordability restrictions through prepayment or voluntary termination in accordance with section 224, the plan of action shall include—

"(A) a description of any proposed changes in the status or terms of the mortgage or regulatory agreement;

"(B) a description of any proposed changes in the low-income affordability restrictions;

"(C) a description of any change in ownership that is related to prepayment or voluntary termination;

"(D) an assessment of the effect of the proposed changes on existing tenants;

"(E) an analysis of the effect of the proposed changes on the supply of housing affordable to low and very low-income families or persons in the community within which the housing is located and in the area that the housing could reasonably be expected to serve; and

"(F) any other information that the Secretary determines is necessary to achieve the purposes of this title.

"(2) If the notice of intent seeks to extend the low-income affordability restrictions of the housing in accordance with section 225 or transfer the housing to a qualified purchaser in accordance with section 226, the plan of action shall include—

"(A) a description of any proposed changes in the status or terms of the mortgage or regulatory agreement;

"(B) a description of the Federal incentives requested including cash flow projections, and analyses of how the owner will address any physical or financial deficiencies and maintain the low-income affordability restrictions of the housing;

"(C) a description of any assistance that could be provided by State or local government agencies, as determined by prior consultation between the owner and the agencies; or

"(D) any other information that the Secretary determines is necessary to achieve the purposes of this title.

"(d) REVISIONS.—The owner may from time to time revise and amend the plan of action as may be necessary to obtain approval of the plan under this subtitle. The owner shall submit any revision to the Secretary and to the tenants of the housing.

"SEC. 224. PREPAYMENT AND VOLUNTARY TERMINATION.

"The Secretary may approve a plan of action that seeks termination of the low-income affordability restrictions through prepayment or voluntary termination only upon a written finding that—

"(1) implementation of the plan of action will not materially increase economic hardship for current tenants (and will not in any event result in (A) a monthly rental payment by a current tenant that exceeds 30 percent of the monthly adjusted income of the tenant or an increase in the monthly rental payment in any year that exceeds 10 percent (whichever is lower), or (B) in the case of a current tenant who already pays more than such percentage, an increase in the monthly rental payment in any year that exceeds the increase in the Consumer Price Index or 10 percent (whichever is lower)) or involuntarily displace current tenants (except for good cause) where comparable and affordable housing is not readily available determined without regard to the availability of Federal housing assistance that would address any such hardship or involuntary displacement; and

"(2) the supply of vacant, comparable housing is sufficient to ensure that such prepayment will not materially affect—

"(A) the availability of decent, safe, and sanitary housing affordable to low-income and very low-income families or persons in the area that the housing could reasonably be expected to serve;

"(B) the ability of low-income and very low-income families or persons to find affordable, decent, safe, and sanitary housing near employment opportunities; or

"(C) the housing opportunities of minorities in the community within which the housing is located.

"SEC. 225. INCENTIVES TO EXTEND LOW-INCOME USE.

"(a) AGREEMENTS BY SECRETARY.—After receiving a plan of action from an owner of eligible low-income housing that includes the owner's plan to extend the low-income affordability restrictions of the housing, the Secretary shall, subject to the availability of appropriations for such purpose, enter into such agreements as are necessary to satisfy the criteria for approval under section 227.

"(b) PERMISSIBLE INCENTIVES.—Such agreements may include one or more of the following incentives that the Secretary, after taking into account local market conditions, determines to be necessary to provide an annual return equal to 8 percent of the owner's equity in the housing (the preservation value established under section 228 minus the outstanding balance on the HUD-assisted mortgage):

"(1) Increased access to residual receipts accounts.

"(2) Subject to the availability of amounts provided in appropriations Acts—

"(A) an increase in the rents permitted under an existing contract under section 8 of the United States Housing Act of 1937, or

"(B) additional assistance under section 8 or an extension of any project-based assistance attached to the housing.

"(3) An increase in the rents on units occupied by current tenants as permitted under section 227.

"(4) Financing of capital improvements under section 201 of the Housing and Community Development Amendments of 1978.

"(5) Financing of capital improvements through provision of insurance for a second mortgage under section 241 of the National Housing Act.

"(6) In the case of housing defined in section 233(a)(A)(iii), redirection of the Interest Reduction Payment subsidies to a second mortgage.

"(7) Other incentives authorized in law.

"SEC. 226. INCENTIVES TO TRANSFER THE HOUSING TO QUALIFIED PURCHASERS.

"(a) IN GENERAL.—Where the notice of intent submitted by the owner under section 222 indicates an intention to transfer the housing to a qualified purchaser, the owner shall, prior to offering to sell the housing to any qualified purchaser, give priority purchasers a right of first offer to purchase the housing in accordance with subsection (b).

"(b) RIGHT OF FIRST OFFER.—(1) For the 3-month period following receipt of a notice of intent submitted by an owner under section 222, priority purchasers shall have an opportunity to give a written notice to the owner and the Secretary stating their interest in acquiring the housing ('expression of interest'). Such written notice shall be in such form and include such information as the Secretary may prescribe.

"(2) Within 30 days of receipt of an expression of interest by a priority purchaser, the Secretary shall provide such purchaser with information on the assistance available from the Federal Government to facilitate a transfer and the owner shall provide appropriate information on the housing, to be determined by the Secretary. Priority purchasers shall have 9 months from the date of receipt of such information to negotiate a purchase with the owner and submit (with the owner) a plan of action requesting assistance under subsection (d).

"(c) OFFERS TO PURCHASE.—In the event that (1) no priority purchasers submit a timely expression of interest in acquiring the housing as provided in subsection (b); or (2) the owner is unable to reach agreement on the terms of a sale with any priority purchaser after the 9-month negotiation period has expired, the owner shall be free to offer to sell the housing to any other qualified purchaser.

"(d) ASSISTANCE.—(1) The Secretary shall approve a plan of action requesting assistance submitted by an owner and a qualified purchaser only if residents of the housing who comprise at least 50 percent of the units in the housing support such transfer. Where the qualified purchaser is a resident council, the Secretary shall, prior to approval, find that the council's proposed resident homeownership program meets the requirements specified in section 230. For all other qualified purchasers, the Secretary shall, prior to approval, find that the criteria of approval specified in section 227 have been satisfied.

"(2) The Secretary shall, for approvable plans of action, provide assistance sufficient to enable qualified purchasers to (A) acquire the eligible low-income housing from the current owner for a purchase price equal to the preservation value of the housing; (B) rehabilitate the housing up to housing standards established for this subtitle; and (C) establish adequate operating and replacement reserves. In the case of an approved resident homeownership program, the Secretary shall also provide assistance to cover the costs of training for the resident council, homeownership counseling and training, the fees for the nonprofit entity or public agency working with the resident council and costs related to relocation of tenants who elect to move.

"(3)(A) Where the qualified purchaser is a priority purchaser, the Secretary may provide assistance (in the form of a grant) for each unit in the housing in an amount, as determined by the Secretary, that is no greater than the present value of the total of the projected published fair market rents for existing housing established by the Secretary under section 8(c) of the United States Housing Act of 1937 for the next 10 years (or such longer period if additional assistance is necessary to cover the costs referenced under paragraph (2)).

"(B) For all qualified purchasers, the Secretary may provide assistance for an approved application in the form of one or more of the incentives authorized under section 225(b). The Secretary may also provide insurance for a second mortgage under subsections (d) and (f) of section 241 of the National Housing Act for purposes of acquisition and rehabilitation.

"(5)(A) For purposes of this title, the term 'priority purchaser' means (i) a resident council organized to acquire the housing in accordance with a resident homeownership program that meets the requirements of section 228; and (ii) qualified nonprofit organizations dedicated to the promotion of affordable housing and State and local agencies that agree to maintain low-income affordability restrictions for the remaining useful life of the housing.

"(B) The term 'qualified purchaser' includes priority purchasers and for-profit entities that agree to maintain low-income affordability restrictions for the remaining useful life of the housing.

"SEC. 227. CRITERIA FOR APPROVAL OF PLAN OF ACTION INVOLVING INCENTIVES.

"(a) IN GENERAL.—The Secretary may approve a plan of action that describes the owner's plan to extend the low-income affordability restrictions of the housing or transfer the housing to a qualified purchaser (other than a resident council) only upon finding that—

"(1) due diligence has been given to ensuring that the package of incentives is, for the Federal government, the least costly alternative that is consistent with the full achievement of the purposes of this title;

"(2) binding commitments have been made to ensure that—

"(A) the housing will be retained as housing affordable for very low-income families or persons, low income families or persons, and moderate-income families or persons for the remaining useful life of such housing;

"(B) throughout such period, adequate expenditures will be made for maintenance and operation of the housing;

"(C) current tenants will not be involuntarily displaced (except for good cause);

"(D) any increase in rent contributions for current tenants will be to a level that does not exceed 30 percent of the adjusted income of the tenant or the published existing fair market rent for comparable housing established under section 8(c) of the United States Housing Act of 1937, whichever is lower (current tenants shall not qualify for a reduction in rent contributions by reason of this subparagraph);

"(E)(i) any resulting increase in rents for current tenants (except for increases made necessary by increased operating costs)—

"(I) shall be phased in equally over a period of not less than 3 years, if such increase is 30 percent or more; and

"(II) shall be limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent; and

"(ii) assistance under section 8 of the United States Housing Act of 1937 shall be provided if necessary to mitigate any adverse effect on current income-eligible tenants; and

"(F)(i) rents for units becoming available to new tenants shall be at levels approved by the Secretary that will ensure, to the extent practicable, that the units will be available and affordable to the same proportions of very low-income families or persons, low income families or persons, and moderate income families or persons (including families or persons whose incomes are 95 percent or more of area median income) as resided in the housing as of January 1, 1987 (based on the area median income limits established by the Secretary in February, 1987), or the date the plan of action is approved, whichever date results in the highest proportion of very low-income families, except that this limitation shall not prohibit a higher proportion of very low-income families from occupying the housing; and

"(ii) in approving rents under this paragraph, the Secretary shall take into account any additional incentives provided under this subtitle and shall make provision for such annual rent adjustments as may be made necessary by future reasonable increases in operating costs; and

"(3) no incentives under sections 225 and 226 will go into effect until the Secretary determines the project meets housing standards established by the Secretary, except that incentives under such sections and other incentives designed to correct deficiencies in the project may be provided.

"(b) SECTION 8 RENTAL ASSISTANCE.—When providing rental assistance under section 8, the Secretary may enter into a contract with an owner, contingent upon the future availability of appropriations for the purpose of renewing expiring contracts for rental assistance as provided in appropriations Acts, to extend the term of such rental assistance for such additional period or periods as is necessary to carry out an approved plan of action. The contract and the approved plan of action shall provide that, if the Secretary is unable to extend the term of such rental assistance or is unable to develop a revised package of incentives providing benefits to the owner comparable to those received under the original approved plan of action, the Secretary, upon the request of the owner, shall take the following actions (subject to the limitations under the following paragraphs):

"(1) Modify the binding commitments made pursuant to subsection (a) that are dependent on such rental assistance.

"(2) Terminate the plan of action and any implementing use agreements or restrictions, but only if the owner agrees in writing to take the actions specified in the plan to ensure that any tenants displaced are relocated to affordable housing.

At least 30 days before making a request under the preceding sentence, an owner shall notify the Secretary of the owner's intention to submit the request. The Secretary shall have a period of 90 days following receipt of such notice to take action to extend the rental assistance contract and to continue the binding commitments under subsection (a).

"(c) RELOCATION OF DISPLACED TENANTS.—Any plan of action that includes incentives shall specify actions that the Secretary and the owner shall take to ensure that any tenants displaced as a result of modifications taken pursuant to subsection (b) are relocated to affordable housing.

"(d) AFFORDABILITY.—Agreements to maintain the low-income affordability restrictions for the remaining useful life of the housing may be made through execution of a new regulatory agreement, modifications to the existing regulatory agreement or mortgage, or, in the case of the prepayment of a mortgage or voluntary termination of mortgage insurance, a recorded instrument.

"SEC. 228. PRESERVATION VALUE.

"(a) IN GENERAL.—The preservation value of eligible low-income housing under this subtitle shall be an amount equal to the fair market value of the housing as multifamily rental housing, as calculated in accordance with subsection (b).

"(b) FAIR MARKET VALUE DETERMINATION.—(1) The fair market value of the housing shall be determined by two independent ap-

praisers, one of whom shall be selected by the Secretary and one of whom shall be selected by the owner. If the two appraisers fail to agree on the fair market value, the Secretary and the owner shall jointly select a third appraiser, whose appraisal shall be binding on the parties.

"(2) The Secretary shall provide written guidelines for appraisals of fair market value under this section, which shall assume repayment of the existing HUD-assisted mortgage, termination of the existing low-income affordability restrictions and conversion to market rate, multifamily rental housing. Such guidelines shall establish methods for (A) determining rehabilitation expenditures that would be necessary to bring the housing up to quality standards required to attract and sustain a market rate tenancy upon conversion and (B) assessing other costs that the owner could reasonably be expected to incur if the owner converted the property to market rate, multifamily rental housing. The guidelines may permit reliance upon assessments of rehabilitation needs and other conversion costs determined by an appropriate State agency, as determined by the Secretary. The value of the property calculated in accordance with the guidelines shall be discounted by such percentage as the Secretary determines to be an appropriate adjustment to reflect the residual value of the prior Federal assistance in the development, operation and maintenance of the housing.

"(3) The Secretary may approve a plan of action under section 225 or section 226 only based upon an appraisal conducted in accordance with this section that is not more than one year old.

"SEC. 229. TIMETABLE FOR APPROVAL OF PLAN OF ACTION.

"(a) NOTIFICATION OF DEFICIENCIES.—Not later than 60 days after receipt of a plan of action, the Secretary shall notify the owner in writing of any deficiencies that prevent the plan of action from being approved. If deficiencies are found, such notice shall describe alternative ways in which the plan could be revised to meet the criteria for approval.

"(b) NOTIFICATION OF APPROVAL.—

"(1) IN GENERAL.—Not later than 180 days after receipt of a plan of action, or such longer period as the owner requests, the Secretary shall notify the owner in writing whether the plan of action, including any revisions, is approved. If approval is withheld, the notice shall describe—

"(A) the reasons for withholding approval; and

"(B) the actions that could be taken to meet the criteria for approval.

"(2) OPPORTUNITY TO REVISE.—The Secretary shall subsequently give the owner a reasonable opportunity to revise the plan of action and seek approval.

"SEC. 230. RESIDENT HOMEOWNERSHIP PROGRAM.

"(a) FORMATION OF RESIDENT COUNCIL.—Tenants seeking to purchase eligible low-income housing in accordance with section 226 shall organize a resident council for the purpose of developing a resident homeownership program in accordance with standards established by the Secretary. The resident council shall work with a public or private nonprofit organization or a public body (including an agency or instrumentality thereof). Such organization or public body shall have experience that will enable it to help the tenants consider their options and to develop the capacity necessary to own and manage the housing, where appropriate, and shall be approved by the Secretary.

"(b) OTHER PROGRAM REQUIREMENTS AND LIMITATIONS.—

"(1) SALES TO RESIDENTS.—As a condition of approval of a homeownership program under this subtitle, the resident council shall prepare a workable plan acceptable to the Secretary for giving all residents an opportunity to become owners, which plan shall identify—

"(A) the price at which the resident council intends to transfer ownership interests in, or shares representing, units in the housing;

"(B) the factors that will influence the setting of such price;

"(C) how such price compares to the estimated appraised value of the ownership interests or shares;

"(D) the underwriting standard the resident council plans to use (or reasonably expects a public or private lender to use) for potential tenant purchasers;

"(E) the financing arrangements the tenants are expected to pursue or be provided; and

"(F) a workable schedule of sale (subject to the limitations of paragraph (8)) based on estimated tenant incomes.

"(2) APPROVAL OF METHOD OF CONVERSION.—The Secretary shall approve the method for converting the housing to homeownership, which may involve acquisition of ownership interests in, or shares representing, the units in a project under any arrangement determined by the Secretary to be appropriate, such as cooperative ownership (including limited equity cooperative ownership) and fee simple ownership (including condominium ownership).

"(3) REQUIRED CONDITIONS.—The Secretary shall require that the form of homeownership impose appropriate conditions, including conditions to assure that—

"(A) the number of initial owners that are very low-income, lower income, or moderate-income persons at initial occupancy meet standards required or approved by the Secretary;

"(B) occupancy charges payable by the owners meet requirements established by the Secretary;

"(C) the aggregate incomes of initial and subsequent owners and other sources of funds for the project are sufficient to permit occupancy charges to cover the full operating costs of the housing and any debt service; and

"(D) each initial owner occupies the unit it acquires.

"(4) USE OF PROCEEDS FROM SALES TO ELIGIBLE FAMILIES.—The entity that transfers ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, may use 50 percent of the proceeds, if any, from the initial sale for costs of the homeownership program, including improvements to the project, operating and replacement reserves for the project, additional homeownership opportunities in the project; and other project-related activities approved by the Secretary. The remaining 50 percent of such proceeds shall be returned to the Secretary for use under section 226, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

"(5) RESTRICTIONS ON RESALE BY HOMEOWNERS.—(A) A homeowner under a homeownership program may transfer the homeowner's interest in, or shares representing, the unit only (i) to low-income families; and (ii) at a price consistent with guidelines established by the Secretary that are designed to provide the owner with a fair return on investment (subject to paragraph (2)), including any improvements, and to ensure that the housing will remain affordable to a reasonable range of low-income homebuyers.

"(B) If the sale to the first eligible family is for less than market value, the homeownership program shall provide for appropriate restrictions to assure that an eligible family may not receive any undue profit. The plan shall provide for—

"(i) authorizing the family to retain a portion of the net proceeds of the sale on a sliding scale over a 10-year period;

"(ii) limiting the family's consideration for its interest in the property to the total of—

"(I) the contribution to equity paid by the family;

"(II) the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and

"(III) the appreciated value determined by an inflation allowance at a rate which may be based on a cost-of-living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity; such entity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed;

"(iii) execution by the initial purchaser of a promissory note equal to the difference between the market value and the purchase price, payable to the recipient or other entity designated in the homeownership plan, together with a mortgage securing the obligation of the note; or

"(iv) any other appropriate arrangement that the Secretary determines is adequate to prevent undue profit for at least 10 years.

"(C) Upon sale, the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, shall ensure that subsequent owners are bound by the same limitations on resale and further restrictions on equity appreciation.

"(D) Fifty percent of any portion of the net sales proceeds that may not be retained by the homeowner under the plan approved pursuant to subparagraph (B) shall be paid to the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, for use for costs of the homeownership program, including improvements to the project, operating and replacement reserves for the project, additional homeownership opportunities in the project; and other project-related activities approved by the Secretary. The remaining 50 percent of such proceeds shall be returned to the Secretary for use under section 226, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

"(6) PROTECTION OF NONPURCHASING FAMILIES.—(A) No tenant residing in a dwelling unit in a property on the date the Secretary approves a plan of action may be evicted by

reason of a homeownership program approved under this subtitle.

"(B) If a tenant decides not to purchase a unit, or is not qualified to do so, the Secretary shall ensure that rental assistance under section 8 is available for use by each otherwise qualified tenant (that meets the eligibility requirements under such section) in that or another property. The requirement for giving preference to certain categories of eligible families under sections 8(d)(1)(A) and 8(o)(3) of the United States Housing Act of 1937 shall not apply to the provision of assistance to such families.

"(C) The resident council shall also inform each such tenant that if the tenant chooses to move, the owner will pay relocation assistance in accordance with the approved homeownership program.

"(7) QUALIFIED MANAGEMENT.—As a condition of approval of a homeownership program under this subtitle, the resident council shall have demonstrated its abilities to manage eligible properties by having done so effectively and efficiently for a period of not less than 3 years or by entering into a contract with a qualified management entity that meets such standards as the Secretary may prescribe to ensure that the property will be maintained in a decent, safe, and sanitary condition.

"(8) TIMELY HOMEOWNERSHIP.—Resident councils shall transfer ownership of the property to tenants within a specified period of time that the Secretary determines to be reasonable. During the interim period when the property continues to be operated and managed as rental housing, the resident council shall utilize written tenant selection policies and criteria that are approved by the Secretary as consistent with the purpose of providing housing for very low-income families. The resident council shall promptly notify in writing any rejected applicant of the grounds for any rejection.

"(9) RECORDS AND AUDIT OF RESIDENT COUNCILS.—(A) Each resident council shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such resident council of the proceeds of assistance received under this subtitle (including any proceeds from sales under paragraphs (4) and (5)(D)), the total cost of the homeownership program in connection with which such assistance is given or used, and the amount and nature of that portion of the program supplied by other sources, and such other sources as will facilitate an effective audit.

"(B) The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records of the resident council that are pertinent to assistance received under this subtitle.

"(C) The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall also have access for the purpose of audit and examination to any books, documents, papers, and records of the resident council that are pertinent to assistance received under this subtitle.

"(10) Any entity that assumes, as determined by the Secretary, a mortgage covering low-income housing in connection with the acquisition of the housing from an owner under this section must comply with any low-income affordability restrictions for the remaining useful life of the housing. This requirement shall only apply to an entity, such as a cooperative association, that, as determined by the Secretary, intends to own the housing on a permanent basis.

"SEC. 231. DELEGATED RESPONSIBILITY TO STATE AGENCIES.

"(a) IN GENERAL.—The Secretary shall delegate responsibility for implementing this subtitle to a State housing agency if such agency submits a preservation plan acceptable to the Secretary.

"(b) APPROVAL.—State preservation plans shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. The Secretary may approve plans that contain—

"(1) an inventory of low-income housing located within the State that is or will be eligible low-income housing under this subtitle within 5 years;

"(2) a description of the agency's experience in the area of multifamily financing and restructuring;

"(3) a description of the administrative resources that the agency will commit to the processing of plans of action in accordance with this title;

"(4) a description of the administrative resources that the agency will commit to the monitoring of approved plans of action in accordance with this subtitle;

"(5) an independent analysis of the performance of the multifamily housing inventory financed or otherwise monitored by the agency;

"(6) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State within which the eligible low-income housing is located; and

"(7) such other certifications or information that the Secretary determines to be necessary or appropriate to achieve the purposes of this subtitle.

"(c) IMPLEMENTATION AGREEMENTS.—The Secretary may enter into such agreements as are necessary to implement an approved State preservation plan, which agreements may include incentives that are authorized in other provisions of this subtitle.

"SEC. 232. CONSULTATIONS WITH OTHER INTERESTED PARTIES.

"The Secretary shall confer with any appropriate State or local government agency to confirm any State or local assistance that is available to achieve the purposes of this title and shall give consideration to the views of any such agency when making determinations under this subtitle. The Secretary shall also confer with appropriate interested parties that the Secretary believes could assist in the development of a plan of action that best achieves the purposes of this subtitle.

"SEC. 233. DEFINITIONS.

"For purposes of this subtitle:

"(1) The term 'eligible low-income housing' means any housing financed by a loan or mortgage—

"(A) that is—

"(i) insured or held by the Secretary under section 221(d)(3) of the National Housing Act and assisted under section 101 of the Housing and Urban Development Act of 1965 or section 8 of the United States Housing Act of 1937;

"(ii) insured or held by the Secretary and bears interest at a rate determined under the proviso of section 221(d)(5) of the National Housing Act;

"(iii) insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act; or

"(iv) held by the Secretary and formerly insured under a program referred to in clause (i), (ii), or (iii); and

"(B) that, under regulation or contract in effect before February 5, 1988, is or will within 18 months become eligible for prepayment without prior approval of the Secretary.

"(2) The term 'low-income affordability restrictions' means limits imposed by regulation or regulatory agreement on tenant rents, rent contributions, or income eligibility in eligible low-income housing.

"(3) The terms 'low income families or persons' and 'very low-income families or persons' mean families or persons whose incomes do not exceed the respective levels established for low income families and very low-income families, respectively, under section 3(b)(2) of the United States Housing Act of 1937.

"(4) The term 'moderate-income families or persons' means families or persons whose incomes are between 80 percent and 95 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

"(5) The term 'owner' means the current or subsequent owner or owners of eligible low-income housing.

"(6) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(7) The term 'resident council' means any incorporated nonprofit organization or association that—

"(A) is representative of the resident of the housing;

"(B) adopts written procedures providing for the election of officers on a regular basis; and

"(C) has a democratically elected governing board, elected by the residents of the housing.

"SEC. 234. NOTICE TO TENANTS.

"Where a provision of this subtitle requires that information or material be given to tenants of the housing, the requirement may be met by (a) posting a copy of the information or material in readily accessible locations within each affected building, or posting notices in each such location describing the information or material and specifying a location, as convenient to the tenants as is reasonably practical, where a copy may be examined, and (b) supplying a copy of the information or material to a representative of the tenants.

"SEC. 235. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for assistance and incentives authorized under this subtitle $412,500,000 for fiscal year 1991, $858,000,000 for fiscal year 1992, and $892,320,000 for fiscal year 1993.

"SEC. 236. APPLICABILITY.

"The requirements of this subtitle shall apply to any project that is eligible low-income housing on or after November 1, 1987.".

(b) TABLE OF CONTENTS.—The table of contents of such Act is amended by striking the items relating to subtitles A and B of title II and inserting the following:

"Subtitle A—Short Title

"Sec. 201. Short title.

"Subtitle B—Prepayment of Mortgages Insured Under the National Housing Act and Resident Homeownership

"Sec. 221. General prepayment limitation.
"Sec. 222. Notice of intent.
"Sec. 223. Information from the Secretary; plan of action.
"Sec. 224. Prepayment and voluntary termination.

"Sec. 225. Incentives to extend low-income use.
"Sec. 226. Incentives to transfer the housing to qualified purchasers.
"Sec. 227. Criteria for approval of plan of action involving incentives.
"Sec. 228. Preservation value.
"Sec. 229. Timetable for approval of plan of action.
"Sec. 230. Resident homeownership program.
"Sec. 231. Delegated responsibility to State agencies.
"Sec. 232. Consultations with other interested parties.
"Sec. 233. Definitions.
"Sec. 234. Notice to tenants.
"Sec. 235. Authorization of appropriations.
"Sec. 236. Applicability.".

SEC. 504. RELATED NATIONAL HOUSING ACT AMENDMENTS.

(a) CONFORMING AMENDMENTS.—Section 241(f) of the National Housing Act is amended by—

(1) in paragraph (1), striking out "section 233 of the Emergency Low Income Housing Preservation Act of 1987" and inserting in lieu thereof "section 232 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990";

(2) in paragraph (2)(A), striking out "value" and all that follows through the second comma and inserting in lieu thereof "preservation value determined by the Secretary under section 228 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990"; and

(3) in paragraph (2)(A), striking out "section 225(b) of the Emergency Low Income Housing Preservation Act of 1987" and inserting in lieu thereof "section 227 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990".

(b) APPROVAL PRIOR TO FORECLOSURE.—Section 250(b) of such Act is amended to read as follows:

"(b) A mortgagee may not foreclose the mortgage on, or acquire by deed in lieu of foreclosure, any project to which subsection (a) of this section applies, without the approval of the Secretary.".

(c) REPEALER.—Section 250(c) of such Act is hereby repealed, and section 250(d) is redesignated as section 250(c).

SEC. 505. RELATED UNITED STATES HOUSING ACT OF 1937 AMENDMENTS.

Section 8(v)(2) of the United States Housing Act of 1937 is amended by striking out "Emergency Low Income Housing Preservation Act of 1987" and inserting in lieu thereof "Low-Income Housing Preservation and Resident Homeownership Act of 1990".

SEC. 506. EXTENSION OF PRIOR LAW UNTIL EFFECTIVE DATE OF THIS ACT.

Section 203 of the Emergency Low Income Housing Preservation Act of 1987 is hereby repealed. This section shall take effect upon enactment of this Act.

SEC. 507. TRANSITION.

Any owner of eligible low-income housing covered by the Emergency Low Income Housing Preservation Act of 1987 shall instead be subject to the Low-Income Housing Preservation and Resident Homeownership Act of 1990 unless the owner has (a) submitted a notice of intent under the Emergency Low Income Housing Preservation Act of 1987 before January 1, 1990, and (b) before the effective date of this title—

(1) has received approval from the Secretary of Housing and Urban Development to prepay a mortgage or voluntarily terminate mortgage insurance pursuant to a plan of action approved under section 225(a) of the Emergency Low Income Housing Preservation Act of 1987, and

(2) has (A) executed and recorded a use restriction or regulatory agreement modification under a plan of action approved by the Secretary under section 225(b) of such Act; or (B) entered into a regulatory agreement modification pursuant to section 228 of such Act.

SEC. 508. EFFECTIVE DATE.

The effective date of this title (other than section 506) shall be the effective date of final regulations issued by the Secretary.

Subtitle B—Low-Income Rental Assistance

SEC. 521. SECTION 8 REVISIONS.

(a) DESIGNATION OF CERTIFICATE AND VOUCHER PROGRAMS.—

(1) Section 8(b) of the United States Housing Act of 1937 is amended by striking "(b)(1)" and inserting "(b) RENTAL CERTIFICATES.—".

(2) Section 8(o) of the United States Housing Act of 1937 is amended by inserting "RENTAL VOUCHERS.—" after "(o)".

(b) FAIR MARKET RENT REFINEMENT.—

(1) Section 8(c)(1) of the United States Housing Act of 1937 is amended—

(A) by inserting "(A)" after "(c)(1)";

(B) by paragraphing and inserting "(B)" at the beginning of the fourth sentence;

(C) by paragraphing and inserting "(C)" at the beginning of the sixth sentence;

(D) by paragraphing and inserting "(D)" at the beginning of the seventh sentence; and

(E) by paragraphing and inserting "(E)" at the beginning of the eighth sentence.

(2) Section 8(c)(1)(B) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "The Secretary may approve an alternative schedule with more than one fair market rent for an area if a participating jurisdiction or jurisdictions whose boundaries encompass all or part of the area demonstrate to the satisfaction of the Secretary that such alternative fair market rent schedule (i) accurately reflects rent variations among submarkets within the area, and (ii) will (I) improve housing opportunities for disadvantaged minorities and families with special needs, (II) provide very low-income families with better access to employment and education opportunities, or (III) otherwise further the objectives of national housing policy as affirmed by Congress.".

(c) TENANT RENT CONTRIBUTIONS UNDER TENANT-BASED CERTIFICATE PROGRAM.—

(1) Section 8(c)(3) of the United States Housing Act of 1937 is amended—

(A) by inserting "(A)" after "(3)" the first time it appears; and

(B) by adding at the end the following new subparagraph:

"(B)(i) A family receiving tenant-based rental assistance under subsection (b)(1) may pay a higher percentage of income than that specified under section 3(a) of this Act if—

"(I) the family notifies the local public housing agency of its interest in a unit renting for an amount which exceeds the permissible maximum monthly rent established for the market area under paragraph (1), and

"(II) such agency determines that the rent for the unit and the rental payments of the family are reasonable, after taking into account other family expenses.

"(ii) A public housing agency shall not approve such excess rentals for more than 10 percent of its annual allocation of incremental rental assistance under subsection (b)(1). A public housing agency that approves such excess rentals for more than 5 percent of its annual allocation shall submit a report to the Secretary not later than 30 days following the end of the fiscal year. The report shall be submitted in such form and in accordance with such procedures as the Secretary shall establish and shall describe the public housing agency's reasons for making the exceptions, including any available evidence that the exceptions were made necessary by problems with the fair market rent established for the area. The Secretary shall ensure that each report submitted in accordance with this clause is readily available for public inspection for a period of not less than 3 years, beginning not less than 30 days following the date on which the report is submitted to the Secretary.

"(iii) The Secretary shall, not later than 3 months following the end of each fiscal year, submit a report to Congress that identifies the public housing agencies that have submitted reports for such fiscal year under clause (ii), summarizes and assesses such reports, and includes recommendations for such legislative or administrative actions that the Secretary deems appropriate to correct problems identified in such reports.".

(2) The second sentence of section 8(c)(1)(A) of the United States Housing Act of 1937 is amended by—

(A) inserting "(i)" after "fair market rental" the second time it appears; and

(B) by striking "a local housing assistance plan" and all that follows through the end of the sentence and inserting in lieu thereof the following: "a housing strategy as defined in section 105 of the National Affordable Housing Act, or (ii) by such higher amount as may be requested by a tenant and approved by the public housing agency in accordance with paragraph (3)(B).".

(d) SPECIAL REVISIONS TO PROJECT-BASED CERTIFICATE PROGRAM.—

(1) TENANT SELECTION.—Section 8(d)(2) of the United States Housing Act of 1937 is amended by adding at the end the following new subparagraph:

"(D) Where a contract for assistance payments is attached to a structure, the owner shall adopt written tenant selection procedures that are satisfactory to the Secretary as (i) consistent with the purpose of improving housing opportunities for very low-income families; and (ii) reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. An owner shall promptly notify in writing any rejected applicant of the grounds for any rejection.".

(2) PROJECT-BASING OF CERTIFICATES.—Section 8(d)(2)(A) of the United States Housing Act of 1937 is amended by striking all that follows the comma in the second sentence and inserting the following: "the contract for assistance payments may be attached to the structure (including a single room occupancy facility) only if the owner agrees to rehabilitate the structure other than with assistance under this Act and otherwise complies with the requirements of this section.".

(3) TERM OF ASSISTANCE.—Section 8(d)(2)(C) of the United States Housing Act of 1937 is amended to read as follows:

"(C) In the case of a contract for assistance payments that is attached to a structure under this paragraph, a public housing agency shall enter into a contract with an owner, contingent upon the future availability of appropriations for the purpose of renewing expiring contracts for assistance payments as provided in appropriations Acts, to extent the term of the underlying contract for assistance payments for such

period or periods as the Secretary determines to be appropriate to achieve long-term affordability of the housing. The contract shall obligate the owner to have such extensions of the underlying contract for assistance payments accepted by the owner and the owner's successors in interest.".

(4) ENERGY EFFICIENCY STANDARDS.—Section 8(d)(2)(B)(ii) of the United States Housing Act of 1937 is amended to read as follows:

"(ii) the structure meets the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the National Affordable Housing Act.".

(e) REVISIONS TO VOUCHER PROGRAM.—

(1) REASONABLENESS OF RENTS.—Section 8(o) of the United States Housing Act of 1937 is amended by adding at the end the following new paragraph:

"(10)(A) The rent for units assisted under this subsection shall be reasonable in comparison with rents charged for comparable units in the private unassisted market or assisted under section (b)(1). A public housing agency shall, at the request of a family assisted under this subsection, assist such family in negotiating a reasonable rent with an owner. A public housing agency shall review all rents for units under consideration by families assisted under this subsection (and all rent increases for units under lease by families assisted under this subsection) to determine whether the rent (or rent increase) requested by an owner is reasonable. If a public housing agency determines that the rent (or rent increase) for a unit is not reasonable, the agency may disapprove a lease for such unit.".

(2) DOCUMENTATION OF EXCESSIVE RENT BURDENS.—Section 8(o)(9) of the United States Housing Act of 1937 is amended by adding at the end the following new subparagraph:

"(B)(i) A public housing agency shall, at least annually, in a written form satisfactory to the Secretary, obtain information on the percentage of income paid for rent of all families assisted under this subsection. If, during any fiscal year, more than 10 percent of the families assisted under this subsection by a public housing agency pay a higher percentage of income than that specified under section 3(a) of this Act, the local public housing agency shall submit a report to the Secretary not later than 30 days following the end of the fiscal year. The report shall be submitted in such form and in accordance with such procedures as the Secretary shall establish and shall contain the public housing agency's assessment of the reasons for such excessive rent burdens, including any available evidence that the excessive rent burdens were caused by problems with the fair market rent established for the area. The Secretary shall ensure that each report submitted in accordance with this clause is readily available for public inspection for a period of not less than 3 years, beginning not less than 30 days following the date on which the report is submitted to the Secretary.

"(ii) The Secretary shall, not later than 3 months following the end of a fiscal year, submit a report to Congress that—

"(I) identifies the public housing agencies that have submitted reports for such fiscal year under clause (i),

"(II) summarizes and assesses such reports, and

"(III) includes recommendations for such legislative or administrative actions that the Secretary deems appropriate to correct problems identified in such reports.".

(3)(A) ADJUSTMENT OF SUBSIDY.—Section 8(o)(2) of the United States Housing Act of 1937 is amended—

(i) by striking "The" after "(2)" and inserting "(A) Except as provided for in subparagraph (B), the"; and

(ii) by adding at the end the following new subparagraph:

"(B) The monthly assistance payment for a family residing in the same unit in which it resided at the time the family received a voucher shall be the amount by which the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering) exceeds 30 percent of the family's monthly adjusted income: Provided, That the rent is equal to or less than the payment standard.".

(B) The amendment made by subparagraph (A) shall apply only to vouchers made available in appropriations Acts after the date of enactment of the National Affordable Housing Act.

(f) TENANT PROTECTIONS.—Section 8(d)(1)(B) of the United States Housing Act is amended by—

(1) striking "and" before "(ii)"; and

(2) adding at the end the following new clauses:

"(iii) the lease between the tenant and the owner shall provide that the tenant, any member of the tenant's household, or a guest or other person under the tenant's control shall not engage in activity that adversely affects the health, safety, or right to quiet enjoyment of the premises by other tenants, and shall not engage in criminal activity, including drug-related criminal activity, that threatens the health, safety, or right to quiet enjoyment of the premises by other tenants, and that such criminal activity shall be a cause for termination of tenancy; and

"(iv) any termination of tenancy shall be preceded by the owner's provision of written notice to the tenant specifying the grounds for such action.".

(g) DISTRIBUTION OF CERTIFICATES.—Section 213(d)(1)(A) of the Housing and Community Development Act of 1974 is amended by adding at the end the following new sentence: "Assistance under section 8(b)(1) of the United States Housing Act of 1937 shall be allocated in a manner that enables participating jurisdictions to carry out, to the maximum extent practicable, comprehensive housing affordability strategies approved in accordance with section 105 of the National Affordable Housing Act. Such jurisdictions shall submit recommendations for allocating assistance under section 8(b)(1) of such Act to the Secretary in accordance with procedures that the Secretary determines to be appropriate to permit allocations of such assistance to be made on the basis of timely and complete information. For purposes of this subparagraph, the term 'participating jurisdiction' means a State or unit of general local government designated by the Secretary to be a participating jurisdiction under title III of the National Affordable Housing Act.".

(h) RENEWAL OF EXPIRING CONTRACTS.—(1) Section 8 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(w) Not later than 30 days after the beginning of each fiscal year, the Secretary shall publish in the Federal Register a plan for reducing, to the extent feasible, year-to-year fluctuations in the levels of budget authority that will be required over the succeeding 5-year period to renew expiring rental assistance contracts entered into under this section since the enactment of the Housing and Community Development Act of 1974. To the extent necessary to carry out such plan and to the extent approved in appropriations Acts, the Secretary is authorized to enter into annual contributions contracts with terms of less than 60 months.".

(2) Section 8(d)(2) of the United States Housing Act of 1937 is amended by inserting after the first sentence the following: "The Secretary shall permit public housing agencies to enter into contracts for assistance payments of less than 12 months duration in order to avoid disruption in assistance to eligible families if the annual contributions contract is within 1 year of its expiration date.".

(i) DEFINITION OF PARTICIPATING JURISDICTION.—Section 8(f) of the United States Housing Act is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3); and

(3) by adding at the end the following new paragraphs:

"(4) the term 'participating jurisdiction' means a State or unit of general local government designated by the Secretary to be a participating jurisdiction under title III of the National Affordable Housing Act; and

"(5) the term 'drug-related criminal activity' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

(j) LOW-INCOME TERM.—The United States Housing Act of 1937 is amended—

(1) by striking "lower income families" each place it appears and inserting "low income families",

(2) by striking "lower income housing" each place it appears and inserting "low income housing".

(k) DRUG-RELATED AMENDMENTS.—Section 8(c)(2)(B) of the United States Housing Act of 1937 is amended by adding at the end the following: "Where the Secretary determines that a project assisted under this section is located in a community where drug-related criminal activity is generally prevalent and the project's operating, maintenance, and capital repair expenses have been substantially increased primarily as a result of the prevalence of such drug-related activity, the Secretary may, subject to the availability of appropriations for contract amendments for this purpose, on a project by project basis, provide adjustments to the maximum monthly rents, to a level no greater than the existing fair market rents established for the areas by the Secretary in accordance with paragraph (1), to cover the costs of maintenance, security, capital repairs, and reserves required for the owner to carry out a strategy acceptable to the Secretary for addressing the problem of drug-related criminal activity. Any rent comparability standard required under this paragraph may be waived by the Secretary to so implement the preceding sentence.".

(l) REVISIONS TO PREFERENCE RULES.—

(1) CERTIFICATE PROGRAM.—Section 8(d)(1)(A) of the United States Housing Act of 1937 is amended—

(A) by striking "(i)" the first time it appears;

(B) by inserting after "shall" the third time it appears the following: "(i) for not less than 90 percent of the families who initially receive assistance in any 1-year period,"; and

(C) by amending clause (ii) to read as follows: "(ii) for any remaining assistance in any 1-year period, give preference to families who qualify under a system of local pref-

erences established by the public housing agency in writing and after public hearing to respond to local housing needs and priorities which may include (I) assisting very low-income families who either reside in transitional housing assisted under title IV of the McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to employment and educational opportunities; (II) assisting families in accordance with subsection (u)(2); (III) avoiding breakup of families and preserving and strengthening families and achieving other objectives identified in cooperation with child welfare agencies and other appropriate human service agencies; or (IV) achieving other objectives of national housing policy as affirmed by Congress; and (iii) prohibit any individual or family evicted from housing assisted under the Act by reason of drug-related criminal activity (as defined in subsection (f)(5)) from having a preference under any provision of this subparagraph for 5 years unless the evicted tenant successfully completes a rehabilitation program approved by the Secretary;".

(2) VOUCHER PROGRAM.—Section 8(o)(3) of the United States Housing Act of 1937 is amended—

(A) by inserting "(A)" after "(3)";

(B) by striking "(A)" and inserting in lieu thereof "(i)";

(C) by striking "(B)" and inserting in lieu thereof "(ii)";

(D) by striking "(C)" and inserting in lieu thereof "(iii)";

(E) by paragraphing and inserting "(B)" after the first sentence; and

(F) by adding at the end the following new sentence: "The public housing agency shall in implementing the preceding sentence establish a system of preferences in writing and after public hearing to respond to local housing needs and priorities which may include (i) assisting very low-income families who either reside in transitional housing assisted under title IV of the McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to employment and educational opportunities, (ii) avoiding breakup of families and preserving and strengthening families and achieving other objectives identified in cooperation with child welfare agencies and other appropriate human service agencies, or (iii) achieving other objectives of national housing policy as affirmed by Congress. Any individual or family evicted from housing assisted under the Act by reason of drug-related criminal activity (as defined in subsection (f)(5)) is not eligible for a preference under any provision of this subparagraph for 5 years unless the evicted tenant successfully completes a rehabilitation program approved by the Secretary.".

(m) SECTION 8 OPT-OUTS.—Section 8(c)(9) of the United States Housing Act of 1937 is amended by—

(1) inserting at the end of the first sentence the following sentence: "The owner's notice shall include a statement that the owner and the Secretary may agree to a renewal of the contract, thus avoiding the termination."; and

(2) inserting before the final sentence the following sentence: "Within 30 days of the Secretary's finding, the owner shall provide written notice to each tenant of the Secretary's decision.".

SEC. 522. AUTHORIZATIONS.

(a) AGGREGATE BUDGET AUTHORITY.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "The aggregate amount of budget authority that may be obligated for contracts for annual contributions under section 8, for other assistance under section 8 and for amendments to existing contracts is increased (to the extent approved in appropriations Acts) by $2,896,920,000 on October 1, 1990, $3,019,003,000 on October 1, 1991, and $3,139,764,000 on October 1, 1992.".

(b) UTILIZATION OF BUDGET AUTHORITY.—Section 5(c)(7) of the United States Housing Act of 1937 is amended to read as follows:

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1991, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for assistance under section 8(b)(1)—

"(I) not more than $1,185,600,000 for increment rental assistance,

"(II) not more than $324,570,000 for property disposition activities,

"(III) not more than $149,400,000 for loan management activities, and

"(IV) not more than $108,750,000 for public housing replacement activities; and

"(ii) for assistance under section 8(o), not more than $1,128,600,000.

"(B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1992, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for assistance under section 8(b)(1),

"(I) not more than $1,233,024,000 for incremental assistance,

"(II) not more than $343,759,000 for property disposition activities,

"(III) not more than $155,376,000 for loan management activities, and

"(IV) not more than $113,100,000 for public housing replacement activities; and

"(ii) for assistance under section 8(a), not more than $1,173,744,000.

"(C) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1993, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for assistance under section 8(b)(1),

"(I) not more than $1,282,345,000 for incremental assistance,

"(II) not more than $357,510,000 for property disposition activities,

"(III) not more than $161,591,000 for loan management activities, and

"(IV) not more than $117,624,000 for public housing replacement activities; and

"(ii) for assistance under section 8(a) than $1,220,694,000.".

Subtitle C—Operation Bootstrap

SEC. 531. OPERATION BOOTSTRAP DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT OF DEMONSTRATION PROGRAM.—The Secretary shall carry out a program to demonstrate the effectiveness of local strategies that coordinate the provision of assistance under section 8 of the United States Housing Act of 1937 and public and private economic self- sufficiency programs to enable eligible families to achieve economic independence. The demonstration period shall be 5 years.

(b) SET-ASIDE OF RENTAL CERTIFICATES.—In connection with this demonstration, the Secretary shall enter into contracts with public housing agencies to provide rental assistance under the voucher program authorized under section 8(o) of the United States Housing Act of 1937. The Secretary shall set-aside not more than 5,000 incremental rental vouchers for the purpose of carrying out this demonstration.

(c) APPLICATION.—The funds made available under this section shall be allocated by the Secretary among approvable applications submitted by units of general local government. Applications for assistance under this section shall be submitted by the chief executive officers of such jurisdictions in such form and in accordance with such procedures as the Secretary shall establish. Applications for assistance shall contain—

(1) a description of the size, characteristics and needs of the population of the families expected to participate in the Operation Bootstrap program;

(2) a description of the services and activities to be provided to families receiving rental vouchers under this section, which shall be provided by both public and private resources and may include but not be limited to child care, transportation, personal and career counseling, job training and placement, case management and education;

(3) a description of how the Operation Bootstrap program will match services and activities to the needs of the families in the program;

(4) a description of both the public and private resources that are expected to be made available to provide the services and activities under the Operation Bootstrap program;

(5) assurances satisfactory to the Secretary that development of the services and activities under the Operation Bootstrap has been coordinated with the Job Opportunities and Basic Skills Training program and the Job Training Partnership Act programs and any other relevant employment, training, and education programs in that area and that implementation will continue to be coordinated in order to avoid duplication of services and activities;

(6) assurances satisfactory to the Secretary that the services and activities under the Operation Bootstrap program will be provided in accordance with the requirements of the program;

(7) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the unit of general local government within which the demonstration program will be administered;

(8) evidence of coordination between the local public housing agency, the local welfare and employment agencies, and other public and private agencies that have resources or programs available to assist very low-income families;

(9) evidence of consultation with organizations representing eligible families, local business, educational facilities and other local interests that have resources or programs available to assist very low-income families; and

(10) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

(d) SELECTION.—

(1) CRITERIA.—The Secretary shall establish selection criteria for assistance under this section which shall include—

(A) the ability of the applicant or designated service providers to provide the services and activities under its Operation Bootstrap program;

(B) the need for a program providing both rental assistance and the designated services and activities for eligible families in the area to be served;

(C) the quality of services and activities under its Operation Bootstrap program;

(D) the extent to which the proposed funding for the services and activities under the Operation Bootstrap program is or will be available;

(E) the extent to which the proposed Operation Bootstrap program would meet the needs of the eligible families proposed to be served by the program; and

(F) such other factors as the Secretary determines to be appropriate for purposes of carrying out the demonstration program established by this section in an effective and efficient manner.

(2) CONSULTATION WITH HHS AND DEPARTMENT OF LABOR.—In reviewing the applications, the Secretary shall consult with the Secretary of Health and Human Services and the Secretary of Labor with respect to the services and activities under the proposed Operation Bootstrap program.

(3) FUNDING LIMITATIONS.—No more than 10 percent of the assistance made available under this section may be used for programs located within any one unit of general local government.

(e) ENCOURAGEMENT OF SAVINGS.—The public housing agency shall take appropriate actions (including the establishment of an escrow savings account) to encourage participating families to save funds.

(f) REQUIRED AGREEMENTS.—The Secretary may not approve any assistance for any program under this section unless the applicant agrees—

(1) to operate the proposed program in accordance with the program requirements established by the Secretary;

(2) to conduct an ongoing assessment of the services and activities required by the participants in the demonstration program; and

(3) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the program in an effective and efficient manner.

(g) DEFINITIONS.—

(1) The term "eligible family" means a very low-income family who is eligible to receive a rental voucher under section 8 of the United States Housing Act of 1937.

(2) The term "very low-income family" has the same meaning given the term under section 3(b)(2) of the United States Housing Act of 1937.

(h) REPORTS TO CONGRESS.—

(1) INTERIM REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the Congress an interim report evaluating the effectiveness of the demonstration program under this section.

(2) FINAL REPORT.—Not later than 2 years after the termination of the demonstration program under this section, the Secretary shall submit to Congress a final report evaluating the effectiveness of the demonstration program under this section.

(i) IMPLEMENTATION.—Not later than 120 days after the date funds authorized for the demonstration program under this section first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the demonstration program authorized under this section.

SEC. 532. GAO STUDY ON LINKING FEDERAL HOUSING ASSISTANCE TO ECONOMIC SELF-SUFFICIENCY PROGRAMS.

(a) IN GENERAL.—The Comptroller General of the United States shall submit to the Congress, not later than 18 months following the date of enactment of the National Affordable Housing Act, a report evaluating the policy and administrative implications of requiring State and local governments to tie the provision of rental assistance under section 8 of the United States Housing Act of 1937 to participation in economic self-sufficiency programs.

(b) SCOPE OF REPORT.—The report shall include—

(1) an evaluation of Federal programs to link housing and supportive services for the promotion of economic self-sufficiency, including programs that are being or have been administered by the Secretary of Housing and Urban Development such as Project Self-Sufficiency, Operation Bootstrap, and the Public Housing Comprehensive Transition Demonstration; and

(2) an assessment of the policy and administrative implications of allocating section 8 rental assistance only to localities that have a plan for providing incremental rental assistance only in conjunction with economic self-sufficiency programs.

(c) CONSULTATION.—In preparing the report under this section, the Comptroller General shall consult with the Secretary of Housing and Urban Development, the Secretary of Health and Human Services, the Secretary of Labor, other appropriate Federal officials, appropriate State and local officials, other knowledgeable individuals, and national and other organizations representing eligible beneficiaries, State and local welfare and employment agencies, public housing agencies, business, public and private education or training institutions, and other service providers.

(d) DEFINITION.—The term "economic self-sufficiency program" means public and private programs that are designed to enable economically disadvantaged individuals achieve economic independence, including programs authorized under the Job Training Partnership Act and the Family Support Act of 1988.

TITLE VI—HOUSING FOR PERSONS WITH SPECIAL NEEDS

Subtitle A—Supportive Housing for the Elderly

SEC. 601. SUPPORTIVE HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—Section 202 of the Housing Act of 1959 is amended to read as follows:

"SEC. 202. SUPPORTIVE HOUSING FOR THE ELDERLY.

"(a) PURPOSE.—The purpose of this section is to enable elderly persons to live with dignity and independence by expanding the supply of supportive housing that—

"(1) is designed to accommodate the special needs of elderly persons; and

"(2) provides a range of services that are tailored to the needs of elderly persons occupying such housing.

"(b) GENERAL AUTHORITY.—The Secretary is authorized to provide assistance to private nonprofit organizations and consumer cooperatives to expand the supply of supportive housing for the elderly. Such assistance shall be provided as (1) capital advances in accordance with subsection (c)(1), and (2) contracts for project rental assistance in accordance with subsection (c)(2). Such assistance may be used to finance the construction, reconstruction, or moderate or substantial rehabilitation of a structure or a portion of a structure to be used as supportive housing for the elderly in accordance with this section. Assistance may also cover the cost of real property acquisition, site improvement, conversion, demolition, relocation, and other expenses that the Secretary determines are necessary to expand the supply of supportive housing for the elderly.

"(c) FORMS OF ASSISTANCE.—

"(1) CAPITAL ADVANCES.—A capital advance provided under this section shall bear no interest and its repayment shall not be required so long as the housing remains available for very-low-income elderly persons in accordance with this section. Such advance shall be in an amount calculated in accordance with the development cost limitation established in subsection (h).

"(2) PROJECT RENTAL ASSISTANCE.—Contracts for project rental assistance shall obligate the Secretary to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by very-low-income elderly persons that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units so occupied and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The Secretary may adjust the annual contract amount if the sum of the project income and the amount of assistance payments available under this paragraph are inadequate to provide for reasonable project costs.

"(3) TENANT RENT CONTRIBUTION.—A very-low-income person shall pay as rent for a dwelling unit assisted under this section the highest of the following amounts, rounded to the nearest dollar: (A) 30 percent of the person's adjusted monthly income, (B) 10 percent of the person's monthly income, or (C) if the person is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the person's actual housing costs, is specifically designated by such agency to meet the person's housing costs, the portion of such payments which is so designated.

"(d) TERM OF COMMITMENT.—

"(1) USE LIMITATIONS.—All units in housing assisted under this section shall be made available for occupancy by very-low-income elderly persons for not less than 40 years.

"(2) CONTRACT TERMS.—The initial term of a contract entered into under subsection (c)(2) shall be 240 months. The Secretary shall, to the extent approved in appropriation Acts, extend any expiring contract for a term of not less than 60 months. In order to facilitate the orderly extension of expiring contracts, the Secretary is authorized to make commitments to extend expiring contracts during the year prior to the date of expiration.

"(e) APPLICATIONS.—Funds made available under this section shall be allocated by the Secretary among approvable applications submitted by private nonprofit organizations. Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

"(1) a description of the proposed housing;

"(2) a description of the assistance the applicant seeks under this section;

"(3) a description of the resources that are expected to be made available in compliance with subsection (h);

"(4) a description of (A) the category or categories of elderly persons the housing is

intended to serve; (B) the supportive services, if any, to be provided to the persons occupying such housing; (C) the manner in which such services will be provided to such persons, including, in the case of frail elderly persons, evidence of such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of such services; and (D) the public or private sources of assistance that can reasonably be expected to fund or provide such services;

"(5) a certification from the appropriate State or local agency (as determined by the Secretary) that the provision of services identified in paragraph (4) is well designed to serve the special needs of the category or categories of elderly persons the housing is intended to serve;

"(6) a certification from the public official responsible for submitting a housing strategy for the jurisdiction to be served in accordance with section 105 of the National Affordable Housing Act that the proposed project is consistent with the approved housing strategy; and

"(7) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

"(f) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

"(1) the ability of the applicant to develop and operate the proposed housing;

"(2) the need for supportive housing for the elderly in the area to be served;

"(3) the extent to which the proposed size and unit mix of the housing will enable the applicant to manage and operate the housing efficiently and ensure that the provision of supportive services will be accomplished in an economical fashion;

"(4) the extent to which the proposed design of the housing will meet the special physical needs of elderly persons;

"(5) the extent to which the applicant has demonstrated that the supportive services identified in subsection (e)(3) will be provided on a consistent, long-term basis;

"(6) the extent to which the proposed design of the housing will accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons the housing is intended to serve; and

"(7) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

"(g) PROVISIONS OF SERVICES.—

"(1) IN GENERAL.—In carrying out the provisions of this section, the Secretary shall ensure that housing assisted under this section provides a range of services tailored to the needs of the category or categories of elderly persons occupying such housing. Such services may include (A) meal service adequate to meet nutritional need; (B) housekeeping aid; (C) personal assistance; (D) transportation services; (E) health-related services; and (F) such other services as the Secretary deems essential for maintaining independent living. The Secretary may permit the provision of services to elderly persons and persons with disabilities who are not residents if the participation of such persons will not adversely affect the cost-effectiveness or operation of the program or add significantly to the need for assistance under this Act.

"(2) APPLICATION OF PROJECT RETROFIT REQUIREMENTS.—The Secretary shall apply the requirements governing Project Retrofit under section 512(f) of the National Affordable Housing Act to housing assisted under this section that is intended to serve frail elderly persons.

"(3) LOCAL COORDINATION OF SERVICES.—The Secretary shall ensure that owners have the managerial capacity to—

"(A) assess on an ongoing basis the service needs of residents;

"(B) coordinate the provision of supportive services and tailor such services to the individual needs of residents; and

"(C) seek on a continuous basis new sources of assistance to ensure the long-term provision of supportive services.

Any cost associated with this subsection, including any cost associated with the employment of a service coordinator in housing serving frail elderly persons, shall be an eligible cost under subsection (c)(2). The provisions governing the responsibilities and qualifications of a service coordinator under section 512(c) of the National Affordable Housing Act shall apply to this section.

"(h) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—Each applicant shall contribute not less than 5 percent of the development cost calculated in accordance with subsection (i) to assure the applicant's commitment to the housing. Such contributions may be in the form of (A) cash investment from private resources; (B) the value of land or other real or personal property as appraised according to procedures acceptable to the Secretary; and (C) the present value of supportive services that the applicant has committed to provide from private resources in accordance with this section.

"(2) REDUCTION OF REQUIREMENT.—The Secretary may reduce or waive the matching requirement specified under paragraph (1) for individual applicants where the Secretary finds that such waiver or reduction is necessary to achieve the purposes of this section provided that the applicant demonstrates to the satisfaction of the Secretary that it has the capacity to manage and maintain the housing in accordance with this section.

"(i) DEVELOPMENT COST LIMITATIONS.—

"(1) IN GENERAL.—The Secretary shall periodically establish development cost limitations by market area for various types and sizes of supportive housing for the elderly by publishing a notice of the cost limitations in the Federal Register. The cost limitations shall reflect (A) the cost of construction, reconstruction, or rehabilitation of supportive housing for the elderly that meets applicable State and local housing and building codes; (B) the cost of movables necessary to the basic operation of the housing, as determined by the Secretary; (C) the cost of special design features necessary to make the housing accessible to elderly persons; (D) the cost of special design features necessary to make individual dwelling units meet the physical needs of elderly persons; (E) the cost of congregate space necessary to accommodate the provision of supportive services to elderly persons; (F) if the housing is newly constructed, the cost of meeting the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the National Affordable Housing Act; and (G) the cost of land, including necessary site improvement. In establishing development cost limitations for a given market area under this subsection, the Secretary shall use data that reflect currently prevailing costs of construction, reconstruction, or rehabilitation, and land acquisition in the area. For purposes of this paragraph, the term 'congregate space' shall include space for cafeterias or dining halls, community rooms or buildings, workshops, adult day health facilities, or other outpatient health facilities, or other essential service facilities.

"(2) ANNUAL ADJUSTMENTS.—The Secretary shall adjust the cost limitation not less than once annually to reflect changes in the general level of construction, reconstruction, or rehabilitation costs.

"(3) INCENTIVES FOR SAVINGS.—(A) The Secretary shall use the development cost limitations established under paragraph (1) to calculate the amount of financing to be made available to individual owners after taking into account the matching requirements specified under subsection (h). Owners which incur actual development costs that are less than the amount of financing shall be entitled to retain 50 percent of the savings in a special housing account. Such percentage shall be increased to 75 percent for owners which add energy efficiency features which (i) exceed the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the National Affordable Housing Act; (ii) substantially reduce the life-cycle cost of the housing; (iii) reduce gross rent requirements; and (iv) enhance tenant comfort and convenience.

"(B) The special housing account established under subparagraph (A) may be used (i) to supplement services provided to residents of the housing or funds set aside for replacement reserves, or (ii) for such other purposes as determined by the Secretary.

"(4) DESIGN FLEXIBILITY.—The Secretary shall, to the extent practicable, give owners the flexibility to design housing appropriate to their location and proposed resident population within broadly defined parameters.

"(5) USE OF FUNDS FROM OTHER SOURCES.—A owner shall be permitted voluntarily to provide funds from non-Federal sources for amenities and other features of appropriate design and construction suitable for supportive housing for the elderly if the cost of such amenities is (A) not financed with the advance, and (B) is not taken into account in determining the amount of Federal assistance or of the rent contribution of tenants.

"(j) TENANT SELECTION.—An owner shall adopt written tenant selection procedures that are satisfactory to the Secretary as (1) consistent with the purpose of improving housing opportunities for very-low-income persons with disabilities; and (2) reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. Owners shall promptly notify in writing any rejected applicant of the grounds for any rejection.

"(k) MISCELLANEOUS PROVISIONS.—

"(1) TECHNICAL ASSISTANCE.—The Secretary shall make available appropriate technical assistance to assure that applicants having limited resources, particularly minority applicants, are able to participate more fully in the program carried out under this section.

"(2) CIVIL RIGHTS COMPLIANCE.—Each owner shall certify, to the satisfaction of the Secretary, that assistance made available under this section will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other Federal, State, and local laws prohibiting discrimination and promoting equal opportunity.

"(3) NOTICE OF APPEAL.—The Secretary shall notify an owner not less than 30 days prior to canceling any reservation of assistance provided under this section. During the 30-day period following the receipt of a notice under the preceding sentence, an owner may

appeal the proposed cancellation of loan authority. Such appeal, including review by the Secretary, shall be completed not later than 45 days after the appeal is filed.

"(4) LABOR STANDARDS.—The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section and designed for dwelling use by 12 or more elderly persons shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (the Davis-Bacon Act); but the Secretary may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

"(l) DEFINITIONS.—

"(1) The term 'elderly person' means a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.

"(2) The term 'frail elderly' means an elderly person who is unable to perform at least 3 activities of daily living adopted by the Secretary for purposes of this program. Owners may establish additional eligible requirements (acceptable to the Secretary) based on the standards in local supportive services programs.

"(3) The term 'owner' means a private nonprofit organization that receives assistance under this section to develop and operate supportive housing for the elderly.

"(4) The term 'private nonprofit organization' means any incorporated private institution or foundation—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the community in which such housing is located, and (ii) which is responsible for the operation of the housing assisted under this section; and

"(C) which is approved by the Secretary as to financial responsibility.

"(5) The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

"(6) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(7) The term 'supportive housing for the elderly' means housing that is designed (A) to meet the special physical needs of elderly persons and (B) to accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons that the housing is intended to serve.

"(8) The term 'very low-income' has the same meaning as given the term 'very low-income families' under section 3(b)(2) of the United States Housing Act of 1937.

"(m) AUTHORIZATIONS.—

"(1) CAPITAL ADVANCES.—There are authorized to be appropriated for the purpose of funding capital advances in accordance with subsection (c)(1) $628,000,000 for fiscal year 1991, $659,000,000 for fiscal year 1992, and $685,360,000 for fiscal year 1993. Amounts so appropriated, the repayments from such advances, and the proceeds from notes or obligations issued under this section prior to the enactment of the National Affordable Housing Act shall constitute a revolving fund to be used by the Secretary in carrying out this section.

"(2) PROJECT RENTAL ASSISTANCE.—For the purpose of funding contracts for project rental assistance in accordance with subsection (c)(2) the Secretary may, to the extent approved in an appropriations Act, reserve authority to enter into obligations aggregating $346,000,000 for fiscal year 1991, $363,000,000 for fiscal year 1992, and $377,520,000 for fiscal year 1993.".

(b) CONFORMING AMENDMENT.—Section 213(a) of the Housing and Community Development Act of 1974 is amended by striking "section 202 of the Housing Act of 1959".

(c) EFFECTIVE DATE AND APPLICABILITY.—

(1) The Secretary shall, upon the request of an owner, apply the provisions of this section to any housing for which a loan reservation was made under section 202 of the Housing Act of 1959 before the date of enactment of this Act but for which no loan has been executed and recorded. In the absence of such a request, any housing identified under the preceding sentence shall continue to be subject to the provisions of section 202 of the Housing Act of 1959 as they were in effect when such assistance was made or reserved.

(2) When responding to an owner's request under paragraph (1), the Secretary shall, notwithstanding any other provision of law, apply such portion of amounts obligated at the time of loan reservation, including amounts reserved with respect to such housing under section 8 of the United States Housing Act of 1937, as are required for the owner's housing under the provisions of this section and shall make any remaining portion available for other housing under this section.

(d) EXPEDITED FINANCING AND CONSTRUCTION.—

(1) IN GENERAL.—The Secretary shall—

(A) provide such adjustments and waivers to the cost limitations specified under 24 CFR 885.410(a)(1); and

(B) make such adjustments to the relevant fair market rent limitations established under section 8(c)(1) of the United States Housing Act of 1937 in providing assistance under such Act,

as are necessary to ensure the expedited financing and construction of qualified supportive housing for the elderly provided that the Secretary finds that any applicable cost containment rules and regulations have been satisfied.

(2) DEFINITION.—For purposes of this subsection, the term "supportive housing for the elderly" means housing—

(A) located in a high-cost jurisdiction; and

(B) for which a loan reservation was made under section 202 of the Housing Act of 1959, 3 years before the date of enactment of this Act but for which no loan has been executed and recorded.

SEC. 602. PROJECT RETROFIT.

(a) PURPOSE.—The purpose of this section is to enable frail elderly persons residing in federally assisted housing to live with dignity and independence, avoiding unnecessary institutionalization by—

(1) retrofitting individual dwelling units and renovating public and common areas in such housing to meet the special physical needs of eligible residents;

(2) creating and rehabilitating congregate space in or adjacent to such housing to accommodate supportive services that enhance independent living;

(3) providing transitional funding for those qualifying supportive services that cannot otherwise be funded; and

(4) improving the capacity of management to assess the service needs of eligible residents, coordinate the provision of supportive services that meet the needs of eligible residents and ensure the long-term provision of such services.

(b) AUTHORIZATION TO PROVIDE ASSISTANCE.—The Secretary is authorized to provide assistance in the form of grants to adapt eligible housing for the elderly so that such housing better accommodates the physical requirements and service needs of eligible residents. Assistance under this section shall be made available only to owners that demonstrate, to the satisfaction of the Secretary, that the assistance is necessary for the provision of qualifying supportive services that will receive long-term support from sources other than this Act.

(c) ELIGIBLE ACTIVITIES.—

(1) RETROFIT AND RENOVATION.—Assistance under this section may be provided with respect to eligible housing for the elderly for—

(A) retrofitting of individual dwelling units to meet the special physical needs of current or future residents who are or are expected to be eligible residents, which retrofitting may include—

(i) widening of doors to allow passage by persons with disabilities in wheelchairs into and within units in the project;

(ii) placement of light switches, electrical outlets, thermostats and other environmental controls in accessible locations;

(iii) installation of grab bars in bathrooms or the placement of reinforcements in bathroom walls to allow later installation of grab bars;

(iv) redesign of usable kitchens and bathrooms to permit a person in a wheelchair to maneuver about the space; and

(v) such other features of adaptive design that the Secretary finds are appropriate to meet the special needs of such residents;

(B) such renovation as is necessary to ensure that public and common areas are readily accessible to and usable by eligible residents;

(C) renovation, conversion, or combination of vacant dwelling units to create congregate space to accommodate the provision of supportive services to eligible residents;

(D) renovation of existing congregate space to accommodate the provision of supportive services to eligible residents; and

(E) construction or renovation of facilities to create conveniently located congregate space to accommodate the provision of supportive services to eligible residents.

For purposes of this paragraph, the term "congregate space" shall include space for cafeterias or dining halls, community rooms or buildings, workshops, adult day health facilities, or other outpatient health facilities, or other essential service facilities.

(2) TRANSITIONAL SUPPORT FOR SERVICES.—Assistance under this section may also be provided with respect to eligible housing for the elderly for—

(A) the transitional provision of qualifying supportive services if the owner demonstrates to the satisfaction of the Secretary that—

(i) the qualifying services are necessary to help eligible residents live independently and avoid unnecessary institutionalization;

(ii) the owner has made diligent efforts to use or obtain other available resources to fund the designated services; and

(iii) long-term funding for the qualifying services will be available from other sources; and

(B) the renewal of contracts entered into under the Congregate Housing Services Act of 1978.

Assistance under this paragraph shall be phased out over a period not to exceed 3 years.

(3) SERVICE COORDINATOR.—The employment of one or more individuals (hereinafter referred to as "service coordinator") who may be responsible for—

(A) working with the professional assessment committee established under subsection (f) on an ongoing basis to assess the service needs of eligible residents;

(B) working with service providers and the professional assessment committee to tailor the provision of services to the needs and characteristics of eligible residents;

(C) mobilizing public and private resources to ensure that the qualifying supportive services identified pursuant to subsection (d)(1) can be funded over the time period identified under such subsection;

(D) monitoring and evaluating the impact and effectiveness of any supportive service program receiving capital or operating assistance under this section; and

(E) performing such other duties and functions that the Secretary deems appropriate to enable frail elderly persons residing in federally assisted housing to live with dignity and independence.

The Secretary shall establish such minimum qualifications and standards for the position of service coordinator that the Secretary deems necessary to ensure sound management. The Secretary may fund the employment of service coordinators by using amounts appropriated under subsection (k) and by permitting owners to use existing sources of funds, including excess project reserves.

(d) APPLICATION.—The funds made available under this section shall be allocated by the Secretary among approvable applications submitted by owners. Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Applications for assistance shall contain—

(1) a description of qualifying supportive services that can reasonably be expected to be made available to eligible residents over a 5-year period (or such longer period that the Secretary determines to be appropriate if assistance is provided for activities under subsection (c)(1) that involve substantial rehabilitation);

(2) a firm commitment from one or more sources of assistance ensuring that some or all of the qualifying supportive services identified under paragraph (1) will be provided for not less than 1 year following the completion of activities assisted under subsection (c)(1);

(3) a description of public or private sources of assistance that are likely to fund or provide qualifying supportive services for the entire period specified under paragraph (1), including evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including for-profit and nonprofit organizations);

(4) a certification from the appropriate State or local agency (as determined by the Secretary) that (A) the provision of the qualifying supportive services identified under paragraph (1) will enable eligible residents to live independently and avoid unnecessary institutionalization, and (B) there is a reasonable likelihood that such services will be funded or provided for the entire period specified under paragraph (1);

(5) evidence that the owner has established a professional assessment committee in accordance with subsection (f);

(6) a description of assistance that the owner seeks under this section;

(7) a description of any fees that would be established pursuant to subsection (f)(3); and

(8) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

(e) PROGRAM SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section which shall include—

(1) the ability of the owner or a designated service provider to provide the qualifying supportive services identified pursuant to subsection (d)(1);

(2) the need for such services in the housing;

(3) the extent to which the envisioned renovation and conversion activities will foster the provision of such services;

(4) the extent to which the owner has demonstrated that such services will be provided over the period identified pursuant to subsection (d)(1);

(5) the extent to which the owner has had a good record of maintaining and operating housing for the elderly; and

(6) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

(f) PROVISION OF SERVICES.—

(1) ESTABLISHMENT OF PROFESSIONAL ASSESSMENT COMMITTEE.—(A) Each owner shall establish a professional assessment committee composed of at least three persons, each of whom is a qualified medical professional or other person professionally competent to appraise the functional abilities of residents of eligible housing for the elderly in relation to the performance of the normal activities of daily living.

(B) The professional assessment committee shall identify residents eligible to receive qualifying supportive services and designate the services appropriate for each eligible resident. Residents shall be accorded fair treatment and due process and a right of appeal in determinations of eligibility. Personal and medical records made available for determinations of eligibility shall remain confidential.

(2) PARTICIPATION BY OTHER RESIDENTS.—Residents other than eligible residents may participate in a supportive service program receiving capital or operating assistance under this section if the owner determines that the participation of such residents will not adversely affect the cost-effectiveness or operation of the program. The Secretary may permit the provision of services to elderly persons and persons with disabilities who are not residents if the participation of such persons will not adversely affect the cost-effectiveness or operation of the program or add significantly to the need for assistance under this Act.

(3) FEES.—An owner may charge fees for meals and other qualifying supportive services. Such fees shall be reasonable, shall not exceed the cost of providing the service, and shall be calculated on a sliding scale related to income which permits the provision of services to eligible residents who cannot afford meal and service fees. Fees for services provided to residents who are not eligible residents shall be reasonable and shall not exceed the cost of providing the service.

(4) RESIDENT ELIGIBILITY.—The Secretary shall establish the standards and guidelines governing the eligibility of residents for qualifying supportive services under this section after consultation with the Secretary of Health and Human Services and with appropriate organizations representing the elderly, as determined by the Secretary.

(g) REPORTS.—

(1) OWNERS' REPORTS.—Each owner shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, an annual report evaluating the use of funds made available under this section.

(2) ANNUAL REPORT TO THE CONGRESS.—The Secretary shall submit to the Congress, not later than 120 days after the end of each fiscal year, an annual report evaluating the effectiveness of activities assisted under this section in such fiscal year. Such report shall summarize the reports submitted under paragraph (1).

(h) RESERVE FUND.—The Secretary may reserve not more than 5 percent of the amounts made available in each fiscal year to supplement grants awarded to owners under this section when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible residents.

(i) MISCELLANEOUS PROVISIONS.—

(1) PARTICIPATION OF RESIDENTS.—Each owner shall, to the maximum extent practicable, employ residents of eligible housing for the elderly who are not eligible residents, to provide services assisted under this section or from other sources. Such persons shall be paid at a rate not less than the highest of—

(A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such act applied to the resident and if he or she were not exempt under section 13 thereof;

(B) the State or local minimum wage for the most nearly comparable covered employment; or

(C) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

(2) DISREGARD OF SERVICE AS INCOME.—No service provided to a resident of eligible housing for the elderly under this section, except for wages paid under paragraph (1) of this section, may be treated as income for the purpose of any other program or provision of State or Federal law.

(3) RESIDENCE.—Persons receiving services assisted under this section shall be deemed to be residents of their own households, and not to be residents of a public institution, for the purpose of any other program or provision of State or Federal law.

(j) DEFINITIONS.—For the purpose of this section—

(1) the term "elderly person" means a person who is 62 years of age or over;

(2) the term "eligible housing for the elderly" means housing that is occupied by elderly persons and their families and is—

(A) public housing assisted under the Housing Act of 1937;

(B) assisted under section 202 of the Housing Act of 1959;

(C) insured, assisted, or held by the Secretary under section 236 of the National Housing Act;

(D) insured or held under section 221(d)(3) of the National Housing Act and assisted under section 101 of the Housing and Urban Development Act of 1965 or section 8 of the United States Housing Act of 1937;

(E) insured or held by the Secretary and subject to a loan or mortgage bearing interest at a rate determined under the proviso to section 221(d)(5) of the National Housing Act;

(F) assisted under section 515 of the Housing Act of 1949; or

(G) assisted under section 8 of the United States Housing Act of 1937, all of the units of which receive the benefit of assistance under such section.

(3) the term "eligible resident" means a person residing in eligible housing for the elderly who qualifies under the definition of frail elderly, person with disabilities (regardless of whether the person is elderly), or temporarily disabled;

(4) the term "frail elderly" means an elderly person who is unable to perform at least 3 activities of daily living adopted by the Secretary for purposes of this program. Owners may establish additional eligible requirements (acceptable to the Secretary) based on the standards in local supportive services programs;

(5) the term "person with disabilities" has the meaning given the term under section 521 of this Act;

(6) the term "owner" means a public housing agency that operates public housing, a nonprofit entity that owns and operates all other types of eligible housing under paragraph (2), or a for-profit entity that owns and operates all other types of eligible housing under paragraph (2) and agrees to operate such housing as low income housing through the term of the original mortgage;

(7) the term "public housing" has the meaning given the term in section 3(b)(1) of the United States Housing Act of 1937;

(8) the term "public housing agency" has the meaning given the term in section 3(b)(6) of the United States Housing Act of 1937;

(9) the term "qualifying supportive services" shall mean new or significantly expanded services that the Secretary deems essential to enable eligible residents to live independently and avoid unnecessary institutionalization. Such services may include but not be limited to; (A) meal service adequate to meet nutritional need; (B) housekeeping aid; (C) personal assistance (which may include, but is not limited to, aid given to eligible residents in grooming, dressing, and other activities which maintain personal appearance and hygiene); (D) transportation services; and (E) health-related services; the owner may provide the qualifying services directly to eligible residents or may, by contract or lease, provide such services through other appropriate agencies or providers;

(10) the term "Secretary" means the Secretary of Housing and Urban Development; and

(11) the term "temporarily disabled" means an impairment which (A) is expected to be of no more than 6 months' duration, and (B) substantially impedes a person's ability to live independently unless the person receives qualifying supportive services.

(k) AUTHORIZATION.—There are authorized to be appropriated to carry out this subtitle $50,000,000 for fiscal year 1991, $52,000,000 for fiscal year 1992, and $54,080,000 for fiscal year 1993. Any amount appropriated under this section shall remain available until expended.

(l) CONFORMING AMENDMENT.—Section 9(a)(3)(B) of the United States Housing Act of 1937 is amended—

(1) by striking "and" at the end of clause (iv);

(2) by striking the period at the end of clause (v) and inserting "; and"; and

(3) by adding at the end the following new clause:

"(vi) if a public housing agency renovates, converts, or combines one or more dwelling units in a public housing project to create congregate space to accommodate the provision of supportive services in accordance with section 512 of the National Affordable Housing Act, the payments received under this section shall not be reduced because of the resulting reduction in the number of dwelling units.".

SEC. 603. HOPE FOR ELDERLY INDEPENDENCE.

(a) PURPOSE.—The purpose of this section is to establish a demonstration program to test the effectiveness of combining housing vouchers and supportive services to assist frail elderly persons to continue to live independently. The demonstration period shall be five years.

(b) HOUSING VOUCHER ASSISTANCE.—In connection with this demonstration, the Secretary may enter into contracts with public housing agencies to provide housing assistance under the voucher program authorized under section 8(o) of the United States Housing Act of 1937. The Secretary shall set aside not more than 1,500 incremental rental vouchers for the purpose of carrying out this demonstration. A public housing agency may not require that a frail elderly person live in a particular structure or unit, but may require that the person live within a particular geographic area, as a condition of participation, where necessary to assure that the provision of supportive services is feasible. At the end of the demonstration period, the public housing agency shall give each frail elderly person the option to continue to receive assistance under the housing voucher program of the agency.

(c) SUPPORTIVE SERVICES REQUIREMENTS; MATCHING FUNDING.—

(1) FEDERAL, PHA AND INDIVIDUAL CONTRIBUTIONS.—The amount estimated by the public housing agency and approved by the Secretary as necessary to provide the supportive services for the demonstration period shall be funded as follows:

(A) the Secretary shall provide 40 percent, using amounts appropriated under this section;

(B) the public housing agency shall assure the provision of at least 50 percent from sources other than under this section; and

(C) notwithstanding any other provision of law, each frail elderly person shall pay 10 percent of the costs of the supportive services the person receives.

(2) PROVISION OF SERVICES FOR ENTIRE DEMONSTRATION.—Each public housing agency shall assure that supportive services appropriate to the needs of the frail elderly persons to be served under this demonstration are provided throughout the demonstration period. Expenditures for supportive services need not be made in equal amounts for each year, but may vary depending on the needs of the frail elderly persons assisted under this section. A public housing agency may use up to 20 percent of the Federal assistance provided for supportive services in each year of this demonstration and any amounts from any prior year in which the public housing agency did not use 20 percent of the available Federal assistance. Notwithstanding any other provision of law, eligibility for supportive services shall be limited to persons who are receiving housing assistance under this section.

(3) CALCULATION OF THE MATCH.—In determining compliance with paragraph (1)(B), an agency may include the value of such items as the Secretary determines to be appropriate, which may include the salary paid to staff to provide supportive services.

(d) APPLICATIONS.—An application under this section shall request both housing voucher and supportive services assistance, and shall be submitted by a public housing agency in such form and in accordance with such procedures as the Secretary shall establish. The Secretary shall require that an application contain at a minimum—

(1) an application for voucher assistance under section 8(o) of the United States Housing Act of 1937;

(2) a description of the size and characteristics of the population of frail elderly persons and of their housing and supportive services needs;

(3) a description of the proposed method of determining whether a person qualifies as a frail elderly person (specifying any additional eligibility requirements proposed by the agency), and of selecting frail elderly persons to participate;

(4) a statement that the public housing agency will create a professional assessment committee or will work with another entity which will assist the public housing agency in identifying and providing only those services that each frail elderly person needs to remain living independently;

(5) a description of the mechanisms for developing housing and supportive services plans for each person and for monitoring the person's progress in meeting that plan;

(6) the identity of the proposed service provider and a statement of its qualifications;

(7) a description of the supportive services the public housing agency proposes to make available for the frail elderly persons to be served, the estimated costs of such services, a description of the resources that are expected to be made available to cover the portion of the costs required by subsection (c)(3);

(8) assurances satisfactory to the Secretary that the supportive services will be provided for the demonstration period;

(9) the plan for coordinating the provision of voucher assistance and supportive services;

(10) a description of how the public housing agency will ensure that the service providers are providing supportive services, at a reasonable cost, adequate to meet the needs of the persons to be served;

(11) a plan for continuing supportive services to frail elderly persons that continue to receive voucher assistance after the end of the demonstration period; and

(12) a statement that the application has been developed in consultation with the area agency on aging under title III of the Older Americans Act and that the public housing agency will periodically consult with the area agency during the demonstration.

(e) SELECTION.—

(1) CRITERIA.—The Secretary shall establish selection criteria for a national competition for assistance under this section, which shall include—

(A) the ability of the public housing agency to develop and operate the proposed housing voucher and supportive services program;

(B) the need for a program providing both housing assistance and supportive services for frail elderly persons in the area to be served;

(C) the quality of the proposed program for providing supportive services;

(D) the extent to which the proposed funding for the supportive services is or will be available;

(E) the extent to which the program would meet the needs of the frail elderly persons proposed to be served by the program; and

(F) such other factors as the Secretary specifies to be appropriate for purposes of carrying out the demonstration program established by this section in an effective and efficient manner.

(2) CONSULTATION WITH HHS.—In reviewing the applications, the Secretary shall consult with the Secretary of Health and Human Services with respect to the supportive services aspects.

(3) FUNDING LIMITATIONS.—No more than 10 percent of the assistance made available under this section may be used for programs located within any one unit of general local government.

(f) REQUIRED AGREEMENTS.—The Secretary may not approve any assistance for any program under this section unless the public housing agency agrees—

(1) to operate the proposed program in accordance with the program requirements established by the Secretary;

(2) to conduct an ongoing assessment of the voucher assistance and supportive services required by each frail elderly person participating in the program;

(3) to assure the adequate provision of supportive services, at a reasonable cost, to each frail elderly person participating in the program; and

(4) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the program in an effective and efficient manner.

(g) DEFINITIONS.—For purposes of this section:

(1) The term "frail elderly person" means a person who, or a family where each person, is at least 62 years old, is eligible to receive a voucher under the first sentence of section 8(o)(3) of the United States Housing Act of 1937, and is unable to perform at least three activities of daily living adopted by the Secretary for the purposes of this program. Public housing agencies may establish additional eligibility requirements based on the standards in local service programs.

(2) The term "professional assessment committee" means a group of at least three persons appointed by a public housing agency which shall include at least one qualified medical professional and other persons professionally competent to appraise the functional abilities of the frail elderly in relation to the performance of activities of daily living.

(3) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937. The term includes an Indian Housing Authority, as defined in section 3(b)(11) of such Act.

(4) The term "Secretary" means the Secretary of Housing and Urban Development.

(5) The term "supportive services" means assistance that the Secretary determines (A) addresses the special needs of frail elderly persons; and (B) provides appropriate supportive services or assists such persons in obtaining appropriate services, including personal assistance with activities of daily living, case management services, counseling, supervision, and other services essential for achieving and maintaining independent living. Supportive services shall not include medical services, as determined by the Secretary.

(h) REPORT.—

(1) INTERIM REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the Congress an interim report evaluating the effectiveness of the demonstration program under this section.

(2) FINAL REPORT.—Not later than 2 years after the termination of the demonstration period under this section, the Secretary shall submit to Congress a final report evaluating the effectiveness of the demonstration program under this section.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the Secretary's responsibilities for supportive services under this demonstration, $10,000,000 to become available in fiscal year 1991, and remain available until expended.

(j) IMPLEMENTATION.—Not later than 120 days after the date funds authorized for the demonstration under this section first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the demonstration program authorized under this section.

Subtitle B—Supportive Housing for Persons with Disabilities

SEC. 611. SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES.

(a) PURPOSE.—The purpose of this section is to enable persons with disabilities to live with dignity and independence within their communities by expanding the supply of supportive housing that—

(1) is designed to accommodate the special needs of such persons; and

(2) provides supportive services that address the individual health, mental health, and other needs of such persons.

(b) GENERAL AUTHORITY.—The Secretary is authorized to provide assistance to private, nonprofit organizations to expand the supply of supportive housing for persons with disabilities. Such assistance shall be provided as—

(1) capital advances in accordance with subsection (d)(1), and

(2) contracts for project rental assistance in accordance with subsection (d)(2).

Such assistance may be used to finance the acquisition, acquisition and moderate rehabilitation, construction, reconstruction, or moderate or substantial rehabilitation of housing to be used as supportive housing for persons with disabilities and may include real property acquisition, site improvement, conversion, demolition, relocation, and other expenses that the Secretary determines are necessary to expand the supply of supportive housing for persons with disabilities.

(c) GENERAL REQUIREMENTS.—The Secretary shall take such actions as may be necessary to ensure that—

(1) assistance made available under this section will be used to meet the special needs of persons with disabilities by providing a variety of housing options, ranging from group homes and independent living facilities to dwelling units in multifamily housing developments, condominium housing, and cooperative housing; and

(2) supportive housing for persons with disabilities assisted under this section shall—

(A) provide persons with disabilities occupying such housing with supportive services that address their individual needs;

(B) provide such persons with opportunities for optimal independent living and participation in normal daily activities, and

(C) facilitate access by such persons to the community at large and to suitable employment opportunities within such community.

(d) FORMS OF ASSISTANCE.—

(1) CAPITAL ADVANCES.—A capital advance provided under this section shall bear no interest and its repayment shall not be required so long as the housing remains available for very-low-income persons with disabilities in accordance with this section. Such advance shall be in an amount calculated in accordance with the development cost limitation established in subsection (h).

(2) PROJECT RENTAL ASSISTANCE.—Contracts for project rental assistance shall obligate the Secretary to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by very low-income persons with disabilities that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The Secretary may adjust the annual contract amount if the sum of the project income and the amount of assistance payments available under this paragraph are inadequate to provide for reasonable project costs. In the case of an intermediate care facility which is the residence of persons assisted under title XIX of the Social Security Act, project income under this paragraph shall include the same amount as if such person were being assisted under title XVI of the Social Security Act.

(3) RENT CONTRIBUTION.—A very low-income person shall pay as rent for a dwelling unit assisted under this section the higher of the following amounts, rounded to the nearest dollar: (A) 30 percent of the person's adjusted monthly income, (B) 10 percent of the person's monthly income, or (C) if the person is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the person's actual housing costs, is specifically designated by such agency to meet the person's housing costs, the portion of such payments which is so designated; except that the gross income of a person occupying an intermediate care facility assisted under title XIX of the Social Security Act shall be the same amount as if the person were being assisted under title XVI of the Social Security Act.

(e) TERM OF COMMITMENT.—

(1) USE LIMITATIONS.—All units in housing assisted under this section shall be made available for occupancy by very low-income persons with disabilities for not less than 40 years.

(2) CONTRACT TERMS.—The initial term of a contract entered into under subsection (d)(2) shall be 240 months. The Secretary shall, to the extent approved in appropriation Acts, extend any expiring contract for a term of not less than 60 months. In order to facilitate the orderly extension of expiring contracts, the Secretary is authorized to make commitments to extend expiring contracts during the year prior to the date of expiration.

(f) APPLICATIONS.—Funds made available under this section shall be allocated by the Secretary among approvable applications submitted by private nonprofit organizations. Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

(1) a description of the proposed housing;

(2) a description of the assistance the applicant seeks under this section;

(3) a supportive service plan that contains—

(A) a description of the needs of persons with disabilities that the housing is expected to serve;

(B) assurances that persons with disabilities occupying such housing will receive supportive services based on their individual needs;

(C) evidence of the applicant's (or a designated service provider's) experience in providing such supportive services;

(D) a description of the manner in which such services will be provided to such persons, including evidence of such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of such services; and

(E) identification of the extent of State and local funds available to assist in the provision of such services;

(4) a certification from the appropriate State or local agency (as determined by the Secretary) that the provision of the services identified in paragraph (3) are well designed to serve the special needs of persons with disabilities;

(5) reasonable assurances that the applicant will own or have control of an acceptable site for the proposed housing not later than 6 months after notification of an award for assistance;

(6) a certification from the public official responsible for submitting a housing strategy for the jurisdiction to be served in accordance with section 105 of the National Affordable Housing Act that the proposed housing is consistent with the approved housing strategy; and

(7) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

(g) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

(1) the ability of the applicant to develop and operate the proposed housing;

(2) the need for housing for persons with disabilities in the area to be served;

(3) the extent to which the proposed design of the housing will meet the special needs of persons with disabilities;

(4) the extent to which the applicant has demonstrated that the necessary supportive services will be provided on a consistent, long-term basis;

(5) the extent to which the proposed design of the housing will accommodate the provision of such services;

(6) the extent to which the applicant has control of the site of the proposed housing; and

(7) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

(h) DEVELOPMENT COST LIMITATIONS.—

(1) IN GENERAL.—The Secretary shall periodically establish development cost limitations by market area for various types and sizes of supportive housing for persons with disabilities by publishing a notice of the cost limitations in the Federal Register. The cost limitations shall reflect—

(A) the cost of acquisition, construction, reconstruction, or rehabilitation of supportive housing for persons with disabilities that (i) meets applicable State and local housing and building codes; (ii) conforms with the design characteristics of the neighborhood in which it is to be located;

(B) the cost of movables necessary to the basic operation of the housing, as determined by the Secretary;

(C) the cost of special design features necessary to make the housing accessible to persons with disabilities;

(D) the cost of special design features necessary to make individual dwelling units meet the special needs of persons with disabilities;

(E) the cost of congregate space necessary to accommodate the provision of supportive services to persons with disabilities;

(F) if the housing is newly constructed, the cost of meeting the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the National Affordable Housing Act; and

(G) the cost of land, including necessary site improvement.

In establishing development cost limitations for a given market area, the Secretary shall use data that reflect currently prevailing costs of acquisition, construction, reconstruction, or rehabilitation, and land acquisition in the area.

(2) ANNUAL ADJUSTMENTS.—The Secretary shall adjust the cost limitation not less than once annually to reflect changes in the general level of acquisition, construction, reconstruction, or rehabilitation costs.

(3) INCENTIVES FOR SAVINGS.—(A) The Secretary shall use the development cost limitations established under paragraph (1) to calculate the amount of financing to be made available to individual owners. Owners which incur actual development costs that are less than the amount of financing shall be entitled to retain 50 percent of the savings in a special project account. Such percentage shall be increased to 75 percent for owners which add energy efficiency features which (i) exceed the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the National Affordable Housing Act; (ii) substantially reduce the life-cycle cost of the housing; (iii) reduce gross rent requirements; and (iv) enhance tenant comfort and convenience.

(B) The special project account established under subparagraph (A) may be used (i) to supplement services provided to residents of the housing or funds set-aside for replacement reserves, or (ii) for such other purposes as determined by the Secretary.

(4) FUNDS FROM OTHER SOURCES.—An owner shall be permitted voluntarily to provide funds from non-Federal sources for amenities and other features of appropriate design and construction suitable for supportive housing for persons with disabilities if the cost of such amenities is (A) not financed with the advance, and (B) is not taken into account in determining the amount of Federal assistance or of the rent contribution of tenants.

(i) TENANT SELECTION.—(1) An owner shall adopt written tenant selection procedures that are satisfactory to the Secretary as (A) consistent with the purpose of improving housing opportunities for very low-income persons with disabilities; and (B) reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. Owners shall promptly notify in writing any rejected applicant of the grounds for any rejection.

(2) Notwithstanding any other provision of law, an owner may, with the approval of the Secretary, limit occupancy within housing developed under this section to persons with disabilities who have similar disabilities and require a similar set of supportive services in a supportive housing environment.

(j) MISCELLANEOUS PROVISIONS.—

(1) TECHNICAL ASSISTANCE.—The Secretary shall make available appropriate technical assistance to assure that applicants having limited resources, particularly minority applicants, are able to participate more fully in the program carried out under this section.

(2) CIVIL RIGHTS COMPLIANCE.—Each owner shall certify, to the satisfaction of the Secretary, that assistance made available under this section will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act and other Federal, State, and local laws prohibiting discrimination and promoting equal opportunity; and

(3) SITE CONTROL.—An applicant may obtain ownership or control of a suitable site different from the site specified in the initial application. If an applicant fails to obtain ownership or control of the site within 1 year after notification of an award for assistance, the assistance shall be recaptured and reallocated.

(4) OWNER DEPOSIT.—The Secretary may require an owner to deposit an amount not to exceed $10,000 in a special escrow account to assure the owner's commitment to the housing.

(5) NOTICE OF APPEAL.—The Secretary shall notify an owner not less than 30 days prior to canceling any reservation of assistance provided under this section. During the 30-day period following the receipt of a notice under the preceding sentence, an owner may appeal the proposed cancellation. Such appeal, including review by the Secretary, shall be completed not later than 45 days after the appeal is filed.

(6) LABOR STANDARDS.—The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section and designed for dwelling use by 12 or more persons with disabilities shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (the Davis-Bacon Act); but the Secretary may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

(k) DEFINITIONS.—As used in this section—

(1) The term "acquired immunodeficiency syndrome and related diseases" means the disease of acquired immunodeficiency syndrome and any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. The term does not include

any condition of asymptomatic infection with the etiologic agent for acquired immunodeficiency syndrome.

(2) The term "group home" means a single family residential structure designed or adapted for occupancy by not more than 8 persons with disabilities. The Secretary may waive the project size limitation contained in the previous sentence if the applicant demonstrates that local market conditions dictate the development of a larger project. Not more than 1 home may be located on any one site and no such home may be located on a site contiguous to another site containing such a home.

(3) The term "person with disabilities" means a household composed of one or more persons at least one of whom has a disability. A person shall be considered to have a disability if such person is determined, pursuant to regulations issued by the Secretary to have a physical, mental, or emotional impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his or her ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if such person has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-7) or is a person with acquired immunodeficiency syndrome and related diseases. The Secretary shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing assisted under this section. Notwithstanding the preceding provisions of this paragraph, the term "person with disabilities" includes two or more persons with disabilities living together, one or more such persons living with another person who is determined (under regulations prescribed by the Secretary) to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this paragraph who were living, in a unit assisted under this section, with the deceased member of the household at the time of his or her death.

(4) The term "supportive housing for persons with disabilities" means housing that—

(A) is designed to meet the special needs of persons with disabilities, and

(B) provides supportive services that address the individual health, mental health or other special needs of such persons.

(5) The term "independent living facility" means a project designed for occupancy by not more than 20 persons with disabilities in separate dwelling units where each dwelling unit includes a kitchen and a bath.

(6) The term "owner" means a private nonprofit organization that receives assistance under this section to develop and operate a project for supportive housing for persons with disabilities.

(7) The term "private nonprofit organization" means any incorporated private institution or foundation—

(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of persons with disabilities, and (ii) which is responsible for the operation of the housing assisted under this section; and

(C) which is approved by the Secretary as to financial responsibility.

(8) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(9) The term "Secretary" means the Secretary of Housing and Urban Development.

(10) The term "very low-income" has the same meaning as given the term "very low-income families" under section 3(b)(2) of the United States Housing Act of 1937.

(l) AUTHORIZATIONS.—

(1) CAPITAL ADVANCES.—There are authorized to be appropriated for the purpose of funding capital advances in accordance with subsection (d)(1) $258,000,000 for fiscal year 1991, $271,000,000 for fiscal year 1992, and $281,840,000 for fiscal year 1993. Amounts so appropriated, the repayments from such advances, and the proceeds from notes or obligations issued under this section prior to the enactment of this Act shall constitute a revolving fund to be used by the Secretary in carrying out this section.

(2) PROJECT RENTAL ASSISTANCE.—For the purpose of funding contracts for project rental assistance in accordance with subsection (d)(2), the Secretary may, to the extent approved in an appropriations Act, reserve authority to enter into obligations aggregating $234,000,000 for fiscal year 1991, $246,000,000 for fiscal year 1992, and $255,840,000 for fiscal year 1993.

(m) EFFECTIVE DATE AND APPLICABILITY.—

(1) The Secretary shall, upon the request of an owner, apply the provisions of this section to any housing for which a loan reservation was made under section 202 of the Housing Act of 1959 before the date of enactment of this Act but for which no loan has been executed and recorded. In the absence of such a request, any housing identified under the preceding sentence shall continue to be subject to the provisions of section 202 of the Housing Act of 1959 as they were in effect when such assistance was made or reserved.

(2) When responding to an owner's request under paragraph (1), the Secretary shall, notwithstanding any other provision of law, apply such portion of amounts obligated at the time of loan reservation, including amounts reserved with respect to such housing under section 8 of the United States Housing Act of 1937, as are required for the owner's housing under the provisions of this section and shall make any remaining portion available for other housing under this section.

Subtitle C—Supportive Housing for the Homeless

SEC. 621. AMENDMENT TO MCKINNEY ACT.

(a) IN GENERAL.—Title IV of the Stewart B. McKinney Homeless Assistance Act is amended to read as follows:

"TITLE IV—HOUSING ASSISTANCE

"Subtitle A—General Provisions

"SEC. 401. PURPOSE.

"(a) IN GENERAL.—The purpose of this title is to expand the Federal commitment to alleviate homelessness in this Nation by providing States and localities with the resources to—

"(1) help very low-income families avoid becoming homeless;

"(2) meet the emergency shelter needs of homeless persons and families;

"(3) provide transitional housing to facilitate the movement of homeless persons and families to independent living;

"(4) provide specialized permanent housing for homeless persons who require a supportive living environment; and

"(5) provide supportive services to help homeless persons and families lead independent and dignified lives.

"SEC. 402. DEFINITIONS.

"For purposes of this title—

"(1) The term 'assistance' means noninterest bearing advances to assist the acquisition, lease, renovation, substantial rehabilitation, operation, or conversion of facilities to assist the homeless, grants for moderate rehabilitation, grants for other purposes, and other assistance made eligible under section 405 and subtitle B.

"(2) The term 'emergency activities' means (A) activities that help very low-income families avoid becoming homeless in accordance with section 411, and (B) supportive services that are provided in an emergency shelter developed in accordance with section 412.

"(3) The term 'families' has the same meaning given the term under section 104(11) of the National Affordable Housing Act.

"(4) The term 'grantee' means a State or unit of general local government receiving grants from the Secretary under section 403(a). For purposes of section 406 and subsections (a), (b), (c), and (f) of section 408, a private nonprofit organization receiving a direct grant under section 405 shall be treated as a grantee.

"(5) The term 'person with disabilities' has the same meaning given the term in section 521 of the National Affordable Housing Act.

"(6) The term 'homeless person with disabilities' means a person with disabilities who is a homeless person within the meaning of section 103, is at risk of becoming a homeless person, or has been a resident of transitional housing carried out pursuant to this Act or the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591.

"(7) The term 'locality' means the geographical area within the jurisdiction of a local government.

"(8) The term 'operating costs' means expenses incurred by a project sponsor operating any housing assisted under this title with respect to—

"(A) the administration, maintenance, repair, and security of such housing; and

"(B) utilities, fuels, furnishings, and equipment for such housing.

"(9) The term 'operating costs' includes expenses incurred by a project sponsor operating transitional housing under this title with respect to—

"(A) the conducting of the assessment required by section 413(c)(1)(B); and

"(B) the provision of supportive services to the residents of such housing.

"(10) The term 'outpatient health services' means outpatient health care, outpatient mental health services, outpatient substance abuse services, and case management services.

"(11) The term 'private nonprofit organization' means a secular or religious organization—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) that has a voluntary board;

"(C) that has an accounting system or has designated a fiscal agent in accordance with requirements established by the Secretary; and

"(D) that does not discriminate in the provision of assistance.

"(12) the term 'project' means a structure or a portion of a structure that is acquired or rehabilitated with assistance provided under this title or with respect to which the Secretary provides technical assistance or annual payments for operating costs.

"(13) The term 'project sponsor' means any governmental or private nonprofit organization that—

"(A) receives assistance from the Secretary or from a grantee under section 403(a),

"(B) is approved by the grantee as to financial responsibility, and

"(C) is directly responsible for the administration of assistance provided under this title.

Each project sponsor shall act as the fiscal agent of the Secretary with respect to assistance provided to such project sponsor under this title.

"(14) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(15) The term 'State' means a State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this Act.

"(16)(A) The term 'supportive services' means assistance designed by a project sponsor that—

"(i) addresses the special needs of homeless persons, such as deinstitutionalized persons, families with children, persons with mental disabilities, other persons with disabilities, the elderly, and veterans intended to be served by a project; and

"(ii) assists in accomplishing the purposes of the different types of housing for the homeless made eligible under this subtitle.

"(B) The term includes—

"(i) food services, child care, substance abuse treatment, assistance in obtaining permanent housing, outpatient health services, employment counseling, nutritional counseling, security arrangements for the protection of residents of facilities to assist the homeless, and such other services essential for maintaining or moving towards independent living as the Secretary determines to be appropriate; and

"(ii) assistance to homeless persons in obtaining other Federal, State, and local assistance available for such individuals, including public assistance benefits, mental health benefits, employment counseling, and medical assistance.

"(C) Such term does not include the provision of major medical equipment.

"(D) All or part of the supportive services may be provided directly by the project sponsor or by arrangements with other public or private service providers.

"(17) The term 'unit of general local government' means any city, town, township, county, parish, village, or other general purpose subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the Federated States of Micronesia and Palau, the Marshall Islands, or a general purpose political subdivision thereof; a consortium of such political subdivisions recognized by the Secretary in accordance with section 404(b)(1)(B) of this Act; and any other territory or possession of the United States.

"(18) The term 'very low-income families' has the same meaning given the term under section 104(8) of the National Affordable Housing Act.

"SEC. 403. GENERAL AUTHORITY.

"(a) GRANTS FOR HOMELESS HOUSING ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall, to the extent of amounts approved in appropriations Acts under section 409, make grants to States and units of general local government and to eligible applicants under section 405 in order to (A) carry out activities designed to meet the emergency, transitional, and permanent housing needs of the homeless, (B) help very low-income families and persons avoid becoming homeless, and (C) help homeless families and persons make the transition to permanent housing. A jurisdiction shall be eligible to receive a grant only if it has obtained an approved housing strategy (or an approved abbreviated housing strategy) in accordance with section 105 of the National Affordable Housing Act. A grantee shall carry out activities authorized under this subsection through contracts with project sponsors, except that a grantee that is a State shall obtain the approval of the unit of general local government for the locality in which a project is to be located prior to entering into such contracts.

"(2) ALLOCATION OF RESOURCES.—

"(A) FORMULA GRANTS.—(i) 80 percent of the amounts approved in appropriations Acts under section 409 shall be allocated in accordance with a formula established under section 404. Of the amounts made available under the previous sentence, the Secretary shall allocate 70 percent among units of general local government and 30 percent among States.

"(ii) Grants allocated under this subparagraph shall be available only for approved activities. Approved activities shall include—

"(I) the provision of assistance to help very low-income families avoid becoming homeless in accordance with section 411;

"(II) the development of emergency shelters for the homeless in accordance with section 412;

"(III) the development of transitional housing to facilitate the transition of homeless persons to independent living in accordance with section 413;

"(IV) the development of permanent housing for homeless persons with disabilities in accordance with section 414;

"(V) the provision of assistance to help very low-income families who are residing in emergency shelter or transitional housing make the transition to permanent housing in accordance with section 415; and

"(VI) such other activities that the Secretary develops in cooperation with grantees in accordance with section 416.

The Secretary shall establish standards and guidelines for approved activities. The Secretary shall permit grantees to refine and adapt such standards and guidelines for individual projects, where such refinements and adaptations are made necessary by local circumstances.

"(iii) A grantee may use not more than 30 percent of the grants allocated in accordance with this subparagraph for emergency activities as defined in section 402(2). The Secretary may approve a higher limitation if the grantee demonstrates that other approved activities under this subparagraph are already being carried out in the jurisdiction with other resources.

"(B) DISCRETIONARY ALLOCATIONS.—20 percent of the amounts approved in appropriations Acts under section 409 shall be allocated among appropriate applications in accordance with section 405.

"(b) SRO RENOVATION.—The Secretary shall, to the extent of amounts approved in appropriations Acts under section 422, provide rental assistance to public housing agencies or other contracting agencies for the renovation of single room occupancy dwellings in accordance with subtitle C.

"SEC. 404. ALLOCATION FORMULA.

"(a) ESTABLISHMENT OF FORMULA.—The Secretary shall issue regulations establishing an allocation formula that reflects each jurisdiction's share of the Nation's need for housing assistance for the homeless as identified by—

"(1) objective measures of the incidence of homelessness;

"(2) the relation between the supply of affordable housing for very low-income families and the number of such families in the jurisdiction;

"(3) poverty; and

"(4) housing overcrowding.

The data to be used for allocation of funds within a fiscal year shall be those that are available to the Secretary 90 days prior to the beginning of that fiscal year.

"(b) ALLOCATION RULES.—

"(1) MINIMUM LOCAL ALLOCATION.—The Secretary shall allocate amounts available for formula allocation to units of general local government so that, when all such amounts are allocated by the formula, only those jurisdictions that are allocated an amount of $200,000 or greater shall receive an allocation. A jurisdiction receiving a formula allocation shall be eligible to receive grants if its formula allocation is $250,000 or greater, or if—

"(A) the Secretary finds that—

"(i) the jurisdiction is the city with the greatest population in a metropolitan area and has demonstrated a capacity to carry out provisions of section 403(a), and

"(ii) the State has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula allocation and $250,000 or the State or jurisdiction has made available from the State's or jurisdiction's own sources an equal amount for use by the jurisdiction in conformance with the provisions of section 403(a); or

"(B) geographically contiguous local governments have formed a consortium that, in the determination of the Secretary—

"(i) has sufficient authority and administrative capability to act on behalf of its member jurisdictions in carrying out the provisions of section 403(a), and

"(ii) is comprised only of jurisdictions that have received a formula allocation for the fiscal year.

Such a consortium shall be deemed to be a unit of general local government for purposes of this section. If a jurisdiction has met the requirements of subparagraph (A), the jurisdiction's formula allocation for a fiscal year shall subsequently be deemed to equal the sum of the jurisdiction's allocation under this subsection and the amount made available to the jurisdiction under subparagraph (A)(ii). The formula allocation for a consortium that has met the requirements, under this subparagraph shall equal the total of the allocations of its member jurisdictions.

"(2) MINIMUM STATE ALLOCATION.—(A) If the formula, when applied to the funds available in accordance with section 403(a)(2)(A), would allocate less than $250,000 to any State, the allocation for such State shall be $250,000, and the increase shall be deducted pro rata from the allocations of other States.

"(B) If no unit of general local government within a State receives an allocation under paragraph (1), the Secretary may increase the State's allocation by $125,000 after determining that such increase is necessary to provide appropriate levels of housing assistance to homeless persons and families within the State. Priority of use of such increased allocation shall go to the provision of housing assistance for the homeless within the boundaries of cities within the State that are the largest city within a metropolitan area. The increased allocation to a State under the preceding sentence shall be derived by a pro rata deduction from the allocations to units of general local government.

"(3) GRANTEE STATUS.—Once a State or unit of general local government becomes a grantee, it shall remain eligible to receive grants for subsequent fiscal years, except as provided in paragraph (4).

"(4) REVOCATION.—The Secretary may revoke a jurisdiction's status as a grantee if (A) the Secretary finds, after reasonable notice and opportunity for hearing, that the jurisdiction is unwilling or unable to carry out the provisions of this subtitle, or (B) the jurisdiction's formula allocation falls below $250,000 for 3 consecutive years, below $225,000 for 2 consecutive years, or below $200,000 in any 1 year.

"(d) INITIAL ALLOCATION OF ASSISTANCE.—Not later than 30 days after funds to carry out this section are provided in an appropriations Act (or, during the first year after enactment of this Act, not later than 30 days after regulations to implement this section are promulgated or due), the Secretary shall allocate funds in accordance with subsections (a) and (b) and promptly notify each jurisdiction receiving a formula allocation of its allocation amount. If a local jurisdiction is not eligible to receive grants because its allocation amount is too low, the Secretary shall inform the jurisdiction in writing how the jurisdiction may become eligible to receive grants.

"(e) DISTRIBUTION OF ASSISTANCE BY A STATE.—Each State shall distribute its allocation of assistance under this section in accordance with the need for homeless assistance as identified in the State's housing strategy approved under section 105 of the National Affordable Housing Act and shall coordinate its efforts where assistance is distributed to a unit of general local government that is a grantee.

"(f) ALLOCATION TO TERRITORIES.—In addition to the other allocations required in this section, the Secretary may make such allocations under this subtitle as the Secretary determines to be appropriate to Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the Federated States of Micronesia and Palau, the Marshall Islands and any other territory or possession of the United States.

"SEC. 405. DISCRETIONARY ALLOCATION.

"(a) IN GENERAL.—The Secretary shall, to the extent of amounts made available under section 403(a)(2)(B) or reallocated under subsection 408(e), make grants to eligible applicants to meet urgent needs of homeless persons that are not being met by available public and private sources in areas with an unusually high incidence of homelessness. For purposes of this section, the term 'eligible applicant' means a grantee or private nonprofit organization, except that a grantee shall not be permitted to submit an application if the Secretary finds that the grantee is in noncompliance with sections 406 and 408.

"(b) ELIGIBLE ACTIVITIES.—Assistance provided under this section may be used for approved activities under subtitle B and for the following additional activities:

"(1) the purchase, lease, rehabilitation, renovation, operation, or conversion of facilities to assist the homeless;

"(2) the transitional provision of supportive services designed to meet special needs of homeless persons, including families with children, deinstitutionalized persons, persons with mental disabilities, other persons with disabilities, the elderly, and veterans. Assistance provided under this paragraph shall be phased out over a period not to exceed 3 years; and

"(3) the provision of supplemental assistance to projects assisted under sections 412 and 413 if such assistance is required to meet the special needs of homeless persons residing in such projects.

"(c) APPLICATIONS.—Funds made available under this section shall be allocated among approvable applications submitted by eligible applicants. Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

"(1) a description of the proposed activities;

"(2) a description of the size and characteristics of the homeless population that would be served by the proposed activities;

"(3) a description of the public and private resources that are expected to be made available in connection with the proposed activities;

"(4) assurances satisfactory to the Secretary that any property purchased, leased, rehabilitated, renovated, or converted with assistance under this section (except for property to be used as emergency shelter in accordance with section 412) shall be operated for not less than 10 years for the purpose specified in the application;

"(5) evidence in a form acceptable to the Secretary that the proposed activities will meet urgent needs of homeless persons that are not being met by available public and private sources;

"(6) if submitted by a private nonprofit organization, a certification from the public official responsible for submitting a housing strategy in accordance with section 105 of the National Affordable Housing Act that the application is consistent with the approved housing strategy; and

"(7) such other information or certifications that the Secretary determines to be necessary to achieve the purposes of this section.

"(d) SELECTION CRITERIA.—

"(1) IN GENERAL.—The Secretary shall establish selection criteria for assistance under this subsection, which shall principally take into account—

"(A) the extent to which the proposed activities meet urgent needs of homeless persons that are not being met by available public and private sources; and

"(B) the extent to which the area in which the proposed activities are to be carried out is an area with an unusually high incidence of homelessness.

"(2) ADDITIONAL CRITERIA.—Selection criteria established by the Secretary shall also take into account—

"(A) the extent to which the proposed activities would provide assistance to homeless persons who are most difficult to serve;

"(B) the extent to which the proposed activities would make available as housing for homeless persons property owned by the Federal Government, a State, a unit of general local government, or other public entity, including in rem property, public buildings, and public land;

"(C) the extent to which the proposed activities would be carried out in a jurisdiction that has demonstrated exemplary coordination among State and local agencies administering housing, child welfare, and public assistance activities;

"(D) the extent to which the applicant has demonstrated the capacity to carry out the proposed activities; and

"(E) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

"(e) SPECIAL RULES FOR SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS.—

"(1) The Secretary may not provide assistance under subsection (b)(3) unless the Secretary determines that—

"(A) the applicant has made reasonable efforts to utilize all available local resources and resources available under the other provisions of this title; and

"(B) other resources are not sufficient or are not available to carry out the purpose for which the assistance is being sought.

No assistance provided under subsection (b)(3) may be used to supplant any non-Federal resources provided with respect to any project.

"(2) Not more than $10,000 of any grant or advance under subsection (b)(3) may be used for outpatient health services (excluding the cost of any rehabilitation or conversion of a structure to accommodate the provision of such services).

"(3) The Secretary of Housing and Urban Development and the Secretary of Health and Human Services shall jointly establish guidelines for determining under this section the appropriateness of proposed outpatient health services. Such guidelines shall include such provisions as are necessary to enable the Secretary of Housing and Urban Development to meet the time limits under this section for the final selection of applications for assistance.

"(f) ADMINISTRATIVE PROVISIONS.—The total amount allocated to a grantee under this section in any fiscal year shall not exceed the grantee's formula allocation under section 404 in that fiscal year.

"SEC. 406. RESPONSIBILITIES OF GRANTEES AND PROJECT SPONSORS.

"(a) MATCHING REQUIREMENTS.—Each grantee shall be required to supplement the grants provided under this title with an equal amount of funds from non-Federal sources. Each grantee shall certify to the Secretary its compliance with this subsection, describing the sources and amounts of such supplemental funds. Supplemental funds may include the value of any donated material or building, the value of any lease on a building, any salary paid to staff to carry out the program of a project sponsor, and the value of the time and services contributed by volunteers to carry out the program of a project sponsor at a rate determined by the Secretary.

"(b) HOUSING QUALITY.—Each grantee shall assure that housing assisted under this subtitle shall be decent, safe, and sanitary and, when appropriate, meet all applicable State and local housing and building codes and licensing requirements in the jurisdiction in which the housing is located.

"(c) CONSISTENCY WITH HOUSING STRATEGY.—Each grantee shall certify, to the satis-

faction of the Secretary, that activities undertaken by project sponsors with assistance from the grantee are consistent with the housing strategy submitted by the grantee in accordance with section 105 of the National Affordable Housing Act.

"(d) ASSISTANCE TO HOMELESS PERSONS.—Each grantee shall certify that each project sponsor shall administer, in good faith, a policy designed to ensure that any shelter or housing assisted under this subtitle is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

"(e) LIMITATION ON USE OF FUNDS.—Each grantee shall certify, to the satisfaction of the Secretary, that neither assistance received under this subtitle nor any State or local government funds used to supplement such assistance will be used to replace other public funds previously used, or designated for use, to assist the homeless.

"(f) CIVIL RIGHTS COMPLIANCE.—Each grantee shall certify, to the satisfaction of the Secretary, that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (Public Law 88-352), and the Fair Housing Act and the grantee will affirmatively further fair housing.

"(g) REPORTS.—

"(1) Each grantee shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, a performance and evaluation report on the use of amounts made available under this subtitle, together with the grantee's assessment of the relationship of such usage to the grantee's approved housing strategy. The report shall include information on the number of homeless persons served and the reasons for their homelessness. The report shall also specify the amounts made available under this subtitle for each approved activity under subtitle B. The report shall be made available to the public so that citizens, public agencies, and other interested parties have an opportunity to comment on the report prior to its submission. The report shall include a summary of any comments received from interested parties.

"(2) The Secretary shall consult with national associations of States, local governments, and other housing interests to develop uniform recordkeeping, performance reporting, and auditing requirements. After considering the results of such consultations, the Secretary shall establish uniform recordkeeping, performance reporting, and auditing requirements for assistance made available under this subtitle.

"(h) SITE CONTROL.—Each grantee or project sponsor shall furnish reasonable assurances that it will own or have control of a site for the proposed project not later than 6 months after notification of an award for grant assistance. A suitable site different from the site specified in the application satisfies the requirement of this subsection. If ownership or control of a site is not obtained within 1 year after notification of an award for grant assistance, the grant shall be recaptured and reallocated.

"(i) PREVENTION OF UNDUE BENEFITS.—The Secretary may prescribe such terms and conditions as he deems necessary to prevent project sponsors from unduly benefiting from the sale or other disposition of projects constructed, rehabilitated, or acquired with assistance under this subtitle other than a sale or other disposition resulting in the use of the project for the direct benefit of very low-income families.

"(j) ADDITIONAL REQUIREMENTS.—The Secretary may establish such other program requirements as the Secretary determines are necessary for grantees to administer activities authorized under this subtitle in an efficient manner.

"SEC. 407. STRATEGY TO ELIMINATE WELFARE HOTELS AND UNFIT TRANSIENT FACILITIES.

"(a) IN GENERAL.—The Secretary shall, not more than 4 months after the date of enactment of the National Affordable Housing Act, identify the States and units of general local government which use welfare hotels and other unfit transient facilities as housing for homeless families with children and develop and publish in the Federal Register a strategy to eliminate such use by January 1, 1992. In developing the strategy required under this section, the Secretary shall consult with the Secretary of the Department of Health and Human Services, the Administrator of the Federal Emergency Management Agency, other appropriate Federal officials, appropriate States and units of general local government, major organizations representing homeless persons and other experts.

"(b) CONTENTS OF STRATEGY.—The strategy developed under this section shall specify—

"(1) actions to be taken to ensure that families with children currently residing in welfare hotels or unfit transient facilities will make a timely transition to permanent housing;

"(2) actions to be taken to provide sufficient emergency, transitional, and permanent housing to preclude the future use of welfare hotels or unfit transient facilities as housing for homeless families with children; and

"(3) changes in Federal, State, and local statutes and regulations that are needed to eliminate the use of welfare hotels and unfit transient facilities as housing for homeless families with children.

"(c) IMPLEMENTATION OF STRATEGY.—To ensure that the strategy developed under this section is carried out within the statutory deadline, the Secretary shall be authorized to use and apply the following additional resources and powers:

"(1) such preferences in the allocation of resources under section 405 as the Secretary determines to be appropriate;

"(2) such limitations upon a jurisdiction's discretion to allocate resources among approved activities under section 403(a)(2)(A) of this title as the Secretary determines to be appropriate; and

"(3) such expedited decisionmaking or waivers or revisions of regulatory requirements under other provisions of Federal law as the Secretary determines to be appropriate; and

"(4) such additional constraints on the use of funds under other provisions of Federal law as the Secretary determines to be appropriate.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'unfit transient facility' means a facility that provides transient accommodations to homeless persons and families in an environment that does not meet the minimum standards of habitability established by the Secretary in accordance with section 412(b); and

"(2) the term 'welfare hotel' means a commercial hotel or motel used by a jurisdiction to provide transient accommodations to homeless persons and families receiving some type of public assistance.

"SEC. 408. ADMINISTRATIVE PROVISIONS.

"(a) LIMITATION ON ADMINISTRATIVE EXPENSES.—A grantee may not use more than 5 percent of the assistance received under this subtitle for administrative purposes.

"(b) INCOME ELIGIBILITY.—A homeless person shall be eligible for assistance under any program provided by this subtitle, or by the amendments made by this subtitle, only if the person has income not exceeding 50 percent of the median income for the area, as adjusted in accordance with section 3(b)(2) of the United States Housing Act of 1937.

"(c) FLOOD ELEVATION REQUIREMENTS.—Flood protection standards applicable to housing acquired, rehabilitated, or assisted under any provision of this subtitle shall be no more restrictive than the standards applicable to any other program administered by the Secretary.

"(d) APPLICABILITY OF SECTION 104(g) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.—The provisions of, and regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 shall apply to assistance and projects under this subtitle.

"(e) RECAPTURE AND REALLOCATION OF FUNDS.—

"(1) FORMULA REALLOCATIONS.—If a State or unit of general local government receiving a formula allocation under section 404 fails to obtain approval of its housing strategy in accordance with section 105 of the National Affordable Housing Act, the Secretary shall reallocate any funds reserved for the jurisdiction as follows:

"(A) If a State fails to obtain approval of its housing strategy, the Secretary shall make the State's formula allocation available in accordance with section 405. The Secretary shall, insofar as practicable, give priority to funding projects that assist the homeless population within the State.

"(B) If a unit of general local government eligible for a grant under section 404 fails to obtain approval of its housing strategy, the Secretary shall promptly reallocate the locality's formula allocation to the State in which the locality is located if the State has obtained approval of its housing strategy. The State shall give priority to funding projects that assist the homeless population within the locality.

"(C) If a unit of general local government eligible for a grant under section 404 fails to obtain approval of its housing strategy, and is located within a State that also fails to obtain approval of its housing strategy, the Secretary shall make the locality's formula allocation available in accordance with section 405. The Secretary shall, insofar as practicable, give priority to funding projects that assist the homeless population within the locality.

"(2) NONCOMPLIANCE.—The Secretary may recapture assistance made available to a grantee if the Secretary determines that the grantee is in noncompliance with program requirements and shall reallocate such assistance in accordance with section 405.

"(3) OTHER REALLOCATIONS.—If, following the receipt of applications for the final funding round under section 405 for any fiscal year, any amount set aside for assistance pursuant to section 405 will not be required to fund the approvable applications submitted for such assistance, the Secretary shall reallocate such amount for use under subtitle C.

"(f) GAO AUDITS.—Insofar as they relate to funds provided under this section, the financial transactions of grantees and project sponsors may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptrol-

ler General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to, or in use by, such grantees and project sponsors pertaining to the financial transactions and necessary to facilitate the audit.

"SEC. 409. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title $220,000,000 for fiscal year 1991, $228,800,000 for fiscal year 1992, and $237,952,000 for fiscal year 1993. Any amount appropriated under this section shall remain available until expended.

"SEC. 410. REPORTS TO CONGRESS.

"The Secretary shall submit annually to the Congress a report summarizing the activities carried out under this title and setting forth the findings, conclusions, and recommendations of the Secretary as a result of the activities. The report shall summarize and assess the results of performance reports provided in accordance with subsection 406(g). The report shall be submitted not later than 3 months after the end of each fiscal year.

"Subtitle B—Approved Activities

"SEC. 411. HOMELESSNESS PREVENTION.

"(a) DEFINITION.—Assistance to help very low-income families avoid becoming homeless may include activities other than those that the Secretary has found to be inconsistent with the purposes of this Act.

"(b) LIMITATION ON FINANCIAL ASSISTANCE.—A grantee may provide financial assistance to very low-income families who have received eviction notices or notices of termination of utility services if—

"(1) the inability of the family to make the required payments is due to a sudden reduction in income;

"(2) the assistance is necessary to avoid the eviction or termination of services;

"(3) there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and

"(4) the assistance will not supplant funding for preexisting homelessness prevention activities from other sources.

"SEC. 412. EMERGENCY SHELTER.

"(a) DEFINITION.—A project shall be considered 'emergency shelter' if it is designed to provide overnight sleeping accommodations and appropriate eating and cooking accommodations for homeless persons.

"(b) MINIMUM STANDARDS OF HABITABILITY.—The Secretary shall prescribe such minimum standards of habitability as the Secretary determines to be appropriate to ensure that emergency shelters assisted under this section are environments that provide appropriate privacy, safety, and sanitary and other health-related conditions for homeless persons and families. Grantees are authorized to establish standards of habitability in addition to those prescribed by the Secretary.

"(c) TYPES OF ASSISTANCE.—A grantee may provide the following assistance to a project sponsor of emergency shelter:

"(1) a grant for the renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters;

"(2) a grant for the provision of supportive services if such services do not supplant any services provided by the local government during any part of the immediately preceding 12-month period; and

"(3) annual payments for maintenance, operation (other than staff), insurance, utilities, and furnishings.

"(d) PROGRAM REQUIREMENTS.—A grantee may approve assistance for a project under this subsection only if the project sponsor has agreed that it will—

"(1) in the case of assistance involving major rehabilitation or conversion of a building, maintain the building as a shelter for homeless persons and families for not less than a 10-year period;

"(2) in the case of assistance involving rehabilitation (other than major rehabilitation or conversion of a building), maintain the building as a shelter for homeless persons and families for not less than a 3-year period;

"(3) in the case of assistance involving only activities described in paragraphs (2) and (3) of subsection (c), provide services or shelter to homeless persons and families at the original site or structure or other sites or structures serving the same general population for the period during which such assistance is provided;

"(4) comply with the standards of habitability prescribed by the Secretary and (if applicable) the State or unit of general local government; and

"(5) assist homeless persons in obtaining—

"(A) appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

"(B) other Federal, State, local, and private assistance available for homeless persons.

"SEC. 413. TRANSITIONAL HOUSING FOR THE HOMELESS.

"(a) DEFINITION.—A project shall be considered 'transitional housing' if it is designed to facilitate the movement of homeless persons to independent living within 24 months (or such longer period as the Secretary determines is necessary to facilitate the transition of homeless persons to independent living). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless persons and other homeless persons with mental disabilities, and homeless families with children.

"(b) TYPES OF ASSISTANCE.—A grantee may provide the following assistance to a project sponsor of transitional housing:

"(1) An advance not to exceed cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure for use as transitional housing. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this paragraph if the structure was not used as transitional housing prior to the receipt of assistance.

"(2) A grant for moderate rehabilitation of an existing structure for use as transitional housing.

"(3) Annual payments for operating costs of transitional housing (including transitional housing that is newly constructed with assistance provided from sources other than this Act) not to exceed 75 percent of the annual operating costs of such housing.

"(4) Technical assistance in—

"(A) establishing transitional housing in an existing structure;

"(B) operating transitional housing in existing structures and in structures that are newly constructed with assistance provided from sources other than this Act; and

"(C) providing supportive services to the residents of transitional housing (including transitional housing that is newly constructed with assistance provided from sources other than this Act).

"(5) A grant for establishing and operating an employment assistance program for the residents of transitional housing, which shall include—

"(A) employment of residents in the operation and maintenance of the housing; and

"(B) the payment of the transportation costs of residents to places of employment.

"(6) A grant to establish and operate a child care services program for homeless families as follows:

"(A) A program under this paragraph shall include—

"(i) establishing, licensing, and operating an on-site child care facility for the residents of transitional housing; or

"(ii) making contributions for the child care costs of residents of transitional housing to existing community child care programs and facilities; and

"(iii) counseling designed to inform the residents of transitional housing of public and private child care services for which they are eligible.

"(B) A grant under this paragraph for any child care services program shall not exceed the amount equal to 75 percent of the cost of operating the program for a period of up to 5 years.

"(C) Child care services provided with respect to a child care services program assisted under this paragraph shall meet any applicable State and local laws and regulations.

A project sponsor may receive assistance under both paragraphs (1) and (2).

"(c) PROGRAM REQUIREMENTS.—

"(1) REQUIRED AGREEMENTS.—A grantee may approve assistance for a project under this section only if the project sponsor has agreed—

"(A) to operate the proposed project as transitional housing for not less than 10 years;

"(B) to conduct an ongoing assessment of the supportive services required by the residents of the project;

"(C) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents of the project;

"(D) to comply with such other terms and conditions as the Secretary or grantee may establish for purposes of carrying out this program in an effective and efficient manner.

"(2) OCCUPANT RENT.—Each homeless person residing in a facility assisted under this section shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"(3) ALTERNATIVE USE.—A project may continue to be treated as transitional housing for purposes of this subsection if the grantee determines that such project is no longer needed for use as transitional housing and approves the use of such project for the direct benefit of very low-income families.

"SEC. 414. PERMANENT HOUSING FOR HOMELESS PERSONS WITH DISABILITIES.

"(a) DEFINITION.—A project shall be considered 'permanent housing for homeless persons with disabilities' if it provides community-based long-term housing and supportive services for not more than 8 homeless persons with disabilities. The Secretary may waive the limitation contained in the preceding sentence if the grantee demonstrates that local market conditions dictate the development of a larger project.

"(b) PROJECT DESIGN AND SITING.—Each project assisted under this subtitle shall be either a home designed solely for housing

persons with disabilities or dwelling units in a multifamily housing project, condominium project, or cooperative project. Not more than 1 home may be located on any 1 site and no such home may be located on a site contiguous to another site containing such a home.

"(c) TYPES OF ASSISTANCE.—A grantee may provide the following assistance to a project sponsor of permanent housing for homeless persons with disabilities:

"(1) An advance not to exceed the cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure for use as permanent housing for homeless persons with disabilities. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this paragraph if the structure was not used as permanent housing for homeless persons with disabilities prior to the receipt of assistance.

"(2) A grant for moderate rehabilitation of an existing structure for use as permanent housing for homeless persons with disabilities.

"(3) Annual payments for operating costs for permanent housing for homeless persons with disabilities (including permanent housing for homeless persons with disabilities that is newly constructed with assistance provided from sources other than this Act), not to exceed 50 percent of the annual operating costs of such housing for the first year of operation, and not to exceed 25 percent of such costs for the second year of operation.

"(4) Technical assistance in—

"(A) establishing permanent housing for homeless persons with disabilities in an existing structure;

"(B) operating permanent housing for homeless persons with disabilities in existing structures and in structures that are newly constructed with assistance provided from sources other than this Act; and

"(C) providing supportive services to the residents of permanent housing for homeless persons with disabilities (including permanent housing for homeless persons with disabilities that is newly constructed with assistance provided from sources other than this Act).

"(d) PROGRAM REQUIREMENTS.—

"(1) REQUIRED AGREEMENTS.—A grantee may approve assistance for any project under this section only if the project sponsor has agreed—

"(A) to operate the proposed project as permanent housing for homeless persons with disabilities for not less than 10 years;

"(B) to conduct an ongoing assessment of the supportive services required by the residents of the project;

"(C) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents of the project; and

"(D) to comply with such other terms and conditions as the Secretary or grantee may establish for purposes of carrying out this program in an effective and efficient manner.

"(2) STATE PARTICIPATION.—Each grantee providing assistance to a project under this section shall transmit to the Secretary a letter of participation from the State assuring that the State will promptly transmit assistance to the project sponsor and will facilitate the provision of necessary supportive services to the residents of the project;

"(3) OCCUPANT RENT.—Each homeless person residing in a project assisted under this section shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"(4) ALTERNATIVE USE.—A project may continue to be treated as permanent housing for homeless persons with disabilities for purposes of this subsection if the grantee determines that such project is no longer needed for use as such housing and approves the use of such project for the direct benefit of very low-income families.

"(5) TENANT SELECTION.—(A) A project sponsor owner shall adopt written tenant selection procedures that are satisfactory to the Secretary as (i) consistent with the purpose of improving housing opportunities for very low-income persons with disabilities; and (ii) reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. Project sponsors shall promptly notify in writing any rejected applicant of the grounds for any rejection.

"(B) Notwithstanding any other provision of law, a project sponsor may, with the approval of the grantee, limit occupancy within housing developed under this section to persons with disabilities who have similar disabilities and require a similar set of supportive services in a supportive housing environment.

"SEC. 415. TRANSITION TO PERMANENT HOUSING.

"(a) DEFINITION.—Assistance to help eligible families make the transition to permanent housing shall include the provision of security deposits and the cost of rent for one month. For purposes of this section, the term 'eligible family' means a very low-income family who has resided in emergency shelter or transitional housing and who meets other conditions of eligibility as the Secretary determines to be appropriate.

"(b) LIMITATION ON FINANCIAL ASSISTANCE.—A grantee may provide financial assistance to eligible families in the form of a security deposit and the cost of rent for not more than one month if—

"(1) the grantee determines that the rental charge for the subject unit is reasonable in comparison with rents charged for comparable units in the private, unassisted market;

"(2) there is a reasonable prospect that the family will be able to sustain the rental payments for a reasonable period of time; and

"(3) the eligible family has made reasonable efforts to receive assistance under the program of aid to families with dependent children under part A of title IV of the Social Security Act or a similar local, State, or Federal public assistance program.

"(c) PARTICIPATING LANDLORD.—If an eligible family vacates the rental unit, a landlord participating in this program shall return to the grantee any portion of the security deposit (including reasonable interest) against which such landlord does not have a claim. Any returned funds may be used by a grantee in accordance with section 403(a).

"SEC. 416. DEVELOPMENT OF ADDITIONAL APPROVED ACTIVITIES.

"The Secretary, in cooperation with grantees and other appropriate parties, shall develop additional approved activities to carry out the purposes of this title.

"Subtitle C—Section 8 Single Room Occupancy

"SEC. 421. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY PROVISIONS.

"(a) USE OF FUNDS.—The amounts made available under this subtitle shall be used only in connection with the moderate rehabilitation of housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by homeless persons, except that such amounts may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating such units.

"(b) ALLOCATION.—The amounts made available under this subtitle shall be allocated by the Secretary among approvable applications to the applicant public housing agencies or other contracting agencies that best demonstrate a need for the assistance under this section and the ability to undertake and carry out a program to be assisted under this subtitle. To be considered for assistance under this section, an applicant shall submit to the Secretary a proposal containing—

"(1) a description of the size and characteristics of the population within the applicant's jurisdiction that would occupy single room occupancy dwellings;

"(2) a listing of additional commitments from public and private sources that the applicant might be able to provide in connection with the program;

"(3) an inventory of suitable housing stock to be rehabilitated with such assistance; and

"(4) a description of the interest that has been expressed by builders, developers, and others (including profit and nonprofit organizations) in participating in the program.

No single city or urban county shall be eligible to receive more than 10 percent of the assistance made available under this subtitle.

"(c) FIRE AND SAFETY IMPROVEMENTS.—Each rental credit contract entered into with the authority provided under this subtitle shall require the installation of a sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as may be required by State or local law. For purposes of this subsection, the term 'major spaces' means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

"(d) COST LIMITATION.—

"(1) The total cost of rehabilitation that may be compensated for in a rental credit contract entered into with the authority provided under this subtitle shall not exceed $15,000 per unit, plus the expenditures required by subsection (d).

"(2) The Secretary shall increase the limitation contained in paragraph (1) by an amount the Secretary determines is reasonable and necessary to accommodate special local conditions, including—

"(A) high construction costs; or

"(B) stringent fire or building codes.

"(3) The Secretary shall increase the limitation in paragraph (1) on October 1 of each year by an amount necessary to take into account increases in construction costs during the previous 12-month period.

"(e) CONTRACT REQUIREMENTS.—Each contract for annual contributions entered into with a public housing agency or other contracting agency to obligate the authority made available under this subtitle shall—

"(1) commit the Secretary to make such authority available to the public housing agency or other contracting agency for an aggregate period of 10 years, and require that any amendments increasing such authority shall be available for the remainder of such 10-year period;

"(2) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to the availability of appropriations; and

"(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this subtitle shall be given to homeless persons.

"SEC. 422. INCREASE IN BUDGET AUTHORITY.

"The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by $78,694,000 on or after October 1, 1990, by $81,842,000 on or after October 1, 1991, and by $85,115,000 on or after October 1, 1992. Any funds appropriated under this section shall remain available until expended.

"Subtitle D—Shelter Plus Care Program

"PART I—SHELTER PLUS CARE: GENERAL REQUIREMENTS

"SEC. 431. PURPOSE.

"The purpose of the program authorized under this subtitle is to provide rental housing assistance to homeless persons with disabilities (primarily persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immune deficiency syndrome and related diseases) in connection with supportive services funded from sources other than this subtitle.

"SEC. 432. RENTAL HOUSING ASSISTANCE.

"The Secretary is authorized, in accordance with the provisions of this subtitle, to provide rental housing assistance under parts II, III, and IV.

"SEC. 433. SUPPORTIVE SERVICES REQUIREMENTS; MATCHING FUNDING.

"(a) SUPPLEMENTAL FUNDS.—Each recipient shall assure that the amount of budget authority obligated by the Secretary for rental housing assistance under this subtitle is supplemented with at least an equal amount of funds from other sources. The funds shall be used for the provision of supportive services to eligible persons under this subtitle. In calculating the amount of these funds, a recipient may include the value of such items determined appropriate by the Secretary.

"(b) ASSURANCES.—Each recipient shall give reasonable assurances that supportive services appropriate to the needs of eligible persons to be served under its program will be provided for the full term of the rental housing assistance under parts II, III, and IV, as appropriate. Expenditures for supportive services need not be made in equal amounts for each year, but may vary depending on the needs of the persons assisted under the program.

"(c) RECAPTURE.—If the supportive services and funding for the supportive services required by this section are not provided, the Secretary may recapture any unexpended housing assistance.

"SEC. 434. APPLICATIONS.

"(a) IN GENERAL.—An application for rental housing assistance under this subtitle shall be submitted by an applicant in such forms and in accordance with such procedures as the Secretary shall establish.

"(b) MINIMUM CONTENTS.—The Secretary shall require that an application contain at a minimum—

"(1) a request for housing assistance under part II, III, or IV, or a combination, specifying the number of units requested and the amount of necessary budget authority;

"(2) a description of the size and characteristics of the population of eligible persons;

"(3) the identity of the proposed service provider or providers (which may be, or include, the applicant) and a statement of the qualifications of the provider or providers;

"(4) a description of the supportive services that the applicant proposes to assure will be available for eligible persons;

"(5) a description of the resources that are expected to be made available to provide the supportive services required by section 433;

"(6) a description of the mechanisms for developing a housing and supportive services plan for each person and for monitoring each person's progress in meeting that plan;

"(7) reasonable assurances satisfactory to the Secretary that the supportive services will be provided for the full term of the housing assistance under part II, III, or IV, or a combination; and a certification from the applicant that it will fund the supportive services itself if the planned resources do not become available for any reason;

"(8) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the unit of general local government within which housing assistance under this subtitle will be provided;

"(9) a plan for—

"(A) in the case of rental housing assistance under part II, providing housing assistance;

"(B) identifying and selecting eligible persons to participate, including a proposed definition of the term 'chronic problems with alcohol, other drugs, or both';

"(C) coordinating the provision of housing assistance and supportive services;

"(D) ensuring that the service providers are providing supportive services adequate to meet the needs of the persons served;

"(E) obtaining participation of eligible persons who have previously not been assisted under programs designed to assist the homeless or have been considered not capable of participation in these programs; this plan shall specifically address how homeless persons, as defined in section 103(a)(2)(C), will be brought into the program;

"(10) in the case of housing assistance under part III, identification of the specific structures that the recipient is proposing for rehabilitation and assistance; and

"(11) in the case of housing assistance under part IV, identification of the nonprofit entity that will be the owner or lessor of the property, and identification of the specific structures in which the nonprofit entity proposes to house eligible persons.

"SEC. 435. SELECTION CRITERIA.

"(a) IN GENERAL.—The Secretary shall establish selection criteria for a national competition for assistance under this subtitle, which shall include—

"(1) the ability of the applicant to develop and operate the proposed assisted housing and supportive services program, taking into account the quality of any ongoing program of the applicant;

"(2) the need for a program providing housing assistance and supportive services for eligible persons in the area to be served;

"(3) the quality of the proposed program for providing supportive services and housing assistance;

"(4) the extent to which the proposed funding for the supportive services is or will be available;

"(5) the extent to which the project would meet the needs of the homeless persons proposed to be served by the program;

"(6) the cost-effectiveness of the proposed program; and

"(7) such other factors as the Secretary specifies in regulations to be appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

"(b) CONSULTATION WITH HHS.—In reviewing the applications, the Secretary shall consult with the Secretary of Health and Human Services with respect to the supportive services aspects.

"(c) FUNDING LIMITATION.—No more than 10 percent of the assistance made available under this subtitle for any fiscal year may be used for programs located within any one unit of general local government.

"SEC. 436. REQUIRED AGREEMENTS.

"The Secretary may not approve assistance under this subtitle unless the applicant agrees—

"(1) to operate the proposed program in accordance with the provisions of this subtitle;

"(2) to conduct an ongoing assessment of the housing assistance and supportive services required by the participants in the program;

"(3) to assure the adequate provision of supportive services to the participants in the program; and

"(4) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the program in an effective and efficient manner.

"SEC. 437. TERMINATION OF ASSISTANCE.

"If an eligible person who receives assistance under this subtitle violates program requirements, the recipient may terminate assistance.

"SEC. 438. DEFINITIONS.

"For purposes of this subtitle:

"(1) The term 'acquired immunodeficiency syndrome and related diseases' has the same meaning given the term in section 521 of the National Affordable Housing Act.

"(2) The term 'applicant' means—

"(A) in the case of rental housing assistance under parts II and IV, a State, unit of general local government, or Indian tribe; and

"(B) in the case of single room occupancy housing under the section 8 moderate rehabilitation program under part III (i) a State, unit of general local government, or Indian tribe (that shall be responsible for assuring the provision of supportive services and the overall administration of the program), and (ii) a public housing agency (that shall be primarily responsible for administering the housing assistance under part III).

"(3) The term 'chronic problems with alcohol, other drugs, or both' shall have such meaning as proposed by the applicant and approved by the Secretary.

"(4) The term 'eligible person' means a homeless person with disabilities (primarily persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases).

"(5) The term 'Indian tribe' has the meaning given such term in section 102 of the Housing and Community Development Act of 1974.

"(6) The term 'person with disabilities' has the same meaning given the term in section 521 of the National Affordable Housing Act.

"(7) The term 'public housing agency' has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

"(8) The term 'recipient' means an applicant approved for participation in the program authorized under this subtitle.

"(9) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(10) The term 'seriously mentally ill' means having a severe and persistent mental or emotional impairment that seriously limits a person's ability to live independently.

"(11) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"(12) The term 'supportive services' means assistance that the Secretary determines (A) addresses the special needs of eligible persons; and (B) provides appropriate services or assists such persons in obtaining appropriate services, including health care, mental health services, substance and alcohol abuse services, case management services, counseling, supervision, education, job training, and other services essential for achieving and maintaining independent living. In-patient acute hospital care shall not qualify as a supportive service.

"(13) The term 'unit of general local government' has the meaning given such term in section 102 of the Housing and Community Development Act of 1974.

"SEC. 439. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—For purposes of the housing program under part II of this subtitle, there are authorized to be appropriated $160,800,000 for fiscal year 1991, $167,213,000 for fiscal year 1992, and $173,400,000 for fiscal year 1993.

"(b) PART III.—For purposes of the housing program under part III of this subtitle, the budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by $49,571,000 on or after October 1, 1990, $54,193,000 on or after October 1, 1991, and $56,144,000 on or after October 1, 1992.

"(c) PART IV.—For purposes of the housing program under part IV of this subtitle, there are authorized to be appropriated $35,835,000 for fiscal year 1991, $37,233,000 for fiscal year 1992, and $38,573,000 for fiscal year 1993.

"(d) AVAILABILITY.—Sums appropriated under this section shall remain available until expended.

"PART II—SHELTER PLUS CARE: HOMELESS RENTAL HOUSING ASSISTANCE

"SEC. 441. PURPOSE.

"The Secretary is authorized to use amounts made available under section 439(a) to provide rental housing assistance in accordance with the requirements of this part.

"SEC. 442. HOUSING ASSISTANCE.

"Where necessary to assure that the provision of supportive services to persons is feasible, a recipient may require that a person participating in the program live (a) in a particular structure or unit for up to the first two years of participation, and (b) within a particular geographic area for the full period of participation or the period remaining after the period referred to in subsection (a).

"SEC. 443. AMOUNT OF ASSISTANCE.

"The contract with a recipient for assistance under this part shall be for a term of five years. Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rent limitation under section 8(c) of the United States Housing Act of 1937 in effect at the time the application is approved. At the option of the recipient and subject to the availability of such amounts, the recipient may receive in any year (1) up to 25 percent of such amounts or (2) such higher percentage as the Secretary may approve upon a demonstration satisfactory to the Secretary that the recipient has entered into firm financial commitments to ensure that the housing assistance described in the application will be provided for the full term of the contract. Any amounts not needed for a year may be used to increase the amount available in subsequent years. Each recipient shall ensure that the assistance provided by the Secretary, and any amounts provided from other sources, are managed so that the housing assistance described in the application is provided for the full term of the assistance.

"SEC. 444. HOUSING STANDARDS AND RENT REASONABLENESS.

"(a) STANDARDS REQUIRED.—The Secretary shall require that—

"(1) the recipient inspect each unit before any assistance may be provided to or on behalf of the person to determine that the occupancy charge for the housing being or to be provided is reasonable and that each unit meets housing standards established by the Secretary for the purpose of this part; and

"(2) the recipient make at least annual inspections of each unit during the contract term.

"(b) PROHIBITION.—No assistance may be provided for a dwelling unit (1) for which the occupancy charge is not reasonable, or (2) which fails to meet the housing standards, unless the owner promptly corrects the deficiency and the recipient verifies the correction.

"SEC. 445. TENANT RENT.

"Each tenant shall pay as rent an amount determined in accordance with the provisions of section 3(a)(1) of the United States Housing Act of 1937.

"SEC. 446. ADMINISTRATIVE FEES.

"The Secretary shall make amounts available to pay the entity administering the housing assistance an administrative fee in an amount determined appropriate by the Secretary for the costs of administering the housing assistance.

"PART III—SHELTER PLUS CARE: SECTION 8 MODERATE REHABILITATION ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS

"SEC. 451. PURPOSE.

"The Secretary is authorized to use amounts made available under section 439(b) of this subtitle only in connection with the moderate rehabilitation of single room occupancy housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by very-low-income eligible persons. However, amounts made available under section 439(b) may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating the efficiency units.

"SEC. 452. FIRE AND SAFETY IMPROVEMENTS.

"Each contract for housing assistance payments entered into using the authority provided under section 439(b) shall require the installation of a sprinkler system that protects all major spaces, hard-wired smoke detectors, and such other fire and safety improvements as may be required by State or local law. For purposes of this section, the term 'major spaces' means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

"SEC. 453. CONTRACT REQUIREMENTS.

"Each contract for annual contributions entered into by the Secretary with a public housing agency to obligate the authority made available under section 439(b) shall—

"(1) commit the Secretary to make the authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing the authority shall be available for the remainder of such 10-year period;

"(2) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to the availability of authority; and

"(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this part III shall be given to very-low-income eligible persons.

"SEC. 454. OCCUPANCY.

"(a) OCCUPANCY AGREEMENT.—The occupancy agreement between the tenant and the owner shall be for at least one month.

"(b) VACANCY PAYMENTS.—If an eligible person vacates a dwelling unit before the expiration of the occupancy agreement, no assistance payment may be made with respect to the unit after the month during which the unit was vacated, unless it is occupied by another eligible person.

"(c) INAPPLICABILITY OF 'OTHER SINGLE PERSON' LIMITATIONS.—The limitations on the eligibility of other single persons contained in section 3(b)(3) of the United States Housing Act of 1937 shall not apply to eligible persons under this part.

"PART IV—SHELTER PLUS CARE: SECTION 202 RENTAL ASSISTANCE

"SEC. 461. PURPOSE.

"The Secretary is authorized to use amounts made available under section 439(c) of this subtitle only in connection with the provision of rental housing assistance under section 611 of the National Affordable Housing Act for very-low-income eligible persons. The contract between the Secretary and the recipient shall require the recipient to enter into contracts with owners or lessors of housing meeting the requirements of section 611 of such Act for the purpose of providing such rental housing assistance.

"SEC. 462. AMOUNT OF ASSISTANCE.

"The contract with a recipient of assistance under this part shall be for a term of 5 years. Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rent limitation under section 8(c) of the United States Housing Act of 1937 in effect at the time the application is approved. Each recipient shall ensure that the assistance provided by the Secretary, and any amounts provided from other sources, are managed so that the housing assistance described in the application is provided for the full term of the assistance.

"SEC. 463. HOUSING STANDARDS AND RENT REASONABLENESS.

"The Secretary shall require that (a) the recipient inspect each unit before any assistance may be provided to or on behalf of the person to determine that the occupancy charge for the housing being or to be provided is reasonable and that each unit meets housing standards established by the Secretary for the purpose of this part, and (b) the recipient make at least annual inspections of each unit during the contract term. No assistance may be provided for a dwelling unit (a) for which the occupancy charge is

not reasonable, or (b) which fails to meet the housing standards, unless the owner or lessor, as the case may be, promptly corrects the deficiency and the recipient verifies the correction.

"SEC. 464. ADMINISTRATIVE FEES.

"The Secretary shall make amounts available to pay the nonprofit entity that is the owner or lessor of the housing assisted under this part an administrative fee in an amount determined appropriate by the Secretary for the costs of administering the housing assistance.

"Subtitle E—Miscellaneous

"SEC. 471. ENVIRONMENTAL REVIEW.

"The provisions of, and the regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 shall apply to assistance and projects under this title.".

(b) IMPLEMENTATION.—Not later than 120 days after the date funds authorized under section 439 of the Stewart B. McKinney Homeless Assistance Act, as amended by this Act, first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of subtitle D of that Act. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the eight-month period following the date of the notice.

(c) TRANSITION PROVISIONS.—Amounts appropriated for use under subtitle D of title IV of the Stewart B. McKinney Homeless Assistance Act, as it existed immediately before the date of enactment of this Act, that are or become available for obligation shall be available for use under subtitle D of title IV of the McKinney Act, as amended by this Act.

SEC. 622. DEFINITION OF "HOMELESS PERSON".

Section 103(a) of the Stewart B. McKinney Homeless Assistance Act is amended by adding after "homeless individual" the following: "or homeless person".

SEC. 623. TRANSITIONAL RULE.

Notwithstanding section 404(a) of the Stewart B. McKinney Homeless Assistance Act (as amended by section 531), during the period not to exceed 1 year following the enactment of this Act, the Secretary is authorized to allocate homeless assistance made available under such Act in accordance with regulations in effect on January 1, 1989, to the extent determined by the Secretary to be necessary to provide for orderly transition to the regulations issued under such section.

SEC. 624. CONFORMING AMENDMENT.

That part of the table of contents of the Stewart B. McKinney Homeless Assistance Act that relates to title IV of such Act is amended to read as follows:

"TITLE IV—HOUSING ASSISTANCE

"Subtitle A—General Provisions

"Sec. 401. Purpose.
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SEC. 625. STRATEGY TO ASSIST HOMELESS PERSONS WITH ACQUIRED IMMUNODEFICIENCY SYNDROME AND RELATED DISEASES.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, not more than 12 months after the date of enactment of the National Affordable Housing Act, develop and publish in the Federal Register a strategy to expand the supply of supportive housing for homeless persons with acquired immunodeficiency syndrome and related diseases. In developing the strategy required under this section, the Secretary shall consult with the Secretary of the Department of Health and Human Services, other appropriate Federal officials, appropriate States and units of general local government, major organizations representing homeless persons with acquired immunodeficiency syndrome and related diseases and other experts.

(b) PRELIMINARY INFORMATION.—In developing the strategy required under this section, the Secretary shall—

(1) identify the States and units of general local government that have a significant population of homeless persons with acquired immunodeficiency syndrome and related diseases;

(2) assess the extent to which Federal housing and supportive service programs (and comparable State and local programs) are adequately serving such population within the jurisdictions identified under paragraph (1);

(3) identify provisions in Federal, State, and local statutes and regulations that inhibit the development of supportive housing for homeless persons with acquired immunodeficiency syndrome and related diseases; and

(4) identify other barriers that inhibit the implementation of Federal housing and supportive service programs (and comparable State and local programs) within the jurisdictions identified under paragraph (1).

(c) CONTENTS OF STRATEGY.—The strategy developed under this section shall specify—

(1) recommended changes in Federal, State, and local statutes and regulations identified under subsection (b)(3);

(2) actions to be taken to build the capacity of nonprofit organizations that are dedicated to the development of supportive housing for persons with acquired immunodeficiency syndrome and related diseases;

(3) such preferences in the allocation of resources under section 405 of the Stewart B. McKinney Homeless Assistance Act as the Secretary determines to be appropriate;

(4) such limitations upon a jurisdiction's discretion to allocate resources among approved activities under section 403(a)(2)(A) of the Stewart B. McKinney Homeless Assistance Act as the Secretary determines to be appropriate;

(5) such set-aside of tenant-based rental assistance under section 8(o) of the United States Housing Act of 1987 as the Secretary determines to be appropriate;

(6) such expedited decisionmaking or waivers or revisions of regulatory requirements under other provisions of Federal law as the Secretary determines to be appropriate; and

(7) such additional constraints on the use of funds under other provisions of Federal law as the Secretary determines to be appropriate.

(d) DEFINITIONS.—As used in this section—

(1) The term "acquired immunodeficiency syndrome and related diseases" means the disease of acquired immunodeficiency syndrome and any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. The term does not include any condition of asymptomatic infection with the etiologic agent for acquired immunodeficiency syndrome.

(2) The term "Federal housing and supportive service programs" shall include but not be limited to public housing developed under the United States Housing Act of 1937, housing developed under section 202 of the Housing Act of 1959, housing developed or assistance provided under section 8 of the United States Housing Act of 1937, housing developed under title IV of the Stewart B. McKinney Homeless Assistance Act, and related supportive services provided under programs administered by the Department of Health and Human Services and other agencies and departments of the Federal Government.

TITLE VII—PUBLIC AND INDIAN HOUSING

SEC. 701. PURPOSES.

The purposes of this title are—

(1) to modernize the Nation's stock of low-income public and Indian housing and provide operating assistance needed for such housing to be a suitable living environment;

(2) to make adequate provisions for one-for-one replacement of any public housing dwelling units that are demolished or disposed of;

(3) to establish Project Independence to help families with children living in public housing gain better access to jobs and educational opportunities; and

(4) to reduce the cost of operating assistance to public and Indian housing by improving the energy efficiency of the housing stock.

Subtitle A—Public Housing Revisions

SEC. 711. PUBLIC HOUSING REVISIONS.

Section 14 of the United States Housing Act of 1937 is amended by inserting at the end the following new subsection:

"(p) MAJOR RECONSTRUCTION.—The Secretary shall make available and contract to make available assistance in the form of grants to enable the substantial redesign, reconstruction or redevelopment of existing public housing projects or units. Of the total amount of assistance approved in appropriation Acts under section 5(c), there shall be set aside to carry out this subsection $92,000,000 for fiscal year 1991, $96,000,000 for fiscal year 1992 and $100,000,000 for fiscal year 1993.".

SEC. 712. REPLACEMENT HOUSING.

(a) BUDGET REQUEST.—Section 18(c)(2) of the United States Housing Act of 1937 is amended by adding at the end the following: "As part of each annual budget request for the Department of Housing and Urban Development, the Secretary shall transmit to the Congress a report—

"(A) outlining the commitments the Secretary entered into during the preceding year to fund plans approved under subsection (b)(3); and

"(B) specifying, by fiscal year, the budget authority required to carry out the commitments specified in paragraph (A).".

(b) REPEALER.—Section 18(c)(3) of the United States Housing Act is repealed.

SEC. 713. REFORM OF PUBLIC HOUSING MANAGEMENT.

(a) PERFORMANCE INDICATORS FOR PUBLIC HOUSING AGENCIES.—Section 6(j) of the United States Housing Act of 1937 is amended to read as follows:

"(j)(1) The Secretary shall develop and publish in the Federal Register indicators to assess the management performance of public housing agencies. Such indicators shall enable the Secretary to evaluate the performance of public housing agencies in all major areas of management operations. The Secretary shall, in particular, use the following indicators:

"(A) the number and percentage of vacancies within an agency's inventory, including the progress that an agency has made within the previous 3 years to reduce such vacancies;

"(B) the amount and percentage of funds obligated to the PHA under section 14 of this Act which remain unexpended after 3 years;

"(C) the percentage of rents uncollected;

"(D) the energy consumption per unit (with appropriate adjustments to reflect different regions and unit sizes);

"(E) the average period of time that an agency requires to repair and turn-around vacant units;

"(F) the proportion of maintenance work orders outstanding;

"(G) the percentage of units that an agency fails to inspect to ascertain maintenance or modernization needs within such period of time as the Secretary deems appropriate (with appropriate adjustments for large and small agencies); and

"(H) such other factors as the Secretary deems appropriate.

"(2)(A) The Secretary shall establish procedures for designating troubled public housing agencies, which procedures shall include identification of serious and substantial failure to perform as measured by the performance indicators specified under paragraph (1) and such other factors as the Secretary may deem to be appropriate.

"(B) The Secretary shall seek to enter into an agreement with each troubled public housing agency setting forth—

"(i) targets for improving performance as measured by the performance indicators specified under paragraph (1) and other requirements within a specified period of time;

"(ii) strategies for meeting those targets; and

"(iii) incentives or sanctions for effective implementation of those strategies, which may include such constraints on the use of funds made available under this Act and the Housing and Community Development Act of 1974 as the Secretary determines to be appropriate.

The Secretary and the public housing agency shall, to the maximum extent practicable, seek the assistance of local public and private entities in carrying out the agreement.

"(3)(A) Notwithstanding any other provision of law or of any contract for contributions, upon the occurrence of events or conditions that constitute a substantial default by a public housing agency with respect to the covenants or conditions to which the public housing agency is subject or an agreement entered into under paragraph (2), the Secretary—

"(i) may solicit competitive bids from housing management agents in the eventuality that these agents may be needed for managing all, or part, of the housing administered by a public housing agency; and

"(ii) may petition for the appointment of a receiver (which may be a private management corporation) of the public housing agency to any district court of the United States or to any court of the State in which the real property of the public housing agency is situated, that is authorized to appoint a receiver for the purposes and having the powers prescribed in this subsection.

"(B) In any proceeding under subparagraph (A)(i), upon a determination that a substantial default has occurred, and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of the public housing agency in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

"(C) The appointment of a receiver pursuant to this subsection may be terminated, upon the petition of any party, when the court determines that all defaults have been cured and the housing operated by the public housing agency will thereafter be operated in accordance with the covenants and conditions to which the public housing agency is subject.

"(4) The Secretary shall annually submit to the Congress a report identifying the public housing agencies that have been designated as troubled under paragraph (2), describing the agreements that have been entered into with such agencies under such paragraph, describing the status of progress under such agreements, and describing any action that has been taken in accordance with paragraph (3). In preparing such report, the Secretary shall consult with the Public Housing Advisory Board established under section 5(n) of this Act.".

(b) PROJECT-BASED ACCOUNTING SYSTEMS.—Section 6(c)(4) of the United States Housing Act is amended by adding at the end the following:

"(E) the establishment and maintenance of a system of accounting for rental collections and costs (including administrative, utility, maintenance, repair and other operating costs) on a project basis.

The Secretary shall develop such guidelines and timetables as the Secretary determines to be appropriate, taking into account the requirements of public housing agencies of different sizes and characteristics, to achieve compliance with paragraph (4)(E) not later than January 1, 1993.".

(c) REDUCTION OF OPERATING SUBSIDY FOR VACANT UNITS.—Section 9 of the United States Housing Act of 1937 is amended by adding at the end the following:

"(f) REDUCTION.—The Secretary may reduce operating subsidies for public housing units that have been continuously vacant for 1 year or longer where such vacancies have been caused by factors within the control of the public housing agency.".

SEC. 714. TERMINATION OF TENANCY IN PUBLIC HOUSING.

(a) IN GENERAL.—Section 6(l)(5) of the Housing Act of 1937 is amended by striking the words after "shall not engage in" and before "and such criminal activity" and by inserting "activity that adversely affects the health, safety, and right to quiet enjoyment of the premises by other tenants and shall not engage in criminal activity, including drug-related criminal activity, that threatens the health or safety of, or right to quiet enjoyment of the premises by, other tenants,".

(b) NO PREFERENCE.—Section 3(b)(3) of the United States Housing Act of 1937 is amended by inserting at the end the following new sentence: "Any individual or family evicted from housing assisted under the Act by reason of drug-related criminal activity (as defined in section 6(l)) is not eligible for a preference under any provision of this paragraph for 5 years unless the evicted tenant successfully completes a rehabilitation program approved by the Secretary.".

SEC. 715. ENERGY EFFICIENCY DEMONSTRATION.

(a) ESTABLISHMENT.—The Secretary shall establish a demonstration program to encourage the use of private energy service companies in accordance with section 118(a) of the Housing and Community Development Act of 1987. The Secretary shall provide technical assistance to 5 public housing agencies to demonstrate the opportunities for energy cost reduction in 5 public housing projects through energy services contracts. Not later than 90 days after enactment of this Act, the Secretary shall establish such selection criteria for this demonstration as the Secretary deems appropriate after consultation with representatives of public housing agencies and energy efficiency organizations.

(b) REPORT.—As soon as practicable following one year after the date of enactment of this Act, the Secretary shall submit to the Congress a report setting forth the findings and recommendations of the Secretary as a result of the demonstration under this section. The Secretary shall disseminate such report, to the extent practicable, to other public housing agencies.

(c) FUNDING.—Of the total amount approved in appropriation Acts under section 911 of this Act, there shall be set aside to carry out this section $500,000 for fiscal year 1991.

SEC. 716. PREFERENCE RULES.

Section 6(c)(4)(A) of the United States Housing Act of 1937 is amended—

(1) by inserting the following after "which" the second time it appears: "(i) for not less than 50 percent of the units that are made available for occupancy in a given fiscal year,";

(2) by inserting the following after "Act": "(ii) for any remaining units to be made available for occupancy, gives preferences in accordance with a system of preferences established by the public housing agency in writing and after public hearing to respond to local housing needs and priorities, and (iii) prohibits any individual or family evicted from housing assisted under the Act by reason of drug-related criminal activity from having a preference under any provision of this subparagraph for 5 years unless the evicted tenant successfully completes a rehabilitation program approved by the Secretary,"; and

(3) by striking all that follows after "problems" and inserting in lieu thereof a period.

SEC. 717. PUBLIC HOUSING REPLACEMENT.

Section 18(b) of the United States Housing Act of 1937 is amended by—

(1) striking "and" at the end of paragraph (2); and

(2) inserting at the end the following new paragraphs:

"(4) the public housing agency has developed a plan for the provision of not less than an additional decent, safe, sanitary and affordable dwelling unit for each two public housing dwelling units to be demolished or disposed of under such application (which plan otherwise complies with the requirements of paragraph (3)) where—

"(A) the project or portion of the project to be demolished or disposed of has had vacancies exceeding 35 percent for each of the 5 years preceding submission of the application under this section;

"(B) the project is located within a jurisdiction that has a vacancy rate for standard rental units that exceeds 10 percent (as reported in the most recent comprehensive housing affordability housing strategy filed and approved in accordance with section 105 of the National Affordable Housing Act); and

"(C) the project is located within jurisdiction that is deemed by the Secretary to be experiencing severe economic distress in accordance with standards established under section 119(b)(1) of the Housing and Community Development Act of 1974; and

"(5) the public housing agency has held an open, public hearing to obtain citizen views on the application, which hearing shall be held after adequate notice, at a time and location convenient to parties who will be affected by the demolition or disposition and with accommodation for persons with disabilities.".

SEC. 718. PUBLIC HOUSING ADVISORY BOARD.

Section 5 of the United States Housing Act of 1937 is amended by inserting at the end the following new subsection:

"(n) PUBLIC HOUSING ADVISORY BOARD.—

"(1) There is created a Public Housing Advisory Board that shall provide advice to the Assistant Secretary for Public and Indian Housing with respect to the formulation of general policies and significant regulations governing public housing and such other matters as the Secretary and the Assistant Secretary may deem appropriate. The Advisory Board shall, in all other respects, be subject to the provisions of the Federal Advisory Committee Act.

"(2)(A) The Advisory Board shall be composed of 15 members to be appointed from among individuals who have substantial expertise and broad experience in public housing of whom—

"(i) 9 shall be appointed by the Secretary;

"(ii) 3 shall be appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs of the Senate; and

"(iii) 3 shall be appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

"(B) Membership on the Advisory Board shall include—

"(i) not less than 8 persons with distinguished careers in public housing, including persons who serve or have served as executive directors of public housing agencies or as receivers for public housing agencies;

"(ii) not less than 2 persons who are distinguished professionals such as architects, engineers, or builders who are associated with the development or modernization of public housing;

"(iii) not less than 2 persons who are elected public officials at the State or local level;

"(iv) not less than 2 persons who are tenants or representatives of tenants or a tenant organization; and

"(v) not less than 1 person who is a distinguished academic in the field of housing and urban development, particularly public housing.

"(C) The initial appointments to the Advisory Board shall be made not later than 90 days after the date of enactment of this Act in accordance with this subsection.

"(3) Members of the Advisory Board shall be selected to ensure, to the greatest extent practicable, geographical representation of every region of the country.

"(4) Membership of the Advisory Board shall not include any person who, during the previous 24-month period, was required to register with the Secretary under section 112(c) of the Department of Housing and Urban Development Reform Act of 1989 or employed a person for purposes that required such person to so register.

"(5) Of the members of the Advisory Board first appointed, 5 shall have terms of 1 year, and 5 shall have terms of 2 years. Their successors and all other appointees shall have terms of 3 years.

"(6) The Advisory Board is empowered to confer with, request information of, and make recommendations to the Assistant Secretary for Public and Indian Housing. The Assistant Secretary shall promptly provide the Advisory Board with such information as the Board determines to be necessary to carry out its review of the activities and policies of the Department of Housing and Urban Development that affect public housing.

"(7) The Advisory Board shall, not later than December 31 of each year, submit to the Secretary and the Congress a report of its assessment of the Department's activities affecting public housing, including the appropriateness of existing and proposed regulations, the adequacy of information systems (especially the Performance Funding System), the appropriateness of staffing patterns, the adequacy of staff work experience in public housing and other matters related to the Department's ability to help public housing agencies maintain and improve the living conditions in public housing. Such report shall contain the Board's recommendations for improvement and include any minority views.

"(8) The Board shall meet in Washington, D.C., not less than twice annually, or more frequently if requested by the Assistant Secretary for Public and Indian Housing or a majority of its members. The Board shall elect a chairman, vice chairman and secretary and adopt methods of procedure. The Board may establish committees and subcommittees as needed.

"(9) Subject to the provisions of section 7 of the Federal Advisory Committee Act, all members of the Board may be compensated and shall be entitled to reimbursement from the Department for traveling expenses incurred in attendance at meetings of the Board.".

SEC. 719. EVICTION FOR CRIMINAL ACTIVITY.

(a) NOTICE TO POST OFFICE.—Section 6 of the United States Housing Act of 1937 is amended by adding at the end the following subsection:

"(n) When a public housing agency evicts an individual or family from a dwelling unit for engaging in criminal activity, including drug-related criminal activity, the public housing agency shall notify the local post office serving that dwelling unit that such individual or family is no longer residing in the dwelling unit.".

(b) GRIEVANCE PROCEDURES.—Section 6(k) of the United States Housing Act of 1937 is amended by adding: "An agency may exclude from its procedure any grievance concerning an eviction or termination of tenancy for criminal activity, including drug-related criminal activity, that adversely affects the health, safety and welfare of the public housing tenants on the premises provided that the agency notifies the tenant of the reason for the action to evict or terminate tenancy." between "on the proposed action." and "An agency may exclude", and by adding "for criminal activity, including drug-related criminal activity, that adversely affects the health, safety and welfare of the public housing tenants on the premises." between "termination of tenancy" and "in any jurisdiction".

Subtitle B—Authorizations

SEC. 721. AUTHORIZATION OF OPERATING SUBSIDIES.

Section 9(c) of the United States Housing Act of 1937 is amended to read as follows:

"(c) There are authorized to be appropriated for purposes of providing annual contributions under this section $1,865,000,000 for fiscal year 1991, $1,940,100,000 for fiscal year 1992, and $2,017,200,000 for fiscal year 1993.".

SEC. 722. AUTHORIZATION OF THE COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM AND PUBLIC HOUSING RESIDENT MANAGEMENT.

(a) COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "The aggregate amount of budget authority that may be obligated for comprehensive improvement assistance grants under section 14 is increased by $2,217,000,000 on October 1, 1990, by $2,306,000,000 on October 1, 1991, and by $2,398,400,000 on October 1, 1992.".

(b) PUBLIC HOUSING RESIDENT MANAGEMENT.—Section 20(f)(3) of the United States

Housing Act of 1937 is amended to read as follows:

"(3) FUNDING.—Of the amounts made available for financial assistance under section 14, the Secretary may use to carry out this subsection not more than $2,500,000 for fiscal year 1991, $2,500,000 for fiscal year 1992, and $2,500,000 for fiscal year 1993.".

Subtitle C—Project Independence

SEC. 731. PURPOSE.

The purpose of this subtitle is to provide families with children living in public housing with better access to educational and employment opportunities by—

(1) developing facilities for training and support services in or near public housing;

(2) mobilizing public and private resources to expand and improve the delivery of such training and services;

(3) providing transitional funding for essential training and support services that cannot otherwise be funded; and

(4) improving the capacity of management to assess the training and service needs of families with children, coordinate the provision of training and services that meet such needs and ensure the long-term provision of such training and services.

SEC. 732. PROJECT INDEPENDENCE.

Section 14 of the United States Housing Act of 1937 is amended—

(1) by redesignating subsections (j) through (n) as (k) through (o); and

(2) by inserting after subsection (i) the following new subsection:

"(j)(1) The Secretary shall make available and contract to make available assistance in the form of grants to adapt public housing to help families with children gain better access to educational and job opportunities. Assistance under this subsection shall be made available only to public housing agencies that demonstrate to the satisfaction of the Secretary that such assistance is necessary to accommodate the provision of supportive services that will receive support from sources other than this Act. Facilities to be assisted under this subsection shall be in or near the premises of public housing. Such assistance shall be made without regard to the requirements of subsections (c) through (h). Of the total amount of assistance approved in appropriations Acts under section 5(c), there shall be set aside to carry out this subsection $50,000,000 for fiscal year 1991, $52,000,000 for fiscal year 1992, and $54,080,000 for fiscal year 1993.

"(2)(A) Assistance provided under this subsection may be used for—

"(i) the renovation, conversion, or combination of vacant dwelling units in a public housing project to create congregate space to accommodate the provision of supportive services;

"(ii) the renovation of existing congregate space in a public housing project to accommodate the provision of supportive services;

"(iii) the renovation of facilities located near the premises of one or more public housing projects to accommodate the provision of supportive services;

"(iv) the transitional provision of qualifying supportive services if the public housing agency demonstrates to the satisfaction of the Secretary that—

"(I) the qualifying services are appropriate to improve the access of eligible residents to employment and educational opportunities;

"(II) the public housing agency has made diligent efforts to use or obtain other available resources to fund the designated services; and

"(III) long-term funding for the qualifying services will be available from other sources; and

"(v) the employment of management personnel (hereinafter referred to as 'service coordinator') who may be responsible for—

"(I) assessing the training and service needs of eligible residents;

"(II) working with service providers to coordinate the provision of services and tailor such services to the needs and characteristics of eligible residents;

"(III) mobilizing public and private resources to ensure that the qualifying supportive services identified pursuant to paragraph (4)(A) can be funded over the time period identified under such paragraph;

"(IV) monitoring and evaluating the impact and effectiveness of any supportive service program receiving capital or operating assistance under this section; and

"(V) performing such other duties and functions that the Secretary deems appropriate to provide families with children living in public housing with better access to educational and employment opportunities.

"(B) Assistance provided to carry out activities specified in subparagraph (A)(iv) shall be phased out over a period not to exceed 3 years.

"(C) The Secretary shall establish such minimum qualifications and standards for the position of service coordinator that the Secretary deems necessary to ensure sound management.

"(3) Assistance under this subsection shall be allocated by the Secretary among approvable applications submitted by public housing agencies.

"(4) Applications for assistance under this subsection shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Applications for assistance shall contain—

"(A) a description of the qualifying supportive services that can reasonably be expected to be made available to eligible residents over a 5-year period (or such longer period that the Secretary determines to be appropriate if assistance is provided for activities under paragraph (2)(A) that involve substantial rehabilitation);

"(B) a firm commitment of assistance from one or more sources ensuring that qualifying supportive services will be provided for not less than 1 year following the completion of activities assisted under paragraph (2)(A);

"(C) a description of public or private sources of assistance that can reasonably be expected to fund or provide qualifying supportive services for the entire period specified under subparagraph (A), including evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including profit and nonprofit organizations);

"(D) a certification from the appropriate State or local agency (as determined by the Secretary) that (i) the provision of the qualifying supportive services identified under subparagraph (A) will provide eligible residents with better access to educational and employment opportunities, and (ii) there is a reasonable likelihood that such services will be funded or provided for the entire period specified under subparagraph (A);

"(E) a description of assistance that the public housing agency seeks under this subsection; and

"(F) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this subsection.

"(5) The Secretary shall establish selection criteria for assistance under this subsection which shall take into account—

"(A) the ability of the public housing agency or a designated service provider to provide the qualifying supportive services identified under paragraph (4)(A);

"(B) the need for such services in the public housing project;

"(C) the extent to which the envisioned renovation, conversion and combination activities will foster the provision of such services;

"(D) the extent to which the public housing agency has demonstrated that such services will be provided for the period identified under paragraph (4)(A);

"(E) the extent to which the public housing agency has had a good record of maintaining and operating public housing; and

"(F) such other factors that the Secretary determines to be appropriate to ensure that funds made available under this subsection are used effectively.

"(6)(A) Each public housing agency shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, an annual progress report evaluating the use of funds made available under this subsection.

"(B) The Secretary shall submit to the Congress, not later than 120 days after the end of each fiscal year, an annual report evaluating the effectiveness of activities assisted under this subsection in such fiscal year. Such report shall summarize the progress reports submitted pursuant to subparagraph (A).

"(7) The Secretary may reserve not more than 5 percent of the amounts available in each fiscal year under this subsection to supplement grants awarded to public housing agencies under this subsection when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible residents.

"(8)(A) Each public housing agency shall, to the maximum extent practicable, employ public housing residents to provide the services assisted under this subsection or from other sources. Such persons shall be paid at a rate not less than the highest of—

"(i) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the resident and if he or she were not exempt under section 13 thereof;

"(ii) the State or local minimum wage for the most nearly comparable covered employment; or

"(iii) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

"(B) No service provided to a public housing resident under this subsection may be treated as income for the purpose of any other program or provision of State or Federal law.

"(9) For purpose of this subsection—

"(A) the term 'eligible resident' means a person residing in public housing who—

"(i) is a single parent head of household with 1 or more children under the age of 10; and

"(ii) is economically disadvantaged within the meaning of sections 4(8) (A) and (B) of the Job Training Partnership Act;

"(B) the term 'qualifying supportive services' shall mean new or significantly expanded services that the Secretary deems es-

sential to provide families living with children in public housing with better access to educational and employment opportunities. Such services may include but not be limited to—

"(i) child care;

"(ii) employment training and counseling;

"(iii) literacy training;

"(iv) computer skills training; and

"(v) assistance in the attainment of certificates of high school equivalency.

The public housing agency may provide such services directly to eligible residents or may, by contract or lease, provide such services through other appropriate agencies or providers.".

SEC. 733. CONFORMING AMENDMENTS.

(a) NO REDUCTION OF OPERATING SUBSIDY.—Section 9(a)(3)(B)(v) of the United States Housing Act of 1937 (as added by section 512(l) of this Act) is amended by inserting "section 14(j) of this Act or" before "section 512".

(b) BENEFITS EXCLUDED FROM INCOME.—Section 3(a) of the United States Housing Act of 1937, is amended by adding at the end the following new paragraph:

"(3) The earnings of and benefits to any public housing resident resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 14(j) of this Act or any comparable Federal, State or local law shall not be considered as income for the purposes of determining a limitation on the amount of rent paid by the resident during—

"(A) the period that the resident participates in such program; and

"(B) the period, not to exceed 18 months, that—

"(i) begins with the commencement of employment of the resident in the first job acquired by the person after completion of such program that is not funded by assistance under this Act; and

"(ii) ends on—

"(I) the date the resident ceases to continue employment without good cause as the Secretary shall determine; or

"(II) the expiration of the 18-month period following the commencement of the period described in clause (i), whichever event occurs first.".

Subtitle D—Indian Housing

SEC. 741. DISPOSITION OF INTERESTS ON INDIAN LAND.

Section 509 of the Housing Act of 1949 is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

"(d) In the event of default involving a security interest in tribal allotted or trust land, the Secretary shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe or tribes. If the Secretary subsequently proceeds to liquidate the account, he shall not sell, transfer, or otherwise dispose or alienate the property except to one of the aforementioned entities.".

SEC. 742. AUTHORIZATIONS.

Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end the following: "The aggregate amount of budget authority that may be obligated for Indian housing public housing grants is increased (to the extent approved in appropriation Acts) by $179,170,000 on October 1, 1990, by $186,337,000 on October 1, 1991, and by $193,790,000 on October 1, 1992.".

Subtitle E—Public and Assisted Housing Drug Elimination

SEC. 751. REAUTHORIZATION OF THE PUBLIC HOUSING DRUG ELIMINATION ACT.

(a) IN GENERAL.—The Public Housing Drug Elimination Act of 1988 (chapter 2 of subtitle C of title V of Public Law 100-690) is amended to read as follows:

"CHAPTER 2—PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION

"SEC. 5121. SHORT TITLE.

"This chapter may be cited as the "Public and Assisted Housing Drug Elimination Act of 1989".

"SEC. 5122. CONGRESSIONAL FINDINGS.

"The Congress finds that—

"(1) the Federal Government has a duty to provide public and other federally assisted housing that is decent, safe, and free from illegal drugs;

"(2) public and other federally assisted housing in many areas suffer from rampant drug-related crime;

"(3) drug dealers are increasingly imposing a reign of terror on public and other federally assisted housing tenants;

"(4) the increase in drug-related crime not only leads to murders, muggings, and other forms of violence against tenants, but also to a deterioration of the physical environment that requires substantial government expenditures; and

"(5) local law enforcement authorities often lack the resources to deal with the drug problem in public and other federally assisted housing, particularly in light of the recent reductions in Federal aid to cities.

"SEC. 5123. AUTHORITY TO MAKE GRANTS.

"The Secretary of Housing and Urban Development, in accordance with the provisions of this chapter, may make grants to public housing agencies (including Indian Housing Authorities) and private, for-profit and nonprofit owners of federally assisted, low-income housing for use in eliminating drug-related crime.

"SEC. 5124. ELIGIBLE ACTIVITIES.

"Grants under this chapter may be used in public housing or other federally assisted low-income housing projects for—

"(1) the employment of security personnel;

"(2) reimbursement of local law enforcement agencies for additional security and protective services;

"(3) physical improvements which are specifically designed to enhance security;

"(4) the employment of one or more individuals—

"(A) to investigate drug-related crime on or about the real property comprising any public or other federally assisted housing project; and

"(B) to provide evidence relating to such crime in any administrative or judicial proceeding;

"(5) the provision of training, communications equipment, and other related equipment for use by voluntary tenant patrols acting in cooperation with local law enforcement officials;

"(6) innovative programs designed to reduce use of drugs in and around public or other federally assisted housing projects; and

"(7) providing funding to nonprofit public housing resident management corporation and tenant councils to develop security and drug abuse prevention programs involving site residents.

"SEC. 5125. APPLICATIONS.

"(a) IN GENERAL.—To receive a grant under this chapter, a public housing agency or an owner of federally assisted, low-income housing shall submit an application to the Secretary, at such time, in such manner, and accompanied by such additional information as the Secretary may reasonably require. Such application shall include a plan for addressing the problem of drug-related crime on the premises of public and other federally assisted low-income housing. The plan shall include the following:

"(1) An assessment of the nature and extent of the problem of drug-related crime and the problems associated with drug-related crime in the projects administered by the applicant that are proposed for funding under this title.

"(2) A discussion of the activities currently being undertaken and a listing of the resources being provided by the applicant, governmental entities, resident management corporations, and resident management councils to address the problem of drug-related crime in the projects proposed for assistance under this chapter.

"(3) A discussion of the applicant's strategy for addressing the problem of drug-related crime in each of the projects proposed for assistance under this chapter including—

"(A) a description of each component of the applicant's strategy to be undertaken with funding under this chapter and how these components interrelate;

"(B) the anticipated cost of each component of the strategy and the financial and other resources that may reasonably be expected to be available to carry out each component;

"(C) a schedule for beginning and completing each component of the strategy;

"(D) an estimate of the results that the strategy is supposed to achieve;

"(E) the role of affected tenants, resident management corporations, tenant councils and any other entities, such as local and State governments and community organizations, in planning and implementing the strategy;

"(F) if grants under this chapter are to be used for innovative programs to reduce the use of drugs in and around public and other federally assisted, low-income housing under paragraph (6) of section 5124, a statement of the nature of the program and how the program represents a new or creative approach to achieving this purpose that could be usefully replicated at other housing sites; and

"(G) evidence of local government, local community and tenant support for the plan.

"(b) CRITERIA.—The Secretary shall approve applications under this chapter based exclusively on—

"(1) the extent of the drug-related crime problem in the public or federally assisted housing, low-income housing project proposed for assistance;

"(2) the quality of the plan to address the crime problem in the public or federally assisted housing, low-income housing project or projects proposed for assistance;

"(3) the capability of the applicant to carry out the plan as reflected by funding or other commitments of support for each aspect of the plan, its administrative capability to manage its projects, its record of previous efforts to eliminate drugs from its projects and its degree of commitment to addressing the problem of drug-related crime; and

"(4) the extent to which tenants, the local government and local community support and participate in the design and implementation of the anticrime activities of the applicant.

"(c) PREFERENCE.—In the case of applications submitted by private owners, the Sec-

retary shall give preference to applicants who contribute or raise resources for the implementation of their plan. The Secretary shall reject the application of any private owner who has received more than a reasonable return, as determined by the Secretary, on the project or projects referred to in the owner's plan.

"(d) PRIVATE HOUSING.—The Secretary may establish guidelines for the evaluation of applications submitted by private owners that reflect any differences that exist between the problem of drug-related crime in public housing and the problem of drug-related crime in other federally assisted, low-income housing.

"SEC. 5126. DEFINITIONS.

"For the purposes of this chapter:

"(1) CONTROLLED SUBSTANCE.—The term 'controlled substance' has the meaning given such term in section 102 of the Controlled Substance Act (21 U.S.C. 802).

"(2) DRUG-RELATED CRIME.—The term 'drug-related crime' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use a controlled substance.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(4) FEDERALLY ASSISTED, LOW-INCOME HOUSING.—The term 'federally assisted, low-income housing' means housing assisted under—

"(A) section 221(d)(3) or section 221(d)(4) of the National Housing Act;

"(B) section 101 of the Housing and Urban Development Act of 1965; or

"(C) section 8 of the United States Housing Act of 1937.

"SEC. 5127. IMPLEMENTATION.

"The Secretary shall issue regulations to implement this chapter within 180 days after the date of enactment of the National Affordable Housing Act.

"SEC. 5128. REPORTS.

"The Secretary shall require grantees to provide periodic reports that include the obligation and expenditure of grant funds, the progress made by the grantee in implementing the plan described in section 5125(a), and the incidence of drug-related crime in projects assisted under this chapter.

"SEC. 5129. EVALUATION.

"(a) IN GENERAL.—To increase the efficiency and effectiveness of programs funded under this chapter, the Secretary shall conduct a comprehensive evaluation of the programs funded under this chapter.

"(b) FACTORS TO BE CONSIDERED.—In conducting this review, the Secretary shall consider—

"(1) whether the programs funded under this chapter establish or demonstrate an effective approach to reducing drug-related criminal activity in public and other federally assisted, low-income housing;

"(2) the cost of such programs and the number of similar programs funded under this chapter.

"(3) whether the programs can easily be replicated in other jurisdictions; and

"(4) whether there is substantial public awareness and community involvement in the programs.

Evaluation shall include the routine auditing, monitoring, and internal assessment of the programs.

"(c) REPORT.—The Secretary shall annually report to the Congress on the nature and findings of the evaluation required under this section.

"SEC. 5130. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this chapter $150,000,000 for fiscal year 1991, $156,000,000 for fiscal year 1992, and $162,240,000 for fiscal year 1993. Any amount appropriated under this section shall remain available until expended.".

(b) CONFORMING AMENDMENTS.—The table of contents for title V of Public Law 100-690 is amended by striking the items relating to chapter 2 and insert the following:

"CHAPTER 2—Public and Assisted Housing Drug Elimination

"Sec. 5121. Short title.
"Sec. 5122. Congressional findings.
"Sec. 5123. Authority to make grants.
"Sec. 5124. Eligible activities.
"Sec. 5125. Applications.
"Sec. 5126. Definitions.
"Sec. 5127. Implementation.
"Sec. 5128. Reports.
"Sec. 5129. Evaluation.
"Sec. 5130. Authorization of appropriations.".

TITLE VIII—RURAL HOUSING

SEC. 801. PURPOSES.

The purposes of this title are—

(1) to reaffirm the National commitment to expand homeownership and produce affordable rental housing for low-income persons in rural areas;

(2) to promote the full utilization of the section 502 program by very low-income people through the use of partially deferred mortgages; and

(3) to improve the quality of affordable housing in communities that have extremely high concentrations of poverty and substandard housing and that have been underserved by rural housing programs by directing Farmers Home Administration assistance toward designated underserved areas.

SEC. 802. PROGRAM AUTHORIZATIONS.

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a)(1) of the Housing Act of 1949 is amended to read as follows:

"(a)(1) The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this title in aggregate amounts not to exceed $2,160,000,000 during fiscal year 1991, $2,246,400,000 during fiscal year 1992, and $2,336,256,000 during fiscal year 1993, as follows:

"(A) For insured or guaranteed loans under section 502 on behalf of borrowers receiving assistance under section 521(a)(1) or receiving guaranteed loans pursuant to section 304 of the Housing and Community Development Act of 1987, $1,457,465,000 for fiscal year 1991, $1,515,764,000 for fiscal year 1992, and $1,576,394,000 for fiscal year 1993.

"(B) For loans under section 504, $11,715,000 for fiscal year 1991, $12,184,000 for fiscal year 1992, and $12,671,000 for fiscal year 1993.

"(C) For insured loans under section 514, $11,870,000 for fiscal year 1991, $12,344,000 for fiscal year 1992, and $12,839,000 for fiscal year 1993.

"(D) For insured loans under section 515, $677,840,000 for fiscal year 1991, $704,954,000 for fiscal year 1992, and $733,152,000 for fiscal year 1993.

"(E) For loans under section 523(b)(1), $520,000 for fiscal year 1991, $540,000 for fiscal year 1992, and $562,000 for fiscal year 1993.

"(F) For site loans under section 524, $590,000 for fiscal year 1991, $614,000 for fiscal year 1992, and $638,000 for fiscal year 1993.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 513(b) of the Housing Act of 1949 is amended to read as follows:

"(b) There are authorized to be appropriated, to remain available until expended, the following amounts:

"(1) For grants under section 504, $19,000,000 for fiscal year 1991, $19,760,000 for fiscal year 1992, and $20,550,000 for fiscal year 1993.

"(2) For purposes of section 509(c), $520,000 for fiscal year 1991, $540,000 for fiscal year 1992, and $562,000 for fiscal year 1993.

"(3) Such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to—

"(A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503; and

"(B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary.

"(4) For financial assistance under section 516, $20,340,000 for fiscal year 1991, $21,154,000 for fiscal year 1992, and $22,000,000 for fiscal year 1993.

"(5) For grants under section 523(f), $14,340,000 for fiscal year 1991, $14,914,000 for fiscal year 1992, and $15,510,000 for fiscal year 1993.

"(6) For grants under section 533, $25,800,000 for fiscal year 1991, $26,832,000 for fiscal year 1992, and $27,906,000 for fiscal year 1993.".

(c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Section 513(c)(1) of the Housing Act of 1949 is amended to read as follows:

"(c)(1) The Secretary, to the extent approved in appropriation Acts, may enter into rental assistance payment contracts under section 521(a)(2)(A) aggregating $395,000,000 for fiscal year 1991, $410,800,000 for fiscal year 1992, and $427,232,000 for fiscal year 1993.".

(d) RENTAL HOUSING LOAN AUTHORITY.—Section 515(b)(4) of the Housing Act of 1949 is amended by striking "September 30, 1990" and inserting "September 30, 1993".

(e) MUTUAL AND SELF-HELP HOUSING GRANT AND LOAN AUTHORITY.—Section 523(f) of the Housing Act of 1949 is amended by striking "September 30, 1990" and inserting "September 30, 1993".

(f) RURAL RENTAL REHABILITATION DEMONSTRATION.—Section 311(d) of the Housing and Community Development Act of 1987 is amended by striking "September 30, 1989" and inserting "September 30, 1992".

SEC. 803. SECTION 502 DEFERRED REPAYMENT.

Section 502 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(f) AUTHORITY FOR DEFERRED REPAYMENT.—

"(1) IN GENERAL.—The Secretary may allow a borrower to defer repayment of not more than 20 percent of the principal on a loan made or insured under this section after the date of enactment of the National Affordable Housing Act if the Secretary determines that—

"(A) the borrower resides in a State in which an average of 10 percent or more of the set-asides established in section 502(d) have not been obligated since November 30, 1983;

"(B) the deferral is necessary to enable the borrower to afford payment on the loan; and

"(C) the borrower can reasonably be expected fully to amortize the deferred principal over the remaining life of the loan.

"(2) SUBSEQUENT ADJUSTMENTS.—When the Secretary finds that a borrower deferring repayments under this subsection is able to make an increased mortgage payment in accordance with the schedules and repayment plans prescribed by the Secretary under section 502(b)(2), the Secretary shall first apply any increase in the monthly mortgage payment to repayment of deferred principal and interest on that principal and then, when principal is no longer being deferred, to an increase in the interest rate payable on the loan.

"(3) INTEREST ON DEFERRED PRINCIPAL.—Interest on the deferred principal shall remain at 1 percent until the deferral has been repaid in full.".

SEC. 804. HOUSING IN UNDERSERVED AREAS.

Section 509 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(e) HOUSING IN UNDERSERVED AREAS.—

"(1) DESIGNATION OF UNDERSERVED AREA.—The Secretary shall designate as targeted underserved areas 100 counties in fiscal years 1991, 1992, and 1993 that have severe, unmet housing needs as determined by the Secretary. A county shall be eligible for designation if—

"(A) during fiscal years 1986 through 1988, the number of housing units assisted in the county under sections 502, 504, and 515 of this title as a percentage of rural households with incomes below 80 percent of area median in the county is less than the number of housing units assisted in the State as a percentage of the rural households with incomes below 80 percent of area median in the State, as determined by the Secretary; and

"(B) the county has a high combined—

"(i) number of county rural households with incomes below 50 percent of area median income as a percentage of total county rural households; and

"(ii) number of county rural occupied substandard housing units as a percentage of total county rural households.

In any State, notwithstanding subparagraph (A) above, the Secretary may consider for targeting the county with the highest combined percentage as set forth in subparagraph (B) above.

"(2) OUTREACH PROGRAM.—The Secretary shall publicize the availability to targeted underserved areas of grants and loans under this title and promote, to the maximum extent feasible, efforts to apply for those grants and loans for housing in targeted underserved areas.

"(3) SET-ASIDE FOR TARGETED UNDERSERVED AREAS.—The Secretary shall set aside and reserve for assistance in targeted underserved areas $25,000,000 in section 515, $40,000,000 in section 502, and $1,000,000 each in section 504 loans and grants during fiscal years 1991, 1992, and 1993. During each such fiscal year, the Secretary shall set aside an amount of section 521 rental assistance that is appropriate to provide assistance with respect to the lending authority under section 515 that is set aside for such fiscal year. Any assistance set aside for targeted underserved areas that has not been obligated by a reasonable date established by the Secretary shall be subject to year-end pooling procedures established by the Secretary.

"(4) LIST OF UNDERSERVED AREAS.—The Secretary shall publish the current list of targeted underserved areas.

"(5) PROJECT PREPARATION ASSISTANCE.—

"(A) IN GENERAL.—The Secretary is authorized to provide grants to community housing development organizations or units of general local government for the development of affordable housing in targeted underserved areas. As used in this paragraph, the term "community housing development organization" has the same meaning as in section 105(6) of the National Affordable Housing Act.

"(B) PURPOSE.—A grant under this section shall not exceed an amount that the Secretary determines to equal the customary and reasonable costs of preparing an application for a loan under section 502, 504, 514, 515, or 524, including preapplication planning, site analysis, market analysis, and other necessary technical assistance. The Secretary shall adjust the loan amount to take account of project preparation costs that have been paid from grant proceeds and that normally would be reimbursed with proceeds of the loan.

"(C) AUTHORIZATION.—There are authorized to be appropriated to carry out this paragraph not to exceed $10,000,000 for fiscal year 1991, $10,400,000 for fiscal year 1992, and $10,816,000 for fiscal year 1993. Any funds so appropriated shall remain available until expended.".

SEC. 805. HOUSING PRESERVATION GRANTS.

(a) USE OF DEOBLIGATED FUNDS.—Section 533(c)(1) of the Housing Act of 1949 is amended by adding at the end the following: "Funds obligated, but subsequently unspent and deobligated, may remain available for use as housing preservation grants in ensuing fiscal years.".

(b) REALLOCATION.—Section 533(g) of the Housing Act of 1949 is amended by striking the last sentence and inserting the following: "Any amounts which become available as a result of actions under this subsection shall be reallocated as housing preservation grants to such grantee or grantees as the Secretary may determine.".

SEC. 806. TRANSFER OF SECTION 502 INVENTORY FOR USE UNDER SECTION 515.

Section 510(e) of the Housing Act of 1949 is amended by striking "or public bodies" and inserting ", public bodies, or for profit entities, which have good records of providing low-income housing under section 515".

SEC. 807. REUSE OF SECTION 515 LOAN AUTHORITY.

Section 515 of the Housing Act of 1949 is amended by adding at the end the following:

"(t) Any amounts appropriated for loans under this section shall remain available until expended.".

SEC. 808. RIGHTS OF APPEAL.

Section 510(g) of the Housing Act of 1949 is amended by inserting before the semicolon the following: ", except that rules issued under this subsection may not exclude from their coverage decisions made by the Secretary that are not based on objective standards contained in published regulations".

SEC. 809. EQUITY TAKEOUT INCENTIVE FOR NEW RURAL HOUSING LOANS.

Section 515(t)(4) of the Housing Act of 1949 is amended by adding at the end the following sentence: "A moderate income tenant, or a low-income tenant receiving rental assistance, who occupies a unit previously occupied by a low-income unassisted tenant shall pay a rent that includes the annual increases which that unit would have incurred. An unassisted low-income tenant who occupies a unit previously occupied by either a moderate income tenant or a low-income tenant receiving rental assistance, shall pay only the basic rent plus $2.00.".

TITLE IX—COMMUNITY DEVELOPMENT AND MISCELLANEOUS PROGRAMS

Subtitle A—Community Development

SEC. 901. COMMUNITY DEVELOPMENT AUTHORIZATIONS.

(a) COMMUNITY DEVELOPMENT BLOCK GRANTS.—The second sentence of section 103 of the Housing and Community Development Act of 1974 is amended to read as follows: "There are authorized to be appropriated for purposes of assistance under sections 106 and 107 $3,031,700,000 for fiscal year 1991, $3,154,100,000 for fiscal year 1992, and $3,279,400,000 for fiscal year 1993.".

(b) ELIGIBLE ACTIVITIES.—Section 105(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking "and" at the end of paragraph (18);

(2) by striking the period at the end of paragraph (19) and inserting "; and"; and

(3) by adding at the end the following:

"(20) provision of technical assistance to public or private nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or community economic development.".

(c) PUBLIC SERVICES.—(1) Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended by inserting after "under this title" the second place it appears "including program income".

(2) Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended by inserting after "unit of general local government" the third time it appears "(or in the case of nonentitled communities not more than 15 per centum statewide)".

(d) GUARANTEES.—The last sentence of section 108(a) of the Housing and Community Development Act of 1974 is amended by striking "$150,000,000 during fiscal year 1988, and $156,150,000 during fiscal year 1989" and inserting "$160,000,000 during each of the fiscal years 1991, 1992, and 1993".

(e) NEIGHBORHOOD REINVESTMENT CORPORATION.—Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended by striking "$18,300,000 for fiscal year 1988, and $18,300,000 for fiscal year 1989" and inserting "$28,000,000 for each of the fiscal years 1991, 1992, and 1993".

(f) NEIGHBORHOOD DEVELOPMENT DEMONSTRATION.—Section 123(g) of the Housing and Urban-Rural Recovery Act of 1983 is amended by striking "1988 and 1989" and inserting "1991, 1992, and 1993".

SEC. 902. CITY AND COUNTY CLASSIFICATIONS.

(a) METROPOLITAN CITY.—Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended—

(1) by striking the second sentence and inserting in lieu thereof the following: "any city that was classified as a metropolitan city for at least two years pursuant to the first sentence of this paragraph shall remain classified as a metropolitan city.";

(2) by striking "for fiscal year 1988 or 1989" in the fourth sentence; and

(3) by striking "the first or second sentence of" and "under such first or second sentence" in the last sentence.

(b) URBAN COUNTY.—Section 102(a)(6)(B) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(B) Any county that was classified as an urban county for at least two years pursuant to subparagraph (A) of this paragraph shall remain classified as an urban county, unless it fails to qualify as an urban county pursuant to subparagraph (A) by reason of

the election of any unit of general local government included in such county to have its population excluded under clause (ii)(I)(a) of subparagraph (A) or not to renew a cooperation agreement under clause (ii)(I)(b) of such subparagraph.".

SEC. 903. CDBG SANCTIONS.

(a) SYNTHESIS OF BLOCK GRANT SANCTIONS.—Section 104(e) of the Housing and Community Development Act of 1974 is amended by striking the eighth sentence and inserting the following: "If, after providing a grantee a hearing, the Secretary determines that the grantee is continuing to fail to satisfy standards published in regulations to measure grantee performance pursuant to the reviews and audits described in the previous sentence, the Secretary may adjust, reduce, withhold, or withdraw amounts of the annual grants made (but not yet obligated) or to be made, in accordance with the Secretary's findings under this subsection".

(b) CONFORMING AMENDMENT.—Section 111(a) of such Act is amended by striking "shall—" and all that follows up to the period and inserting: "may adjust, reduce, withhold, or withdraw amounts of the annual grants made (but not yet obligated) or to be made".

Subtitle B—Miscellaneous Programs

SEC. 911. RESEARCH AND DEVELOPMENT.

Section 501 of the Housing and Urban Development Act of 1970 is amended by striking the second sentence and inserting the following: "There are authorized to be appropriated to carry out this title $21,200,000 for fiscal year 1991, $22,100,000 for fiscal year 1992, and $23,000,000 for fiscal year 1993.".

SEC. 912. FAIR HOUSING INITIATIVES PROGRAM.

(a) AUTHORIZATION.—Section 561(d) of the Housing and Community Development Act of 1987 is amended by striking the first sentence and inserting the following: "There are authorized to be appropriated to carry out the provisions of this section, including any program evaluations, $6,000,000 for fiscal year 1991, $6,258,000 for fiscal year 1992, and $6,527,000 for fiscal year 1993.".

(b) EXTENSION OF AUTHORITY.—Section 561(e) of the Housing and Community Development Act of 1987 is amended by striking "September 30, 1989" and inserting in lieu thereof the following: "September 30, 1993".

TITLE X—CONFORMING AMENDMENTS AND MISCELLANEOUS PROVISIONS

SEC. 1001. AMENDMENT TO TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.

Section 104(c) of the Housing and Community Development Act of 1974 is amended to read as follows: "Any grant made under section 106(b) shall be made only if the unit of general local government certifies that it is following a current housing affordability strategy which has been approved by the Secretary in accordance with section 105 of the National Affordable Housing Act or a housing assistance plan which was approved by the Secretary not later than 180 days after enactment of the National Affordable Housing Act.".

SEC. 1002. REPORT ON RESIDUAL RECEIPTS ACCOUNTS IN SECTION 8 AND SECTION 202 HOUSING.

The Secretary of Housing and Urban Development shall conduct a study of a statistically significant sample of housing assisted under section 8 of the United States Housing Act of 1937 and section 202 of the Housing Act of 1959 to determine the amounts that are contained in existing residual receipts accounts. The Secretary shall identify the existing rules and regulations governing the permissible uses of such accounts. Not later than 6 months after the date of enactment of this Act, the Secretary shall submit to the Congress a detailed report setting forth the findings of the Secretary as a result of the study.

SEC. 1003. MINIMUM STATE SHARE FOR CERTAIN HOUSING PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law, each State shall be entitled to receive not less than one-half of 1 percent of the aggregate amount of funds available in each fiscal year to carry out the following housing assistance programs:

(1) Elderly and handicapped housing loans under section 202 of the Housing Act of 1959.

(2) Public housing modernization under section 14 of the United States Housing Act of 1937.

(3) Public housing operating subsidies under the United States Housing Act of 1937.

(4) Indian housing development under the United States Housing Act of 1937.

(b) REGULATIONS.—The Secretary of Housing and Urban Development is authorized to prescribe regulations to carry out the provisions of this section.

(c) CALCULATION.—For the purpose of this section, amounts of assistance provided to any agency or instrumentality of a State, any political subdivision or public agency within a State, and any private nonprofit or for-profit sponsor or developer participating in a State on a project assisted under a program referred to in subsection (a) are amounts provided to a State.

SEC. 1004. TERMINATION OF EXISTING HOUSING PROGRAMS.

Except with respect to projects and programs for which funds have been previously appropriated, no new grants or loans shall be made after October 1, 1990 under—

(1) section 17(d) of the United States Housing Act of 1937;

(2) section 312 of the Housing Act of 1964;

(3) title VI of the Housing and Community Development Act of 1987;

(4) section 8(e)(2) of the United States Housing Act of 1937, except where funds are allocated under this authority for single room occupancy dwellings as authorized by title IV of the Stewart B. McKinney Homeless Assistance Act;

(5) section 810 of the Housing and Community Development Act of 1974;

(6) title IV of the Housing and Community Development Amendments of 1978;

(7) section 106 of the Housing and Urban Development Act of 1968;

(8) section 5(a)(2) of the United States Housing Act of 1937; and

(9) except as authorized under section 328 on a transitional basis, section 17(a) of the United States Housing Act of 1937.

Mr. CRANSTON. Mr. President, I am delighted that the Senate is now able to consider the National Affordable Housing Act. The bill was originally introduced over a year ago. It was developed on a bipartisan basis. Forty-one Senators joined as cosponsors, among them the Senator who is now presiding, Senator GRAHAM of Florida.

The bill has been the subject of more than 30 hearings in Washington and around the country. It has evolved to reflect the comments and ideas of many of the country's leading practitioners.

We are today at a major milestone in a long and important journey toward an effective national housing policy.

We have before us a historic opportunity to unleash massive resources and enormous energies that are available around the country to bring good, affordable homes within the reach of young families, of working people, of families with low incomes, of elderly Americans, and of people with special needs.

Before I proceed to spell out in more detail the current situation in regard to housing in our country, which is deplorable, and the measures that we are proposing to cope with that manyfold serious problem, and describe the efforts that went into preparing this bill over a long 3-year period, I would like to bring Senators up to date on developments this morning in regard to this bill and in regard to the views of the administration.

We have been seeking for a long time to ascertain from the administration exactly what they would support and exactly what they felt the most fundamental needs were from their point of view.

When the bill was reported out of the Banking Committee by a very strong bipartisan vote, I met, along with other Senators immediately thereafter, with Secretary Kemp and Mr. Darman, and we agreed that they would consider the bill in the form in which we reported it and get back to us with their comments.

Understandably, because of the involvement of Mr. Darman in the budget summit, it was difficult to find a time to get him to focus on housing and to put together that meeting. But Friday I received word that they were ready to meet.

A few of us met this morning with Mr. Darman, the head of the OMB and with Secretary Jack Kemp of HUD. Senators present were, in addition to myself—we met in my office—Senator RIEGLE, chairman of the Banking Committee, Senator SARBANES, who has been very active in developing the bill in the committee, Senator BOND, on the Republican side, who has been very, very active in building a bipartisan approach and exceedingly constructive in that effort, and Senator CONNIE MACK, also on the Housing Committee and very deeply involved in this. Senator GARN, the ranking Republican of the committee, and Senator D'AMATO, ranking member of the Housing Subcommittee, were unable to attend because of other commitments. The meeting was put together on fairly short order.

We had a very upbeat, positive meeting, and the HUD and budget staffs and the Banking Committee staffs are now working on the details of several

points that were presented as most important by the administration.

We hope to get some report on progress later today. I am very hopeful that we can agree on compromises on all the major points.

Just to summarize them very briefly, the administration representatives stated that they have four major issues along with a host of minor ones. They said none of the minor ones are matters that would cause any difficult confrontation or any consideration of a veto. It was plain that there is a desire to avoid a veto in the discussions we had.

The four major points that the administration is concerned about are, first, they feel that the present draft of this bill puts too much emphasis on construction of new housing. We do not feel that is the case. We feel that the emphasis is upon rehabilitation, but we are prepared to try to find a way to meet their concerns on that topic. I think we can since we, like they, do not feel that the major emphasis should be on construction of new housing, although we do feel there has to be elbow room to develop it where it is needed. One place it is needed is in connection with the rehabilitation.

Sometimes, in a given place, in a given city, you cannot have effective rehabilitation without some new construction at the same time. Plainly, if we are going to develop more housing, not just maintain what we presently have, there has to be some new construction one way or another.

I believe we can resolve whatever the differences are on that point.

The second point the administration stressed was that they want to make sure we are targeting adequately to the poorest people among us. We want to do so, too. So I do not think there is any problem there which cannot be worked out. We feel the bill already targets appropriately. If we have to make it more explicit in some way, we are prepared to do that.

The third major point was on FHA actuarial soundness, and plainly we are agreed, everyone, Democrats, Republicans, in or out of the administration, in or out of the Senate, that there must be an actuarially sound FHA. We do not want to get into any unpleasant financial fiasco on that front.

The administration has proposed one approach coming out of the Price Waterhouse study that would, they believe, put FHA on an actuarially sound basis. We also believe this approach would put it on a sound basis actuarially, but we feel there is a better way that will not result in the opening costs to a family or an individual purchasing a new home escalating so much that many people who might otherwise be eligible to buy a home would be knocked out of the market. The administration approach would increase for a typical homebuyer the initial costs that would have to be covered by cash from $3,500 to $4,400. We believe that there is an actuarially sound way to avoid that increase in the cost, and that will be the subject of our discussion basically in the meeting now underway at the staff level with the administration.

Since we are agreed that we need an actuarially sound FHA, I think we should be able to work out this third problem also.

The fourth basic issue was the level of expenditure, the budget amount to be authorized, and some discussion of how the money should be allocated within the overall figure.

I am very encouraged by what was said at the meeting on that subject. Richard Darman said, "If we can work out the policy issues," namely the three that I just enumerated, "we are prepared to go well over our budget proposal. I assure you that we would not veto the bill on the dollar figure alone. The amount of money authorized won't be the bottom line."

Jack Kemp said at the meeting, "We are not making any veto threat. You have made a good-faith effort, and we know where your heart is."

I am very confident that we will not have a problem over the amount of money to be authorized in this measure which is, I think, destined to be somewhere above the $3 billion mark based upon what has been done by the two committees in the House and Senate and in the present budget proposals that have been moving in the House, moved all the way in the Senate Committee, and also has gone through the Senate. But we should be able to work out the dollar amount.

I am greatly relieved that will not be a major obstacle. Thus, we should be able, I believe, to work out a bill that can have very strong bipartisan approach. This would be the first major housing bill really designed to deal with the great housing needs that are developing and have developed in our country since 1968.

There was another measure in 1974, but it was not a major measure. There has been no measure of significance—just one housekeeping measure, and one measure designed to deal with fraud and abuse within the housing programs passed just last year.

So we are on our way, I trust, to a very significant development on the housing front in our country.

Decent, affordable housing is no distant abstraction. The family's home is a key to a family life. It shapes the family's self-image. It is for the relationships formed between husband and wife, parent and child, brother and sister. Unfortunately, for the past decade the housing trends have been disturbing.

Since the Great Depression, the rate of home ownership rose steadily in this country. But then, beginning in 1980, the home ownership rate began to fall and it has been falling since, particularly among young families struggling to buy their first home. Too many Americans—even those with reasonably good incomes—are caught in a frustrating and losing struggle to achieve home ownership.

Pressure has also been building on those who need affordable rental housing. One family must live too far from their jobs. Another family must settle for a home that is too small. Another has to live in substandard housing. And those at the very bottom are forced to live in garages or on the street or under a bridge.

In recent years, many areas of the country have seen a looming, new phenomenon: the supply of low-cost housing has been disappearing. Between 1973 and 1983, the United States permanently lost 4.5 million affordable rental units through demolition or structural conversion, while the number of very low-income families was rising. Housing that very low-income families can afford is now being lost at the rate of 1.5 million units a decade. The country faces the additional loss of 2 million federally assisted units in the decade to come.

Even families who are well-housed are beginning to see how they can be affected. Children, as they become adults, are not able to afford a home near where they have grown up or within a reasonable distance from good jobs. Aging parents, as they become more frail, may be unable to find affordable housing where they can live safely and independently. Housing problems make families vulnerable in many ways.

The blue-ribbon National Housing Task Force which Senator D'AMATO and I created to help us study out these problems, put it well. This prestigious group said there is a "paradox of housing in America"—for most of our citizens, the promise of a decent home has become a reality; but for millions, we have not only fallen short, we are losing ground.

Mr. President, for most of the last decade, while these housing problems were growing, the country had a Federal administration that was overtly hostile to housing. They used the Department of Housing and Urban Development as a dumping ground for political appointees who were inexperienced, incompetent, uncommitted to the Department's mission, determined to demoralize the career staff, and—in too many cases—easily corrupted.

Since 1980, budget authority for housing assistance—which measures the long-term Federal commitment to affordable housing—was slashed by 80 percent. The Reagan administration

had sought even more draconian cuts. For the 5-year period 1980 through 1986, President Reagan's budgets requested a negative $1.6 billion for housing assistance. That is, the administration sought to take away funds that had already been provided for low-income housing.

The full consequences of those cuts in budget authority were not felt during the Reagan years. Prior year contracts had not yet expired. Housing funded under Presidents Ford and Carter opened for occupancy during the Reagan administration. And Congress continued to provide incremental housing assistance, although in greatly reduced amounts. As a result, the numbers of families receiving assistance and Federal housing outlays continued to increase during the Reagan years.

Only now is the real impact of the Reagan cuts in housing assistance beginning to be felt, as older contracts start to expire. And the impact will be felt for years to come as Congress will have to provide substantial increases in funding just to avoid losing ground and cutting assistance to those now receiving it.

I am disappointed to say that some in this administration still advocate a further retreat on affordable housing. President Bush's most recent budget requested a further cut of $520 million in real terms. FHA mortgage insurance for affordable rental housing has been brought to a virtual halt.

Fortunately, the Congress—on a bipartisan basis—resisted the most damaging actions proposed by the Reagan administration. And I believe Congress—on a bipartisan basis—will now push the Bush administration to launch a truly effective national housing policy that will make a difference for American families.

I am again encouraged by the session we had today, and by the working session now going on elsewhere with signs that the administration will cooperate in this effort.

Mr. President, there is no reason why the United States cannot provide the affordable housing that our people need. The country has vast housing resources that can be put to work much more effectively than they are today. We have the world's most highly developed systems for financing and producing housing. State and local governments have been acquiring new sophistication in support of affordable housing. Private industry is also having to deal with the housing problem. And tens of thousands of Americans have organized to respond to the tragedy of homelessness and to provide decent housing for those who need it.

That is why, 3 years ago, the Senate Housing Subcommittee began to explore a sweeping overhaul of national housing policy. Senator AL D'AMATO and I issued an open invitation to experienced leaders across the country who are committed to more affordable housing.

The response was overwhelmingly enthusiastic. More than 70 organizations submitted over 1,100 pages of recommendations, which were jointly published by the Senate and House. The National Housing Task Force—a bipartisan group of 26 leading housing experts from the private and public sectors—completed a historic review of our national housing needs. Under the leadership of MIT, 20 of America's top housing researchers analyzed housing problems and solutions that work.

Hearings were held here in Washington and around the country. Thousands of additional hours were spent by subcommittee members and staff in meetings with groups and individuals to refine the structure of the bill and its various provisions.

The Housing Subcommittee listened very carefully to those discussions. Two messages were heard loud and clear.

First, we need the Federal Government to step up to its responsibilities—to enter into an intelligent, long-term partnership with States, localities, private industry, and nonprofit organizations so that their potential to provide more affordable housing can be fulfilled.

And the second message was that the Federal Government cannot and should not do the whole job. States and local governments must be mobilized to contribute their resources and change a broad array of policies that needlessly drive up the cost of housing. Private firms and nonprofit organizations must be called upon to employ their skills in producing and managing affordable housing. Private lenders will have to provide financing.

Mr. President, the subcommittee was determined, from the very beginning to this 3-year process, to build this legislation on the broadest possible consensus about effective housing policy and to develop the legislation openly, with the broadest possible involvement of experienced leaders who are committed to affordable housing for Americans.

The result is the bill now before the Senate. The bill would consolidate Federal housing assistance, and make it more understandable and adaptable to changing local needs. Funding would be authorized for 3 years.

I would like to summarize the key elements of the bill for my colleagues.

First, the bill would extend for 2 years the $124,875 ceiling on FHA-insured mortgages. I will offer an amendment that will achieve actuarial soundness in the FHA Mutual Mortgage Insurance Fund.

That is one of the matters presently being discussed, one of the three major points, where the administration wanted to express its concerns and explore a resolution of their concerns with us.

Second, the bill—as its core provision—would launch a new housing opportunity partnership [HOP] initiative that will build a long-term investment partnership among the Federal State, and local governments, and the private sector. States and localities would be responsible for developing a 5-year housing strategy and for selecting and adapting appropriate ways to expand the supply of affordable housing, with preference to rehabilitation of substandard stock. A special one-stop office in HUD would be responsible for developing effective model programs and for establishing strict program accountability and funding control. Funds would be distributed to qualifying States and localities partly by formula, partly by incentive allocation. State and local resources and policies would have to help achieve affordable housing.

Third, the bill includes the administration's proposed HOPE grants to help low-income families buy public housing and other foreclosed property owned by HUD.

The bill also includes, with refinements, other administration proposals to: First, preserve the low-income affordability of federally assisted housing that could soon be lost through prepayment; second, authorize an "Operation Bootstrap" to provide supportive services to voucher recipients; third, create "Elderly Independence" to provide scattered-site supportive housing; and fourth, initiate "Shelter plus Care" to provide rental assistance and supportive services for homeless persons with disabilities.

The bill refines the HOPE initiative in a few important ways that were suggested by Senators on both sides of the aisle. As a result Governors and mayors would have a say in HOPE activities, the risk of fraud and abuse would be reduced, the housing would remain available to low-income families, and care would be taken to make sure HOPE does not reduce the supply of housing available for the poor.

Fourth, the bill would revise vouchers to make sure that tenant rents are affordable. It would refine certificates to give tenants more flexibility in the choice of housing.

Fifth, the bill would revise housing programs for elderly persons, persons with disabilities, homeless persons, and low-income families with children to reflect the fact that housing for persons with special needs must be more than bricks and mortar, but must also include an appropriate package of supportive services.

Sixth, the bill would expand Farmers Home assistance for homeownership and rental housing, with special attention to low-income areas that have

been underserved. Some 4.3 million rural families are burdened with serious housing problems, including 2 million living in substandard housing. The Nation's rural housing needs clearly require special attention.

Seventh, the bill would revise public housing to give HUD more authority to resolve management problems in troubled public housing agencies. The major reconstruction program would be consolidated within the CIAP modernization for renovation of severely distressed projects. Project Independence would give public housing tenants greater access to education and employment opportunities.

And finally, the bill would extend authorization for CD block grants with the current program structure.

Mr. President, the bill now before the Senate provides a fresh and promising framework for a national housing policy that is well suited to the needs of the next decade.

The bill is designed to meet several vital objectives.

First, the bill provides a responsible level of funding. It would authorize an increase of $3.1 billion in budget authority over the fiscal year 1991 baseline. Those levels are consistent with the budget resolutions passed by the Senate and the House. Authorizations for fiscal years 1992 and 1993 would be above the CBO baseline by $4.2 billion and $4.8 billion, respectively. It would provide housing assistance to 730,000 low-income families who badly need it.

The bill is designed to be effective at relatively low levels of funding in the initial years but could be expanded effectively as the budget permits.

The bill places priority on the most pressing problems: To preserve the existing stock of federally assisted low-income housing, and to expand the supply of affordable housing. The bill builds on the imaginative housing activities that are already underway at the State and local level, where many new initiatives were launched during the 8 Reagan years. The HOP investment partnership, in particular, would use Federal funds to leverage State, local, and private resources.

Second, the bill is designed not to establish some rigid "made in Washington" program or just to distribute Federal funds through a block grant, but to establish a nationwide network of responsive and imaginative housing investment partnerships between government at all levels and the private sector.

The bill is designed to provide close coordination among all of the vital forms of Federal housing assistance, including: First, capital subsidies to reduce costs; second, credit enhancements, such as mortgage insurance and other methods to attract private financing; third, rental assistance for low-income families such as vouchers or certificates, technical assistance to get the best methods adopted nationwide; fourth, interaction with the private housing investment and development sectors, which have important national and international characteristics; and fifth, ongoing oversight to make sure the housing is well managed and affordable for decades to come.

Third, the bill goes beyond the HUD Reform Act of 1989 to provide additional protections against fraud and abuse.

At the national level, the bill eliminates the root sources of the recent HUD scandals. The bill would allocate housing assistance through an open, objective, and fully documented process. The bill would remove HUD from the process of granting funds to individual projects and therefore free HUD for impartial monitoring and oversight of State and local housing activities. There would be clear responsibility for program accountability and funding control.

The key HOP initiative would be administered through a one-stop office with a strong incentive to ensure that HOP is administered well for the long term. HOP activities would be subject to extraordinary oversight. The HOP Advisory Board, comprised of 18 members with established reputations of leadership, would have access to all important information. The bill also requires full financial audits annually either by an independent auditor or GAO. Therefore, any pattern of abuse would be brought quickly to light.

At the State and local level also, the committee bill would avoid any replication of the conditions that led to the HUD scandal. HOP funds could be used only in compliance with strategies approved after public hearings.

The funding would remain in revolving trust funds under the Secretary's control until they are invested in affordable housing. Project selection would have to be done in the sunlight, according to public procedures with full documentation. The basis on which any funding award is made or denied would have to be fully documented. HUD would have powerful tools for overseeing State and local activities and could impose tough penalties for abuse. The public, local news media, and competitors for scarce housing resources would have full access to information regarding the use of HOP funds.

Fourth, the bill would direct program benefits to the most needy, but it also would move away from the production of housing that tends to isolate tenants geographically and socially. HOP funds would assist only affordable housing units—none for administrative overhead. And all affordable housing would have to be made available to voucher holders.

At the very least, 50 percent of the funds would have to be used for housing occupied by very low-income families. And no less than 80 percent of the funds would have to be used for housing occupied by low-income families.

The bill has strong incentives to target more of the funds to these families than these minimums.

However, the bill recognizes that responsible, workable neighborhood housing strategies will also have to address the pressing housing needs for moderate-income families also.

Fifth, the bill would provide an important balance between tenant rental assistance and action that provides an adequate supply for affordable housing. The HOP investment partnership gives clear preference to rehabilitation of substandard housing where that is most cost effective.

The bill recognizes, however, that it makes no sense to dictate a blanket program choice from Washington. Newer, growing areas can achieve an adequate supply of affordable housing only by providing it within new buildings. Some new construction is often an indispensable stimulus for neighborhood rehabilitation efforts, particularly in older city neighborhoods that have many dilapidated houses and vacant lots.

It is in that respect that I think the bill basically coincides with one of the four points the administration brought up wanting the programs basically to be started in terms of assistance to those who need it the most. That is our intention. If we could strengthen it in a reasonable way, we would do so.

Any new construction assisted would likely be small-scale, scattered-site, neighborhood-based and mixed-income housing—that is, it would be the sort of affordable housing that has been successfully produced by imaginative local housing partnerships in many parts of the country in recent years.

Sixth, the bill provides for supportive housing. It recognizes that adequate housing for persons with special needs—particularly elderly persons, persons with disabilities, homeless persons and large, single-parent families—must combine a properly designed building and a package of supportive services that those residents need to live with independence. Some persons may need health care, nutrition services or housekeeping assistance; others may need day care, training, or employment services.

The bill would foster the economic empowerment of low-income families. It would restructure Federal housing assistance to provide helpful way stations between poverty and economic self-sufficiency.

Seventh, the bill would provide a permanent solution to the prepayment problem. It builds upon the preservation initiative contained in the administration's HOPE proposal and a con-

sensus that is emerging from the extensive work done during the past 3 years.

Owners would be compensated either for continuing to maintain the housing for low-income tenants or for transferring it to qualified organizations, including tenant organizations.

Mr. President, in sum, the bill now before us is a bold, comprehensive framework for Federal support for affordable housing. It is a balanced national housing policy. It would improve tenant-based rental assistance but also expand the supply of affordable housing. It would emphasize rehabilitation of existing housing but also support construction and acquisition where that is appropriate. It would target resources on the most needy but also recognize the need to make decent housing more affordable to working families and first-time home buyers.

Mr. President, I look forward to the debate that now begins. I urge my colleagues on both sides of the aisle to consider the urgent need for this legislation, to give it their support, to improve it further, and to join in winning enactment of major housing legislation of which we—and the country—can be proud.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. Mr. President, let me initially commend the Senator from California for an outstanding presentation and for his very important leadership as chairman of the Housing Subcommittee of the full Banking Committee. I think the statement that he has just made and the leadership he has given now over a long period of years brings us to this very important point.

I rise myself now, as chairman of the full committee, in support of the National Affordable Housing Act which is now before the Senate. It is about 3 years ago that the Housing Subcommittee, under the very able leadership of Senators CRANSTON and D'AMATO, began the process of shaping new Federal housing policy. Senator SARBANES who is here, Senator HEINZ, Senator BOND, Senator MACK, and myself, and many others have been active in that process as committee members over that period of time.

That process included representatives from every major segment of the housing community, and that would include low-income advocates, industry groups, States and localities, nonprofit organizations, housing financiers, and certainly individual citizens.

I think it is fair to say that this National Affordable Housing Act before us now is the product of that very broad and bipartisan, if you will, nonpartisan process. It certainly establishes, I think, an effective new direction in providing affordable housing for all Americans. The Banking Committee approved this legislative package on May 2 of this year, in a vote of 16 to 4 in committee.

"A decent home in a suitable living environment for every American" was set forth as an articulated goal by the Congress in 1949. Yet it continues to elude the Nation. It is fair to say that we are in the midst of a national affordable housing crisis.

We tend to throw the word "crisis" around, and I think it fits in this situation; that a vast number of our citizens are confronted daily with the Nation's failure to achieve a decent home and suitable living environment for all Americans. This failure manifests and illustrates itself in many forms.

Throughout the Nation, we witness the human tragedy and plight of millions of Americans, either homeless, living in deplorable conditions, oftentimes paying greater than 50 percent of their income in monthly rent, and even then often able to afford only very meager quarters, and very large numbers are unable ultimately to realize the American dream of home ownership, something I think almost every citizen, whether a single person or part of a family, aspires to as a personal and family goal.

I think perhaps the most visible of these ills is the homelessness that we see, and we certainly see it manifested here in the District of Columbia. It is no longer just the fate of an unfortunate nameless and faceless handful of people across the country, or a small number of people. Instead, it is a very harsh reality for many Americans; increasingly for children in our society; and in many instances, single parents, many of them women, younger women which children who find themselves unable to keep any kind of shelter over their heads short of going into an emergency shelter location, if one can be found.

That reality has reached such an epidemic size in our society that for the first time in our history, when we have been conducting a national census every 10 years, as we do this year, we have attempted to conduct a special census just to count homeless people in our society. And it is a measure of the fact that the problem has grown to such a size.

While the results from the homeless census will not be available for some time, our best estimate is that there are some 730,000 Americans who are homeless on any given night, and between 1.3 million and 2 million persons who would experience homelessness at some point each year.

As I say, a very substantial part of that number will be children and single parents responsible for the care and safekeeping of children. If you look around Washington, DC, today you see it on the hot-air grates here. We have a lot of those because the underground heating system in the wintertime connects the Federal buildings here. There are a lot of hot-air grates on the sidewalk where the ventilation occurs, and we have had standing room only for hot-air grates here in Washington over the last several years, certainly on the coldest nights in the winter.

Because there are literally not enough hot-air grates to go around, we have a number of people trying to keep from freezing to death by sleeping in abandoned cars, we find them in cardboard boxes, under bridges and in subway tunnels as a way to get out of the cold rain and wind, in order to have a way to shelter themselves from the elements.

To see that condition in America in the 1990's for even a handful of people, let alone millions of people in our society, is something that is wrong, something that has to be changed, and something that we can change. We are obviously not going to do it until we decide to make a commitment to do it. But it is necessary and right and proper that we step up to that problem as a nation.

There are also millions of additional people who are at risk of becoming homeless because their housing costs are too high. Those individuals who at present have shelter are many times just one or two or three paychecks away, should they be laid off and lose their income, from having to forfeit their housing and also join the ranks of the homeless.

The numbers there are very compelling. We have some 4 million American families who live in substandard housing or pay more than 50 percent of their monthly income for rent. Obviously, if they lose their income, they are not going to be able to stay in that apartment.

The high-rent burden not only places families at risk of homelessness, but also impacts on their ability to even feed and clothe themselves. If you have to spend the lion's share of your money just to get off the street at night to have some kind of roof over your head for your family, obviously the other basic necessities in many instances cannot be afforded.

There are also over a million low-income people today in America who are on the waiting lists for assisted housing. These waiting lists do not include all those who are seeking low-income shelter. Many waiting lists in cities are so long that they have been closed to new families for a long period of time, and the prospect for assisting these families under present circumstances is very bleak.

The Congressional Budget Office estimates two-thirds of all the households who are poor enough to qualify for Federal housing aid nevertheless receive no housing assistance whatso-

ever. So, yes, they are eligible, but they do not get a penny's worth of help to try to solve that situation.

We also see, as Senator CRANSTON has mentioned, that there are over a million and a half units of privately owned low-cost housing that have been lost this decade alone due to decay, abandonment, gentrification, and conversion. According to the National Low-Income Housing Preservation Commission, there are another half a million units that will be lost in the next 15 years.

So you have, on the one hand, a rising population of people in desperate need of housing, and on the other hand we have the existing supply going down because we are losing these units for the reasons I have just cited.

Another threat to low-cost housing is the pending expiration of section 8 rental assistance contracts. Over the next 5 years, contracts covering nearly 1 million units are due to expire. And as those disappear, that is going to create even more pressure on this problem.

There is an MIT report out that projects that if present patterns will continue, by the year 2003, nearly 19 million Americans will be unable to find affordable housing.

Again, a substantial portion of those will be children who are bounced from pillar to post on any given day or night simply because they are in a situation where their families and the people responsible for them just cannot find a place to get in out of the cold and to be able to have a roof over their heads.

So it is not surprising that we find ourselves, I think, heading more and more into a Clockwork Orange type society where the problems and the pressures on the underclass, manifested in one form in homelessness, are showing up in all the other ways. If you do not have a home and a place to be, it is very difficult to get into school or get into a job training program, and, also, of course, people who cannot afford the basic shelter arrangements are not going to be getting health coverage or a decent diet or the other kinds of things that we associate with just a minimum standard of living.

I think when you have a growing underclass in this society who are in what circumstance and yet they are surrounded by affluence and so they see others of us in the society doing well or they can see on television, through store windows, or wherever, people living in grand style or in good style, something that seems to be in a sense permanently out of reach for them, I think it creates and adds to tremendous pressures and stresses within our society that I think are very dangerous. I think they are inhuman, and I think they are unnecessary, but I think they carry with them an enormous potential for harm and damage to the country. I think that damage is going on each day.

We do not want to get to a situation where the people who are dispossessed in our society are so large in number and so resentful of the condition in which they find themselves and in many cases no way to get out of it, that we have a country that literally is at odds with itself and set against itself. We cannot have that kind of condition. And yet that is where the trend lines are taking us.

So this National Affordable Housing Act addresses the housing crisis which is building. It does it in a comprehensive way. It addresses the spectrum of housing needs faced by homeless people and low-income people, and, also importantly, by first-time home buyers. Because it is time to create a system where, instead of homeowner statistics sliding down and backward, that we make it possible for people who are attempting to save and to try to achieve the dream of homeownership to have the chance to step up and make that accomplish sometime in their working life, and hopefully sooner rather than later. We know the benefit that homeownership can confer in terms of helping families maintain their ability of becoming part of a neighborhood, strengthening our neighborhoods, strengthening our community schools, and so forth.

So we have important provisions in here that facilitate the development of homeownership and bring it into reach of more people.

The National Affordable Housing Act provides the necessary infrastructure for us to begin to address the urgent need for affordable housing. It indeed is an important step to make a decent home in a suitable living environment for all Americans a reality.

The bill would achieve its goal through several mechanisms.

First, the bill would bring State and local governments into a new partnership with the Federal Government and the private sector, including nonprofit corporations. These partnerships would be committed to meeting the housing needs of our communities.

State and local governments would be given the flexibility to design housing strategies which expand the supply of affordable housing and which are tailored to the needs of their housing markets. The bill recognizes that housing strategies must be crafted to local housing needs since they differ greatly throughout the country.

The Federal Government would ensure the success of these strategies by providing adequate resources to facilitate the development of affordable housing. This would be accomplished through the creation of Housing Opportunity Partnerships or the HOP Program. HOP is designed to make the Federal Government a partner in developing affordable housing. HOP will provide funding to rehabilitate dilapidated housing owned by the Government—Federal, State, or local—and make them available to low-income people. HOP will also provide funding for new construction, where appropriate, of affordable housing.

Second, the bill would make affordable rental housing more available by providing a permanent solution to the preservation of the Nation's existing affordable rental housing stock and by improving Federal rental assistance.

Third, the bill will expand the supply of supportive housing that meets the special physical needs of the frail elderly, persons with disabilities, and the homeless.

Fourth, the bill reforms and reauthorizes the McKinney homeless programs with increased funding levels. The bulk of McKinney funds would be distributed directly to States and localities. These jurisdictions would then decide how to best allocate resources among activities like emergency shelter, transitional housing, and homelessness prevention.

Fifth, the bill will improve public housing through the eradication of the deplorable living conditions in severely distressed public housing. It will fund modernization and provide additional moneys for capital improvement and preservation of this vital source of housing. Further, the bill would improve public housing, by increasing funding for its modernization. And it would create a new program, to help public housing residents gain greater access to employment, day care, and educational opportunities.

The bill also consolidates several existing categorical programs so that States and localities will have the flexibility to better serve their unique housing needs. The bill reforms several existing programs. It also reauthorizes existing programs, like the community development block grant, which have proven effective in meeting the needs of the Nation's cities and rural areas.

Finally, the bill incorporates much of Secretary Kemp's HOPE initiatives to provide home ownership and empowerment opportunities for tenants of public housing.

As a nation, we have the responsibility to see that all Americans are given a safe, decent, and affordable place to live. After almost a decade of the abandonment of the Federal commitment to low-income housing, this bill will affirm our goal of ensuring that every American family is able to afford a decent home in a suitable living environment.

The grave state of the affordable housing problem in our Nation makes passage of the National Affordable Housing Act an extremely important

priority for this Congress and I urge my colleagues to vote for its enactment.

I will just make one other comment and that is this: It is time for us to act on this issue right now. We have been going now for years and years and years without an adequate response to the housing needs of this country. This was the area of the Federal budget most cut back during the decade of the 1980's. One of the results is all the homeless people we see adrift in our society today. The loss of a single person to that kind of a condition is something that this country ought not accept.

There are people out there that we can help, and they are part of this Nation of ours. They are part of this national family of ours. And when I see children in that situation—I have been going through the homeless shelters in Michigan, and an increasing number of the people that I see there are 2 years old, 3 years old, 4 years old, children in arms. These children need some kind of a decent way to get started in life in America in the 1990's. Acting on this housing bill, as responsibly drawn as it is, is a way to give them that chance. They deserve that chance. And we have the responsibility here to see that they get it.

I thank the Chair.

Mr. SARBANES. Mr. President, I rise in very strong support of S. 566, the National Affordable Housing Act, legislation to deal with a serious affordable housing crisis facing this country.

Mr. President, this bill, S. 566, in my judgment, would establish a framework for the working of a cooperative arrangement between the Federal, State, and local governments and the private sector that would give us a chance to come to grips with the serious housing problem facing this country.

This legislation includes a comprehensive set of proposals that would begin to overcome a decade of neglect, fraud, and favoritism, I regret to say. To the credit of the current Secretary of Housing and Urban Development, a problem to which he has addressed himself.

It would restore the Nation's commitment to the goal of affordable, decent housing for American families.

This legislation recognizes that merely cleaning up the past difficulties at HUD will not solve our housing crisis. New proposals are needed to deal with the worsening homeless situation; to reverse the recent decline in home ownership; and to increase the supply of affordable rental housing and housing for people with special needs. All of those problems are addressed in this legislation.

This is a well-balanced, reasonable piece of legislation. It builds on the solid foundation established over the past 3 years by the very able and distinguished Senator from California, Senator CRANSTON, joined by Senator D'AMATO and others. I commend him for the extraordinary leadership and commitment he has given to this problem. I also want to thank the chairman of the full committee, Senator RIEGLE, who has made it a priority for the Banking and Housing Committee.

This legislation is a product of an intensive 3-year effort to review the country's housing needs and develop a national housing policy that can provide more affordable housing for American families. It incorporates and reflects suggestions from a nationwide cross-section of local and State officials, of experts in housing finance, of housing managers, of tenant organizations, of low-income-housing advocates, of nonprofit housing organizations, of private developers, of housing researchers, of experts in the academic field, and others interested and involved in the housing issue.

We know that during the last decade Federal housing policy was devastated by severe budget cuts, policy neglect, systematic mismanagement, and, indeed, in some instances outright fraud and abuse. During that decade the Department of Housing and Urban Development was in severe distress and need of revitalization, and revelations of scandal further highlighted need for a sweeping overhaul.

I am not going to summarize the substantive provisions of this legislation. That was done very ably by Senator CRANSTON in his opening address. But I do want to touch on the process that has gone into bringing this legislation to the floor of the Senate.

There have been four major initiatives. First of all, in August 1987, almost 3 years ago, the Senate Housing Subcommittee chairman, Senator CRANSTON, and the ranking minority member, Senator D'AMATO, invited major organizations and leading individuals concerned about housing to recommend what were called building blocks, for comprehensive housing legislation.

There was a tremendous response to this invitation and a outpouring of enthusiastic work and ideas from around the country. These recommendations were published in a committee print from the Senate and House Banking Committee entitled, "A New National Housing Policy" which ran to 1,100 pages. That was an impressive response.

Second, beginning about the same time, the Department of Urban Studies and Planning at MIT initiated the MIT Housing Policy project to evaluate the lessons of the previous decade of housing policy: What had worked, what had not, what could be done about the housing problems the country would face. Twenty major papers were commissioned from leading housing authorities. They were presented and reviewed in a 3-day conference held here in the Capitol, late in 1987.

Third, to move this process forward, Chairman CRANSTON and Senator D'AMATO invited James Rouse of the Enterprise Foundation, really one of our Nation's leading citizens with respect to the housing problems facing our country—not only with respect to the problems, but also with respect to the solutions.

If there is anyone who has been able to put real solutions on the ground with respect to the housing problem, it has been Jim Rouse. He and David Maxwell, of Fannie Mae, formed a blue ribbon panel to recommend a new framework for national housing policy.

That task force consisted of 26 leaders, bipartisan, with national reputations in housing policy. They held 2-day meetings at least every couple of weeks over a period of more than 4 months to hear testimony, review research, and to arrive at findings and recommendations.

Their recommendations were extremely helpful. The recommendations were included in a report entitled "A Decent Place to Live" that was issued in March 1988. They were extremely helpful to the Senate Housing Subcommittee, on which I am privileged to serve. Then the Senate Housing Subcommittee held more than 30-day's of hearing to prepare the act; not on the act itself, but leading up to the preparation of the act. Thousands of additional hours were spent by subcommittee members and staff in meetings with groups and individuals in order to refine the proposals.

The effort was to build legislation on the broadest consensus possible about effective housing policy and to develop it openly, in a way that everyone interested could paticipate. The subcommitee then explored the legislative feasibility of the various recommendations. We prepared staff concept papers that were released for further comment and criticism. On the basis of all of this effort, then the process of drafting legislation began.

I have gone into this in some detail because I think it imperative for Members of the Senate and others to appreciate the careful, comprehensive, open process that was followed to try to shape this legislation.

The National Affordable Housing Act was introduced on March 15, 1989, more than a year ago. The Senate Subcommittee on Housing held 13 hearings on major components of this bill through April, June, July, and September of last year. They drew more than 125 witnesses. Often those hearings were in a roundtable format, in order to give people more of a chance to participate so we could have a dialog and exchange back and forth.

Additional oversight hearings were held on the long-term financial strength of the FHA insurance funds.

We also held hearings on the fraud and abuse question. Provisions had originally been contained on that issue in this legislation as it was introduced in March 1989. In October of last year, Secretary Kemp released the administration's HUD reform package. At that time the administration was not prepared to submit a full package of housing legislation.

The committee at that time, in order to assist the administration in its efforts, to assist Secretary Kemp, agreed to delay action on the comprehensive housing legislation on the substantive provisions until the second session of this Congress—in other words the session we are now in. And we undertook, in an effort to support the Secretary's reform efforts, to consider a separate HUD reform bill, combining elements of the administration's reform package and elements of the reform provisions that were included in the National Affordable Housing Act. That legislation, the HUD Reform Act, was enacted by the Congress in November of last year.

In March of this year the administration announced its own package of housing legislation, the HOPE initiative, and that was introduced by request in the Senate on March 20.

We took testimony immediately from Secretary Kemp. We held roundtable hearings on that initiative. There were extended discussions with the administration about its provisions. Important parts of that proposal have been included in this legislation which has finally been brought to the floor. This was reported from the committee on May 2 of this year by a bipartisan vote of 16 to 4—a 16-to-4 vote.

Mr. President, as I indicated, this represents a tremendous amount of work by a great number of people over a very sustained period of time. We have sought to respond to the administration's initiatives by including in the proposal very important elements—I submit virtually all the major portions of the administration's HOPE proposal—and it has been incorporated into this comprehensive package.

I want to commend the administration and the Secretary for recognizing the need for legislative action in the housing field. This reverses a decade of antipathy toward housing legislation, and I am happy to say that the administration seems disposed to working with the Congress on enacting a piece of legislation this year.

This would return us to a proud tradition which has marked the country through all the decades preceding the last one in which Federal programs and policies in housing, developed together by Democrats and Republicans, by the President and Congress, have tried to address the need of encouraging home ownership, providing affordable public and private housing for the poor, and addressing the housing needs of a special population.

The administration's initiative is aimed primarily at home ownership, an objective we strongly support, but we also need to address as well the question more broadly of affordable housing. It is an increasingly pressing problem in this country. The number of low-income families, households that pay more than half of their income for rent, almost doubled during the 1980's. Less than one third of all poor families receive any form of Government housing assistance. The home ownership rate declined during the 1980's. Among poor Americans, the homeless population is growing. The supply of available, inexpensive housing is dwindling. There are very long lines of families waiting for housing assistance.

This act was introduced with over 40 bipartisan cosponsors in the Senate. It was reported, as I indicated, with a solid bipartisan majority.

While it may not include all of the elements that one might want to address our national housing crisis, I think it makes not only a good-faith start, but this legislation through its comprehensive approach sets a framework within which the Federal, State, and local governments in partnership with the private sector, both nonprofit and profit, and in a partnership with tenants and those seeking housing in community groups can come together to formulate a national housing approach which offers a real opportunity to come to grips with this issue.

So, Mr. President, this is a very important occasion. This is a pressing national issue; giving people a decent home, making it possible for people to achieve a decent home in a decent neighborhood is a national goal. It has been a stated national goal for more than half a century, and yet we are falling well short of even beginning to achieve it.

A tremendous effort has gone into trying to develop the best thinking to address this issue. It is the best thinking not only of experts, not only of academics, not only of those who make their living in the housing business, but also the people who are impacted right at the grassroots level, the tenants, those seeking housing, those who work with the homeless, those who work with the aged and the disabled. It is all in this legislation.

We have an opportunity now to move it forward. I very much hope we will be able to do it with an overwhelming majority and that we will put into place this framework which, in my judgment, will trigger a tremendous commitment not only at the Federal level but at all levels, not only by Government but also by the private sector, to address this pressing national need.

In closing, I thank those many groups and individuals across the country from State and local government, from nonprofit groups, private individuals from the housing industry, from the academic community, people seeking housing, people who came to us and told moving stories about what they face in terms of their own lives and lives of their family in trying to meet their housing needs. They all have given so much to this effort. I very much hope that effort will see its fruition on the floor of the Senate in the next few days and that we will move this legislation in the next step toward becoming law.

Mr. President, I close again by thanking the very able and distinguished Senator from California [Mr. CRANSTON], the chairman of the Housing Subcommittee, for the extraordinary leadership which he has provided to this important endeavor. The amount of hours and dedication and energy and attention he has given to this issue is really unparalleled in my legislative experience. We are at this point largely because he had not only a concern about the problem and not only a vision about the substance to deal with it but an understanding that if we reached out to the country and asked people to come in to try to help, we would get this tremendous response. That is exactly what has happened. This representss a significant legislative accomplishment. I strongly urge my colleagues to support this legislation.

I yield the floor.

Mr. CRANSTON. Mr. President, I thank the Senator from Maryland very much for his eloquent statement in behalf of this bill, for his description of the problem, for his very careful and accurate outline of all the work that went into it by so many people who spent many days and weeks, indeed years, working together to develop the legislation that is now before us.

Not least among those was Senator SARBANES, who has been totally involved in the process from the very beginning, who contributed immensely to the progress we have made to this point, and who I know will have a lot to do with the success I expect we will have as we move the bill through the Senate, on to the House, and through enactment.

I also thank the Senator from the bottom of my heart for his comments about my efforts in this regard. I am deeply grateful.

I also want to thank Senator RIEGLE, who escaped before I had an opportunity to thank him for his leadership of the full committee, and so many other members of the committee.

I see Senator HEINZ, of Pennsylvania, who is representing the minority today, is on the floor. I look forward to hearing from him. I thank him for all the work he has done on the bill to this point, and I look forward to him helping to carry it all the way.

The PRESIDING OFFICER (Mr. SANFORD). The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, first I commend the distinguished Senator from California for the enormous amount of work he has done on this housing bill. Indeed, for as many years as I can remember, the Senator from California, Mr. CRANSTON, has been working with exceptional energy on this issue.

I think we are all very pleased there is at last before the Senate a very comprehensive, innovative, creative, and extremely thoughtful approach to meeting, the changing needs of our housing population, and also which takes into account what we have learned over perhaps more than a decade about the shortcomings not only of our Nation's housing program but also about the kinds of barriers and temptations that the tremendously bureaucratic and overly layered, programs we have unintentionally, but nonetheless created, have placed in the way of delivering the kind of housing we obviously need to deliver to the neediest in our population.

So the legislation that is before us today, S. 566, the National Affordable Housing Act, seeks to foster several goals which are fundmental to our national housing policy, ones that have been fundamental for more than four decades.

First and foremost among them has been—and I hope always will be—to promote home ownership among all income groups. Home ownership should not just be the luxury of middle-income Americans. Unhappily, it is becoming a luxury even for middle-income Americans. But regardless of income level, no member of our society should as a matter of fact or as a matter of circumstance be permanently foreclosed from the realistic prospects of someday having a home that they can figuratively and literally call their own.

So that is our first goal.

Our second goal is to maintain an adequate supply of housing stock that is affordable to low-income families. In setting that goal, we recognize that housing markets are imperfect.

I come from a community—Pittsburgh, PA, is my hometown—prior to the 1982 recession there, where a lot of people who were very happy, secure, middle income, working in a mill, often a steel mill, or a glass factory, or any other heavy industry that paid well above the national average in manufacturing. After 1982—I had thousands upon thousands of middle-class constituents who suddenly ended up on the low end of the totem pole. They became low-income people almost overnight when that factory closed.

As a result, what had been a dream turned into a nightmare. Many of those people, fortunately not all, lost their homes. Typically, it was the younger worker who was not so far along on the mortgage payments who might have bought the home while the housing market was strong in 1979 and 1980 and who found himself moving out of a house involuntarily, onto unemployment involuntarily and into public housing, or being afforded assistance through the section 8 program, the certificate through the voucher program, also involuntarily.

But those were the alternatives. While it may not exemplify everybody who is in public housing, it just shows you can have all the skills you want. But if you live in a geographic area where other jobs are not available—if you are, in effect, unlucky—you may very well need the assistance that this legislation, or legislation like it provides.

There are also the cases where people enter the workforce without the skills they need to compete in that workforce. And, if such individuals had time, and if such individuals have the time, they will get those skills.

Several years before I ran for the House of Representatives, I served as chairman of the Employment and Economic Growth Subcommittee of the Pittsburgh Urban League. The board was very involved in job training programs, principally the OJT programs. We concluded that we were not doing a good enough job for the people we were supposed to be serving. The fact that somebody had a job placement did not merely mean that they had a career. In many cases they could not make it. They would become another statistic, and some other job training program would pick them up, give them training, get them placed, score that as a success, and history might repeat itself more times over.

We found in attempting to take a fresh look at all this that there was a group of people graduating from high school—largely women, largely minority—who were receiving what they thought was secretarial training but whose skills in terms of ability to type, in terms of ability to take dictation, did not quite have the skills to compete in the marketplace.

We in response to these problems created a very specialized, very targeted job training program that resulted in maybe 95-plus percent of those young women obtaining permanent employment.

These examples merely suggest that there are people who move into public housing because they have not yet either found their niche in the job market or have not yet found the skills they need in order to compete. It is in our interest as a country to have all the people in this country get the skills they need to be able to contribute to our country. I might add Mr. President that was a predominantly manufacturing community. Today something like 75 to 80 percent of all the jobs in the city of Pittsburgh are in service industries. Talk about a transition, in a little less than a decade and a half, the employment demographics of the city have almost completely changed. So you see, Mr. President, we have people who have received jobs, but they could not compete for a period of time, because they did not have exactly what the job market needed at that moment, but which subsequently they did come to need.

All these and more reasons require, Mr. President, that we maintain an adequate supply of housing stock, affordable to low-income families. That is perhaps why we have very little disagreement about those two principal goals that we have been working on trying to meet over the last 4 years.

The reason we are here on the floor today with the National Affordable Housing Act is that we—that is to say the Congress—and the administration are facing the issue about how we are going to design a workable housing policy for the next decade and beyond. If we are wise enough to foresee the future sufficiently, we will continue to advance those fundamental objectives.

Inevitably, as we consider change, there will be disagreements over the exact shape of change and the issues of policy in the legislation. But I posit, Mr. President, that that is what we should and intend to debate over the next few days.

Mr. President, there is no debate about the fact that shelter is a basic human need and that our Federal housing policy is supposed to ensure that American families live in safe, decent, and affordable housing. The fact that we do have homelessness and, depending on where you are, a substantial amount of it, should be very troubling to most people. For whatever reasons, people are homeless, and they are many. They are not a homogeneous population. They are very heterogeneous group of people.

The fact is that we know—or else we would never have passed a McKinney Housing Act—that our policy has not fulfilled its promise. But homelessness apart, there are other worrisome signs as well.

I mentioned earlier that owning a home is part of the American dream, but for too many middle American families that dream has been deferred, it has been postponed, because they cannot afford to put up the money for the foundation, let alone the House.

That is what has happened to our housing costs. After increasing steadily since the Second World War, the percentage of Americans owning their own homes has declined every year since 1980, since that great boom cycle. It has been followed by a bust of home ownership.

That the cost of housing is the culprit is no secret. But there is a larger cost to our society, and that is the disenfranchisement, figuratively speaking, of an increasing number of our people. By the term "disenfranchisement," I mean a literal, in this case, disconnection from feeling like you have a tangible piece of America, which is your responsibility, as well as perhaps for your posterity. What home ownership uniquely gives Americans is a sense of place and being, and a sense of belonging, and a sense of participating, and a sense of community. And to the extent we as Americans have and share all those values, we are a stronger community and country.

We work better together; we find ourselves less at cross purposes. We are less likely to run out and hire a lawyer, if somebody bangs your car in the back with their front fender. We have become more commonsense oriented and a little less litigious, I hope. And by contrast, when people are unable to feel that they are truly a part of this country, the statistics tend to run the other way. What used to be called juvenile delinquency increases; family separations increase; the number of people living on the edge of poverty or somehow trying to get by without getting the education that they need increase; alcoholism and drug abuse increase.

I am not here to argue which is the chicken and which is the egg. But those statistics certainly associate one with the other. And to the extent that Americans do not have a sense of place, sense of purpose, sense of community, we become, as Americans, a more troubled country.

Those Americans at the lowest end of the income scale, Mr. President, are obviously not in a position to own their own home—at least for now. But they are having, on balance, a harder time finding rental units that are within their budget constraints.

It might interest the Chair to know that there are some 11.6 million renters who earn $10,000 or less each year, while there are only 7.9 million units which are available at $250 per month or less. One does not have to be a math genius to figure out that $250 a month is about 30 percent annually, about $3,000 of the $10,000; consequently, there are well in excess of 3.7 million American families who are spending in excess of one-third of their income for shelter. In some cases, it is a good deal higher.

So as you look as this historically, you find a disturbing trend. You find that back in 1978 2.3 million people, about 44 percent of all poor renters earning $10,000 annually or less, paid at least 60 percent or more of their income for housing. Today, as I suggested, that figure is up to 3.8 milion Americans.

It would be a mistake, by the way, Mr. President, I am sure—coming from the State of North Carolina, you as our Presiding Officer know this, to assume that the lack of affordability is limited to the urban poor; to the contrary, it is a problem that adversely affects many people who consider themselves middle class; it is a problem found in suburbia and certainly found in many rural areas.

In 1985, one out of every three renters with incomes above the poverty line paid more than 30 percent of their income for basic shelter.

Seventeen percent of all homeowners with income above the poverty line have borne such cost, and in my home State of Pennsylvania, the Pittsburgh-area HUD office puts the fair market rate of rent for a one-bedroom apartment at some $371 a month. So it takes an average annual income of about $18,700 just to live in a one-bedroom apartment.

That is a problem for people in my region, because only 41 percent of the people living in the Pittsburgh area earn that much a year. And my hometown is not different from most others.

If is therefore abundantly clear that these problems call for a much more vigorous Federal response than has been the case in the past, and the Federal response before us has appeared on the floor today as S. 566. This bill, the National Affordable Housing Act, is the culmination not just of the work in this Congress, but indeed some 3 years stretching back to the Congress before last. It, as I said, is a very major achievement. It is aimed at many of the problems I have discussed.

But I am concerned that it is not as well structured as it needs to be, because we learned over the last 3½ years that it is not just Robin HUD that has been stealing money from the taxpayers. In fact, there has been an entire cadre of well-connected crooks and their cohorts who plotted and schemed and have stolen tens of millions of dollars from the U.S. taxpayers and HUD.

And what that means is that the basic premise of the bill before us, which as I say started over 3½ years ago, which was that HUD was well managed and fraud free, and that housing administration generally is well managed and fraud free, is simply not the case. And that should give us pause for some concern.

I voted to bring this bill to the floor out of committee, even though I did not agree with everything in it, because I feel that the debate we are going to have is critical; it is important. It should, and I believe it will—as I listened to the opening statement of the Senator from California, Senator CRANSTON—address the serious issues in the bill, as well as the serious problems facing the American people.

I want to take a moment to indicate that, on our side of the aisle, there was quite a divided opinion on this bill. When we came to the vote in committee, the minority voted 4 votes for, 4 votes against, and 1 not voting. You might call that a split right down the middle, which is not easy to do with nine people, but we achieved it without any effort whatsoever.

And that split represents, on the one hand, a recognition that there has been a very serious and good-faith effort to deveop comprehensive housing legislation, must of it representing a needed overhaul of current housing policies and programs; but, on the other hand, it represents the fact that many on the minority side believe the bill fails to reflect several crucial realities in today's housing situation.

Among those is the recognition that housing programs need to do a better job of fostering home ownership, to do a better job of inviting empowerment and should work in tandem with social service programs to provide the opportunity for the people to lift themselves out of poverty. And we believe that given a chance, most people will do that.

Flexibility at the State and the local level is essential so that the policies reflect local economic conditions. The decisionmaking process for programs does indeed need to be streamlined so that the responsibility is clearly in one place, not dispersed throughout private, nonprofit, Federal, State, and local decisionmaking structures.

In short, all of the different pieces in the housing puzzle need to fit together. Tax policy, rental assistance, public housing, State and local programs all need to be coordinated locally to meet housing needs more efficiently. And Federal money should, and we hope will, be used to leverage other resources so that we can get the most in the amount of acceptable housing for Federal taxpayer dollars.

Let me say I will quote somewhat extensively from the additional views on S. 566, and I do quote here:

> In philosophical terms, S. 566 moves in this direction, by rejecting a continuation of complex, federally mandated programs and moving toward a more flexible and locally-based approach to housing. In spite of mixed views relating to funding of new programs, we applaud the Committee for commencing a new direction for housing programs.

Now, as we point out in the additional views to S. 566, in a committee report starting on page 305, there are a variety of problems seen by those on our side of the aisle. Some of us feel

strongly about some of these problems; others less so. Some may not agree with the entire list, but the problems that we generally felt that the bill as reported did not sufficiently address were seven in number.

First, there is concern that the levels of new funding included in the bill's authorization levels may be too high and may in effect be very unrealistic. We believe that it is important to do more, but the question is should we promise more than we are likely to deliver over the next 3 years.

A second problem was the inadequate elimination of bureaucracy and delay so that funds may reach the local level quickly. I think we all know what we are talking about there, and I will not belabor that.

A third issue, and this is not the fault of the authors at the time this came up, and Senator CRANSTON has addressed it in his remarks, is the need to include solutions to the problems that are faced by the Federal Housing Administration and the FHA mortgage insurance programs.

And it is only since the bill was reported that Price-Waterhouse and HUD made their recommendations to the Congress. On June 6 we held a hearing in our committee and heard from Secretary Kemp, and others, on what specifically needed to be done, and to engage them in a discussion. And I have no doubt that we will, before we conclude consideration of this bill, satisfactorily address the FHA insurance program issue.

Fourth, was the problem of the extent to which this legislation permits States and localities to use a very large amount of additional Federal assistance for new construction of housing. It is not we do not recognize that there are times and places when new construction is needed.

But it is a genuine concern that there are far too many times when new construction is neither the most efficient, the most appropriate nor the most affordable means of meeting peoples' needs. And it also represents a great concern that when you put money out for new construction, because new construction programs invariably draw from a variety of sources of money, that those new construction programs will attract influence peddlers or lobbyists—call them what you want; consultants, people who want to make a buck—like honey attracts flies. While it is not absent in other kinds of programs, it is of particular concern there.

Fifth, is the movement away from tenant-based subsidy to project-based subsidy, which in substantial part is related to the fact that in this legislation the availability of section 8 units to public housing authorities has been uncapped.

We have capped it at 15 percent. We capped it at 15 percent because, realistically, if we did not cap it at some level, somebody could say 15 percent is too high or too low.

But, leaving that issue aside, when the section 8 certificates or vouchers were to be handed out, there would be an irresistible temptation on the part of public housing authorities to hand them out only to people who are going to live in public housing as opposed to assisted housing, which is privately owned and privately maintained, which gets its money from the renter with the assistance of the section 8 voucher. The movement away from helping the tenant as opposed to helping the landlord and in this case the big landlord; namely, the housing authority, we view as a step back, as a step going in the wrong direction, certainly away from empowerment and toward dependency on the system and all that that entails.

The sixth problem was the somewhat minimal amount of consolidation of existing programs into HOP, the Housing Opportunities Program. That concerns me a little less than others. I think we did what we could. Some people would like to have done more.

But I am concerned about the targeting of the HOP Program, and that, as written, it is going to spread money across a very wide spectrum of lower but not necessarily very low-income people and dilute the effort that normally one would expect, which is to help, as a doctor would when confronted with an array of casualties on the battlefield, those who, if they do not get the help, are likely either to die or to be seriously injured for a lifetime get helped first. This is called triage. And while we all would like to do better by our housing programs, the fact is that when we sit back and think about what the purpose of our programs ought to be, they ought to be about helping the people who need the help the most, the neediest. I believe that is a correctable problem. But the targeting of the HOP Program is a serious concern.

Finally—and this is particularly true of the administration—is the concern about the relatively low funding for the HOPE Program. Most people in the committee have, at one time or another, been confused about the difference between HOP and HOPE, except that there is an E on one and not on the other. The HOP Program is basically a tunnel to get moneys to the State and local level. It stands for, Housing Opportunity Partnerships and received a substantial amount of assistance in this legislation.

HOPE, on the other hand, was the administration's proposal, standing for Home Ownership for People Everywhere, which emphasized helping people make a transition from dependence to independence, from being renters to homeowners. It is creative, innovative, and has risks associated with it because it is new and different. Some people do not like it because they argue that somehow it might reduce the stock of public housing.

By the way, on that point, we have not done a very good job on something that is really implicit in all our assisted housing programs. What has always been implicit in our housing programs is that they were temporary for the people in them, that these are programs that help people through a difficult time of transition. And, as I indicated at the outset, that remains the philosophy, and, in many cases, I suspect the minority of cases, that may simply not be true. What has happened is that our assisted housing programs and particularly our public housing community units have become not temporary housing but permanent housing for people by becoming more than temporary; they become communities in and of themselves. People who have lived there 5 years do not want to move. They have become set in their habits. We have not done a very good job of returning to the basic idea behind our housing programs of three or four decades ago that this is temporary help until you get out on your feet and become a homeowner. And that is why the HOPE Program is well named.

As I say, people have concerns about how well it is going to work. Are we going to have other penalties that we pay as a result? We do not know the answers to most of those questions, but we do know that the concept behind the HOPE Program, housing opportunity for people even if they are in public housing, is the right concept and is the right kind of dream, dream of hope, that we want people to have about this country.

And so, Mr. President, we have our work cut out for us here today. I think Senator CRANSTON was right when he pointed out that the critical issues on which I hope we can reach a thoughtful compromise are indeed new construction, the emphasis on it or the overemphasize on it; the need to better target this legislation to the poor, and the poorest of the poor at that; to address, as I think we all want to and I am sure we will, the Federal Housing Administration's actuarial soundness issue; and then adjust, within an acceptable overall level of fundings, our allocations to meet our most appropriate needs.

Mr. President, I do not see anybody on our side of the aisle seeking recognition.

(Mr. FORD assumed the chair.)

Mr. CRANSTON. Mr. President, I thank the Senator from Pennsylvania for his statement, for his comments, and for his work on this measure. I am delighted that he supports it generally, as he did when he voted for the measure in committee. He recognizes

that in the discussions that I and others engaged in today with Mr. Darman and Mr. Kemp, of the administration, we have made progress on some of the matters that concerned him that he spoke about now and that are mentioned in additional views beyond the majority report in the report emanating from the Banking Committee, from the Housing Subcommittee, on this bill.

I look forward to working with the Senator from Pennsylvania and with other Members on the other side of the aisle. I look forward to working specifically with him in improving the bill where we can, in working for and accepting amendments or trying to get adopted amendments that will improve the bill, and for fending off those amendments that undermine the general purposes of the bill. I know the Senator will be a source of strength on that front.

I would like to comment on a few of the specific points the Senator made. We are, I think, quite close to agreement on most of these points, as I believe we are now with the administration.

On the matter of targeting, that is one of the subjects that came up and that I have already mentioned in terms of our discussion with Mr. Darman and Mr. Kemp today. I would like to go into that in a little bit of detail because it is a very important aspect of this bill and, in fundamental purpose and principle, Mr. Darman, Mr. Kemp, the Senator from Pennsylvania [Mr. HEINZ], and others, and the Democrats who have worked with others on this bill are in accord.

I urge my colleagues, who are concerned about the income targeting of benefits under this bill, to take a closer look at existing law, at current needs, and the bill itself. We urged that upon Secretary Kemp and Mr. Darman this morning.

Federal housing subsidies, including direct subsidies and tax expenditures, benefit a broad spectrum of the population. About 80 percent of all Federal housing assistance goes to higher income homeowners through the mortgage interest and real estate tax deductions. Direct subsidies for low-income families have been funded at levels that serve less than one-third of those eligible.

Many working families receive no housing assistance because their incomes are too high to qualify for direct subsidies and too low to benefit from tax expenditures.

I believe that, in general, scarce resources should go to the most needy. The committee bill is designed to do exactly that. But the question of proper income targeting can be drawn too simplistically. We have to guard against that.

First, any definition of "the most needy" will unavoidably be arbitrary. Wherever the line is drawn, no matter where it is drawn, a narrowly targeted housing policy will produce irrational distinctions. Assistance available to one family will be denied to another falling just barely outside the line of eligibility. Resentment and opposition will build against a policy that excludes large segments of the population who experience housing deprivation. Rigid targeting that ignores low-income, moderate-income, and middle-income families will be perceived as inappropriate in light of the housing benefits provided to upper-income households.

Second, housing built solely for the poor tends to isolate tenants geographically and socially. A developer's concern for location and design is limited if housing is to be occupied only by subsidized tenants. The result can be low-income housing that is poorly designed and placed in bad locations. In contrast, a policy that encourages mixed income housing offers developers an incentive to build for the market, to find good sites and produce marketable designs. More units of affordable housing can result because neighborhood opposition is lessened.

Third, it is difficult to identify precisely the segment of the housing market that serves the poor. The housing market is composed of a large number of interrelated submarkets and the problems found in one submarket can profoundly influence others. Barriers to home ownership build pressure on rental housing, and when the rental market tightens, a broad spectrum of families are hurt in the competition. One family must live too far from its jobs; another family must settle for a home that is too small; yet another must accept substandard housing. Holders of vouchers find it increasingly hard to find suitable housing, and those at the very bottom are forced to live in garages or on the street or in doorways or under bridges.

Fourth, housing programs which benefit only those with the lowest incomes are too easily attacked. The cost per unit tends to be highest. The numbers assisted tend to be lowest, the political support will be weakest and the program support will be most vulnerable to deep cuts or to elimination.

Our Nation's housing needs require Federal assistance that maintains broad support over time. The committee bill is comprehensive legislation that targets very low income and low-income families and at the same time it is intended to address the interrelated parts of the housing problem. Not less than 50 percent of the jurisdiction's HOP funds will have to be invested in dwelling units occupied by very low income families. This would include incomes that do not exceed 50 percent of area median income.

Other provisions of the subtitle are designed to ensure that HOP investment continues to provide long-term investment for very low income families. Not less than 80 percent of a jurisdiction's HOP funds would have to be invested in dwelling units occupied by low-income families. This is defined as incomes that do not exceed 80 percent of area median income. This, of course, includes very low-income families which I just mentioned.

Taken together these limitations would require that all HOP funds would be for rental units occupied by low or very low income families. The limitations would permit up to 20 percent of a jurisdiction's HOP funds to be invested for home ownership by families with incomes between 80 percent or 100 percent of area median. Home ownership assistance would have to serve families with a broad range of income below the area median, including a preponderance of low-income families.

Other provisions of the HOP, including their criteria for awarding incentive allocations, strongly encourage jurisdictions to exceed these minimum requirements and target a greater share of the benefits to low- and very low-income families. These provisions provide for tight income targeting while providing the flexibility that is needed to carry out balanced, affordable housing strategies.

The Housing Subcommittee heard compelling testimony concerning the overwhelming housing needs faced by very low-income families. The 1985 American housing survey indicates that as many as 45 percent of the 7,100,000 renter households living below the poverty line were paying more than 70 percent of their income for rent.

What does that leave for clothes, for food, for transportation, for other basic needs of a family?

Only 28 percent of all other rental households living below the poverty line actually receive any other form of renter assistance. This is particularly troublesome when you consider the definition of "very low income" in HUD programs is higher than the poverty level.

The targeting decisions in this bill reflect the special care which must be taken to assure that Federal assistance goes to benefit those with the greatest housing need and the least ability to afford decent housing. This targeting can be achieved within State and local housing strategies that respond to problems of housing affordabilty that confront a broader segment of the population.

I trust, Mr. President, these points will help alleviate the concerns of the Senator from Pennsylvania and others who are concerned about targeting, and Mr. Darman and Mr. Kemp and

those working with them now, with our staff, in trying to reach an accommodation on this front.

We all share the desire for targeting. I think we have to be careful in how we do it. As I have indicated here, I think the bill already does it very effectively. If we can make it more effective without becoming restrictive and jeopardizing our goal, we should take those steps.

Of the seven points that were made by the Senator from Pennsylvania that relate to the additional views of the members of the minority in the committee report on new funding, they raise a question about authorizing this new level of spending when we are having difficulty maintaining the current level of housing funding, and in view of the general budget deficit situation.

I have already touched upon the fact that in our discussions with Mr. Darman and Mr. Kemp, it was made plain they will not feel the amount we are discussing is excessive, and that would not be a matter that could cause a veto or a bitter controversy over the measure, if we work out the policy differences, as I believe we can.

The second point relates to FHA reform. As I indicated, we did not include that in the bill as reported, because the Price Waterhouse study was not available to us. It has now been made available to us. We have come up with a proposal. The administration has come up with its proposal, and that is one of the major points we are discussing now with the administration. I am confident we can work out that matter.

On new construction, the minority additional points said:

> We believe that there is substantial evidence to indicate that rehabilitation continues to be a less costly alternative than new construction.

We believe that is true. We want to place the emphasis not on new construction but on rehabilitation, and that is another matter we are discussing with the administration, another matter I believe we will work out.

In regard to bureaucracy and redtape and consolidation, that is a very valid point that was made by the Senator from Pennsylvania and is reflected in the additional views. I would like to speak in a wee bit of detail to that point, because I believe that HOP embodies much of the reform that is desired.

When we began developing the bill 3 years ago, we leaned from housing experts from around the country that HUD was grossly mismanaged, severely weakened, badly demoralized, and clearly in need of thoroughgoing reform.

That is why the National Affordable Housing Act started out to be a comprehensive reform bill that would overhaul Federal housing assistance and revitalize HUD.

Over the past 8 years, a new wave of housing organizations and initiatives have blossomed at the State and local level. They have expertise. They have experience. But leading practitioners have made it very clear that real progress on housing cannot occur unless the Federal Government joins the partnership with significant and predictable investment.

This bill would build on the growing capacity of State and local governments. The centerpiece of the bill, the housing opportunity partnerships [HOP] provides a strong Federal-State-local partnership for affordable housing.

The National Affordable Housing Act simplifies and streamlines HUD programs by consolidating a number of small HUD programs into one straightforward funding mechanism, exactly what the Senator from Pennsylvania talked about, and it is recognized in the additional views that a significant degree of consolidation has, indeed, occurred in this measure.

These steps would significantly lessen the need for HUD to micromanage projects. HUD would be free to oversee the State and local activities.

State and local governments and many private and nonprofit organizations throughout the country are able and eager to provide more affordable housing. The bill places more responsibility on them, not on HUD, for devising housing programs, selecting recipients, and monitoring compliance.

Public and press scrutiny of program implementation at the State and local level is intense. Since HUD would not be making project-by-project decisions, which is what got HUD into a lot of trouble, HUD would be free to monitor State and local activities more aggressively. HOP activities would be monitored by an advisory board of experienced people with diverse backgrounds and HOP funds would be subjected to annual, independent audit.

We must use this opportunity not only to reform and rebuild the Department but to overhaul the entire system for delivering federally assisted housing. The corruption and mismanagement that occurred under the previous administration should not and does not provide the rationale for delaying the passage of these housing initiatives.

The fifth point raised in the additional views and by the Senator from Pennsylvania relate to tenant and project based rental assistance. We recognize that some new approaches are needed there, some reforms are necessary, and that is one matter I would like to speak to in a bit of detail.

Tenant based rental assistance, such as vouchers, should continue to be an important element of Federal housing policy. We are agreed on that. But we should not make some simple-minded choice of either vouchers or expansion of the housing supply. This is particularly true since there is substantial evidence that vouchers are not the solution that we originally hoped they might prove to be.

First and foremost, vouchers just do not work where housing is unavailable. Obviously, they cannot. The number of low-income households seeking affordable housing has now outstripped the supply available to them. The supply of housing renting at $250 or less fell by 1.8 million units from 1970 to 1985, a great decline. At the same time, demand for such housing has increased substantially. The source for that is the Center on Budget Policy and Priorities in April 1989.

Vouchers do not ensure affordability for tenants who hold vouchers. A number of voucher holders who find housing pay an extremely high share of their incomes for rent. This is true in especially tight markets.

A HUD study found that nearly half of voucher holders are paying more than 30 percent of their limited incomes for rent. An incredible 25 percent are paying more than 40 percent of their incomes for rent even with the voucher subsidy.

These rent burdens are intolerable. A family with children or an elderly person making less than $10,000 a year can barely afford to pay 30 percent of their income for rent, let alone 40 or 50 percent or even more. These families must neglect other necessities of life—food, health care, child care, and clothing—as scarce resources go to rent.

Since vouchers have no rent restrictions as to how much landlords can charge tenants for rent, landlords can exploit those who have no housing alternatives.

As reported in the Washington Post last year, many landlords have learned how to milk the voucher system by charging voucher tenants higher rents than certificate tenants occupying similar units in the same building. That was covered in the Washington Post on March 18, 1989.

To make things worse, many of these voucher holders are forced to live in substandard housing. According to a HUD inspector general audit of the voucher program, over 50 percent of voucher holders are living in substandard housing. That report came out in December 1988. That is a pretty shocking figure. Fifty percent of voucher holders live in substandard housing.

Problems with vouchers arise in soft markets as well since tenants are allowed to pocket the difference between the actual rent and the fair market rent. They end up paying for less than 30 percent of their income for rent.

Many recipients are simply not successful at using the vouchers. Thirty percent of those tenants who do successfully use the voucher do so because they already were fortunate enough to live in an acceptable unit renting below the fair market rent.

White families are successful only 75 percent of the time. Minority families have even lower success rates: black families have a success rate of 56 percent, Hispanic families only 47 percent. These families lose their chance at obtaining housing assistance if they are unsuccessful at finding suitable housing.

The problems with vouchers can be even worse in rural areas. In a September 1989 study of section 8 rental assistance in rural areas, respondents repeatedly cited the quality and availability of rental assistance as the biggest obstacle in administering the programs. The report stated, "79 percent of the PHA's surveyed identified counties where families encountered unusual difficulties."

Fifty-eight percent of the respondents cited the poor quality of housing as the biggest problem. Twenty percent of the respondents cited the lack of available rental housing as the major problem.

Leading conservations claim that increasing the supply of vouchers will cause the market to respond by producing more housing. But the Rouse-Maxwell Task Force reported that only 7.5 percent of unsubsidized multifamily housing produced in 1986 would be affordable to low-income families.

Furthermore, vouchers do not provide enough of a guaranteed return for developers to invest sufficiently in low-income housing.

The HOP represents a positive, comprehensive national strategy for more affordable housing. It could make vouchers more useful in tight housing markets by expanding the supply of housing that rents at or below the fair market rent and is available to voucher holders.

It will invigorate new partnerships around the country involving private industry, nonprofit organizations, States, and communities. It will provide for more efficient and effective use of tax incentives, more flexible use of Federal capital investment, and more effective incentives to get all sectors working together for better, more affordable housing.

The sixth point related to consolidation of existing HUD programs. I have already spoken about how much of that is done. The Senator from Pennsylvania recognizes, and the additional views recognize, that we adopted a compromise at the markup which consolidated a number of exising programs. The thought is expressed that it did not go far enough but that the general thrust was agreed to.

I do not think we have major difference on that now. In regard to HOPE grants, the additional views in the committee for including most of the administration's HOPE initiative in S. 566 are in the bill now before it. It a lauds that program. We like it. We accept it. We would like to find more funds for it as suggested: Perhaps some additional funds can be found if we are able to lift the amount overall to support to programs in the bill. Obviously, we could do better.

Basically, I hope that what I have said in response to the Senator from Pennsylvania and to the additional views indicate a very broad consensus on goals, and a great deal of specific progress on details. I trust we can work out whatever more needs to be done to ensure that broadcast possible support for this measure as it works its way through the process now on the Senate floor.

The PRESIDING OFFICER. The Senator from North Carolina.

ORDER OF PROCEDURE

Mr. SANFORD. Mr. President, just for 2 minutes I would like to ask unanimous consent to proceed as if in morning business, and that I be permitted to speak for 2 minutes.

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

SENATOR QUENTIN BURDICK

Mr. SANFORD. Mr. President, I rise today to offer my appreciation to Senator QUENTIN BURDICK for his 30 years of service and dedication to the U.S. Senate, and my congratulations to the people of North Dakota for sending him here. Senator BURDICK is only the 36th Senator in history to reach the 30-year mark, and so it is with great pleasure that I recognize his outstanding efforts.

QUENTIN BURDICK has dedicated his life to the service of his country. After being elected as a North Dakota Congressman in 1958, Senator BURDICK was elected to the Senate in 1960, in a special election. Since then, he has begun serving his fifth consecutive term, thus establishing himself as third in seniority in this body. This striking record exemplifies his deep-felt sense of responsibility toward his State and his country. What I especially like about QUENTIN BURDICK is that he conducts his business with other Senators with a sense of fairness and concern and helpfulness. Time has not eroded his sensitivity to either the broader needs of the Nation of the more particularly concerns of a region.

Serving now as chairman of the Senate Environment and Public Works Committee, as well as the chairman for the Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies, Senator BURDICK has made a substantial difference in the Senate. These positions have given him power over agriculture and infrastructure—two major areas of legislation which have greatly benefited from his involvement. He has also served his constituents and the Senate well through service on the Special Committee on Aging and the Select Committee on Indian Affairs.

Senator BURDICK has committed himself to the improvement of rural life in the United States, continually working to ensure that his country fulfill its responsibility to those Americans living in rural conditions. "We must rethink our priorities," insists Senator BURDICK. "If our smaller communities are to survive, we must help them make needed improvements."

In co-founding the rural health caucus in 1985, Senator BURDICK has served as an influential force in helping countless people enjoy better health. As a member of the rural development task force, he has helped to open up investment opportunities to promote economic growth in rural communities, as well as providing improvements in health care and educational opportunities to promote economic growth in rural communities, as well as providing improvements in health care and educational opportunities for these communities. Senator BURDICK points out that, "Rural Americans make up almost a quarter of the Nation's elderly and over one-half the poor. The special needs of the rural population cannot be ignored."

In North Carolina, I represent a State in which 45 percent of the population lives in rural areas. We appreciate QUENTIN BURDICK's leadership. Of the 100 counties in the State, 12 have poverty rates over 20 percent. Thus, I am deeply affected by all legislative efforts that work to improve these areas.

QUENTIN BURDICK has continually supported legislative efforts to better the lives of those in rural areas. Every year he demonstrates his allegiance to rural issues as he fights for continued funding for various rural programs. He states:

> While select areas are thriving, rural Americans in general have lower incomes, fewer job opportunities, higher unemployment rates, and are more likely to live below the poverty line than their urban counterparts. It is time to give investment and economic opportunities to struggling rural communities.

He is talking about so many parts of America, and rural Americans have no better friend than QUENTIN BURDICK.

SENATOR QUENTIN BURDICK

Mr. CRANSTON. Mr. President, Senator SANFORD remarked about the service of QUENTIN BURDICK. I want to say a word or two about that.

I pay tribute to Senator BURDICK for his great and long service in the

U.S. Senate. Few Americans are privileged to serve in this body for 30 years. Senator QUENTIN BURDICK has been here for that sustained period of time. He has worked his way up to a leadership position as chairman of the Environmental and Public Works Committee, where he is serving with great distinction. He has represented the people in his State magnificently.

Senator BURDICK has voted very wisely, from my point of view, on issue after issue. He has been particularly attentive to the needs of the veterans of his State. He has worked for peace, justice, and for equal opportunity. He has worked to protect the environment and for appropriate public works. He has done a great deal on many fronts, and we all owe him a great debt of gratitude.

NATIONAL AFFORDABLE HOUSING ACT

The Senate continued with the consideration of the bill.

Mr. SANFORD. Mr. President, now that we are out of morning business, I would like to return to the housing bill.

Of course, I think this is a momentous occasion as we turn now to consideration of the National Affordable Housing Act long past due. Through this legislation the Federal Government will be rededicating itself to addressing the tremendous housing needs facing the country.

I commend the chairman of the Banking Committee, Senator RIEGLE, and especially I thank the chairman of the Housing Subcommittee, Senator CRANSTON, for his perserverence and for his steadfast efforts to bring together the various forces, influences, and interests to mold a strong and cohesive bill that makes housing a priority of the Federal Government.

The chairman has worked tirelessly to incorporate the housing proposals of the administration—numerous Senators. I am satisfied that we have a bill now that, maybe with a few modifications, can satisfy a considerable majority of this Senate.

The chairmen have worked tirelessly to incorporate the housing proposals of the administration, and numerous Senators, into the framework established by the Rouse-Maxwell National Housing Task Force.

We do not approach this legislation in a vacuum. During the past 3 years, the Banking Committee has held over 30 days of hearings and solicited the expert advice of housing advocates, housing researchers, industry representatives, government officials, and housing assistance recipients from across the Nation. The result is a carefully crafted piece of legislation that merits bipartisan support and the immediate enactment by the Congress.

The Senate must act quickly on the National Affordable Housing Act to stem the tide of homelessness and to reduce the affordability crisis that denies millions of Americans the dream of homeownership. The high cost of housing and the lack of affordable, decent shelter force 4 million American families to live in substandard housing or to pay more than 50 percent of their income in rent. One has only to take a walk across Capitol Hill, or through the heart of cities and small towns across the Nation, to witness the unfortunate plight of Americans whose only home is a cardboard box or a steam grate.

The Congress and the administration share the responsibility for this desperate housing crisis. The Federal Government has slashed assistance for housing in the 1980's by 80 percent in real terms—a more substantial cut than any other major segment of the budget. It is time for the Senate to live up to its responsibility to the citizens of this Nation and pass a bill which substantially increases funding for housing.

The foundation of the National Affordable Housing Act is the Housing Opportunity Partnerships [HOP] Program which will provide flexible funds to States and localities who submit substantial housing assistance strategies. The HOP Program will catalyze housing partnerships between all levels of government, private industry, and nonprofit organizations. Through this program, the bill recognizes the expertise and the potential of State and local housing initiatives, as well as the need for a comprehensive approach to housing assistance.

The National Affordable Housing Act also recognizes the need for homeownership opportunity and rental affordability. It incorporates the administration's HOPE proposals to empower public housing residents and low-income families to own their own home. The legislation also expands the supply of rental assistance and preserves the current stock of assisted rental housing.

Equally important, the legislation addresses the special needs of the homeless, the elderly, and the disabled by connecting housing assistance with services. The bill makes numerous program improvements to help all Americans to live independently and with dignity. In addition, the legislation reauthorizes the community development block grant program—a proven housing development tool that has been used effectively throughout the Nation.

As a Senator from North Carolina, I am particularly pleased with the rural housing component of the bill that reauthorizes and improves the successful Farmers Home Administration rural housing progams. In fact, the need is especially great in my home State.

I was somewhat embarrassed to see that the Washington Post recently highlighted, or maybe I should say lowlighted, the existence of 100,000 outhouses in North Carolina alone. Certainly, that is an indication that we are part of the some 2 million households living in substandard housing in the country.

While the housing crisis in urban areas generally receives most attention, the housing needs of rural America are no less servere; 4.3 million rural households have a severe housing problem in this country, with some 2 million households living in substandard housing. Of the 100 counties in my home State of North Carolina, 12 nonmetropolitan counties have poverty rates over 20 percent and substandard housing rates over 10 percent.

So to give proper attention to these pressing needs, I introduced the Rural Housing Revitalization Act. I am extremely pleased that the chairman and the committee have incorporated many of the provisions of that legislation in the National Affordable Housing Act.

First and foremost the legislation increases the authorization for Farmers Home rural housing programs by $300 million over the baseline. These programs serve as the primary source of Federal housing assistance in rural areas, and have provided assistance to over 2 million rural Americans since 1949. However, funding for rural housing has been cut by 68 percent in real terms over the past decade and unit production has fallen sharply.

The increased authorization in the bill will allow the Farmers Home Administration to alleviate part of the $2 billion backlog in approved applications for rural housing assistance. It will also reduce the current, intolerable wait for housing assistance, which averages 3 years.

The rural housing component also targets assistance to very low-income families and to the poorest counties that have been traditionally underserved by the Federal Government. The legislation creates a deferred loan program to lower the income required for home ownership. In addition it builds upon a successful FmHA demonstration program that sets aside funding for 100 counties with severe unmet housing needs. A grant program is established to assist organizations in these counties to apply for and administer rural housing loan funds.

The legislation also recognizes the critical role that the private sector plays in rural housing assistance. It enables for-profit developers to convert section 502 inventory properties to section 515 rural rental housing and saves FmHA millions of dollars in the process.

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Throughout the National Affordable Housing Act, the committee has included provisions to ensure that rural residents can take maximum advantage of the assistance provided. I say that we can do no less for rural America.

One of the key considerations of the floor debate on the National Affordable Housing Act must be the fiscal soundness of FHA. The recent Price-Waterhouse report on the mutual mortgage insurance fund clearly shows that the fund has declined in value by $5.6 billion since 1980 and that the current business underwritten by FHA is unsound. The Senate must take immediate steps to strengthen FHA and build the fund's equity to 1.25 percent of insurance in force.

I strongly support management reforms, premium restructuring, and a minimum level of buyer equity to ensure that FHA regains solid footing. As we make these changes, however, I hope that we will keep in mind FHA's traditional role in assisting low- and moderate-income households to achieve the dream of home ownership. We must not burden low-income households or change FHA into a mortgage insurance provider for high income families.

I also hope that the debate over raising the FHA mortgage limits will be kept separate from the debate on fiscal soundness. The Price-Waterhouse study found that raising the FHA mortgage limits will not improve the actuarial soundness of the mutual mortgage insurance fund, and raising this issue now will only complicate matters.

In any case, I will oppose a significant increase in the FHA mortgage limit because the increase will alter the traditional role of FHA toward insuring mortgages for high income families. I simply do not believe that it is in the best interests of the Federal Government to insure high-income households.

The National Affordable Housing Act takes a giant step forward in the entire Nation's battle to make housing affordable. It provides the tools to combat substandard housing and to improve the opportunities of low-income renters. Most important, it establishes a foundation upon which a national housing strategy can be launched.

I certainly hope that we will move quickly to enact this legislation. I thank, again, the members of the committee and the Senator from California and the Senator from Pennsylvania for their endless long work on this legislation.

I yield the floor.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I thank the Senator from North Carolina for his statement on behalf of the bill. I appreciate his generous remarks about my own efforts in regard to it. I thank the Senator from North Carolina, particularly for the very important part he has played in crafting this measure regarding the needs in rural America, for rural housing. We have a great, great problem there and a great, great need, as I indicated in earlier remarks.

It was the Senator from North Carolina who insisted and saw to it that we dealt with that problem in a meaningful and very significant and sensible way in the bill, so that the Senator's mark is on the bill in many respects and, in particular, in that respect. I thank him for what he has done, and I count upon his help as we nurse the measure along through the Senate floor.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, in a moment I am going to send a sense-of-the-Senate amendment to the desk and ask for its consideration. I want to say a word or two about the amendment so people know what it's about and, hopefully, that there will be no objection to it.

The amendment that I will offer is a simple and straightforward one—one which reaffirms congressional intent regarding the need for an enhanced Federal housing program for seniors. I say that, Mr. President, because in 1900, 1 in 10 Americans was aged 55 and over; by 1986, 1 in 5 was at least 55 years old, and 1 in 8 was 65 or over. Today, the fastest growing segment of the elderly population are persons 85 and over, individuals who have an increased need for support services to retain their independence and avoid premature and often unnecessary placement into a nursing home.

However, despite the growing needs of seniors aged 85 and over, those living in federally subsidized housing projects often do not receive the necessary supportive services to help them remain independent. The absence of homemaker, chore, cooking and bathing services, for example, often means the difference between elderly persons remaining independent or, in the alternative, having to face the cold, harsh reality of the bricks and mortar of a nursing home, away from friends and family and community.

No elderly American, regardless of income, should ever be forced into a nursing home. There are better alternatives, in most cases, which are available. But, until such time as Congress is willing and able to provide support services to help seniors remain independent, older Americans will continue to prematurely enter nursing homes and other institutional facilities.

The amendment I will offer today is a sense-of-the-Senate amendment. It underscores congressional recognition that a graying America has special needs and that we must do a better job of identifying and marshaling necessary supportive services to help older Americans to remain independent. This amendment puts the Senate on record in recognizing the unique needs of elderly Americans, needs that are, as we know, in fact quite different from nonelderly, handicapped Americans.

AMENDMENT NO. 2023

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 2023.

Mr. HEINZ. 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 end of the Committee amendment add the following new section:

ELDERLY HOUSING NEEDS IN THE UNITED STATES

SEC. . (a) FINDINGS.—The Congress finds that—

(1) there is a large and growing demand for suitable and affordable housing for elderly Americans;

(2) to remain independent and avoid premature placement into nursing homes, elderly persons will need adequately subsidized federally sponsored housing projects;

(3) persons 85 and over are the fastest growing segment of the elderly population and are in greater need of support services to remain independent.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should recognize the unique needs of persons 85 and over and attempt to design Federal housing programs recognizing such needs.

Mr. HEINZ. Mr. President, my understanding is that we will not have any votes today.

Mr. CRANSTON. Unless the Senator wishes a rollcall, I would be happy to accept the amendment.

Mr. HEINZ. Mr. President, on that, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HEINZ. Mr. President, the Senator from California was kind enough to ask whether or not the yeas and nays would be necessary. Indeed they may not prove to be, but depending on circumstances, we can make that judgment later.

There is more business I would like to transact.

Mr. CRANSTON. May I just say a word, if the Senator will yield. I think

the amendment he offers, a sense-of-the-Senate measure, designed simply to stress the need to do all we can in every way we can to assist senior Americans with their housing needs and related matters, is very fine. The measure attempts to do as much as we can.

We should do more as soon as we can afford it; do more as soon as we can figure out more appropriate ways to move ahead.

I thank the Senator for his leadership in making this proposal, which I wholeheartedly will support. I will be perfectly satisfied without a rollcall, if it is decided that is the appropriate way to proceed tomorrow.

Mr. HEINZ. Mr. President, first I thank the Senator from California for his kind words. This is an area where the Senator from California has a remarkable, long, and commendable record, first as a defender of the very special program, the 202 Program, that we have created for our elderly; and as a supporter, as I remember him to be a very strong supporter, of the congregate housing services legislation, which we enacted close to a decade ago, and we recognized that there is a great deal more that we need to learn and need to do.

And one of the things we need to learn to do better is to coordinate housing programs with social services programs. Maybe as long as HUD is independent from HHS, we will never learn how to do that without a major change of attitude. It is my hope that this will be just one more reminder that we need a have a change of attitude.

AMENDMENT NO. 2024 TO AMENDMENT NO. 2023

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 2024 to amendment No. 2023.

In lieu of the matter proposed to be inserted, insert the following:

It shall not be in order in the Senate to consider any bill dealing with the public debt, or amendment or conference report thereon if Congress has not acted to remove the OASDI revenues and expenditures from the calculation of the deficit of the United States government pursuant to the Gramm-Rudman-Hollings Deficit Reduction Act.

Mr. HEINZ. Mr. President, as my colleagues will recognize, this amendment is really an amendment that I had hoped to offer last Thursday when we considered the budget resolution.

But the budget resolution was part of a unanimous-consent request. I did not feel, all things considered, that it would be appropriate to press my case on that unanimous-consent request because the budget resolution when enacted does not become statute. It is a resolution to which we are bound by the Budget Act, and it is a resolution that in and of itself does not have the force of law.

Obviously, the amendment that I have offered is going to give our colleagues in the Senate a chance to express their commitment. I hope it is their commitment, once and for all, on behalf of millions of aged and disabled Americans who depend on Social Security retirement, and disability benefits.

This is an amendment designed as well to ensure that America regains its fiscal integrity and reenters the world marketplace as the engine of economic growth and opportunity that we want our country to be.

What the amendment I have proposed does is to call quite simply for the separation of the Social Security accounts, the Old-Age, Survivors, and Disabiliity Insurance Program, from the Gramm-Rudman-Hollings deficit reduction calculations, and the purpose, therefore, is to have the Senate say unequivocally that we will not pass another increase in the national debt, temporarily or permanently, until Congress has acted to remove in their entirety, the OASDI revenue and expenditures trust funds from the deficit reduction calculations of the budget.

I have spoken at length on this floor as recently as Thursday of last week as to the need for Congress to adopt this policy. It is my hope that this amendment will make it very clear that we are not going to continue the kind of fiscal irresponsibility that we have engaged in since last summer when concerted efforts were made by myself and others to take the OASDI trust funds out of the GRH deficit reduction calculations.

There are times, I suppose, when one wants to be a voice in the wilderness. I do not consider myself in this case a voice in the wilderness, because I will be the first to say that I am not alone. The senior Senator from New York [Mr. MOYNIHAN], the distinguished Senator from South Carolina [Mr. HOLLINGS], and a large number of other individuals have said at one time or another in cosponsoring legislation or in speeches either here on the floor, in committee, or back in our States, that they are serious about this issue.

Mr. CRANSTON. Mr. President, will the Senator yield for a moment for a question?

Mr. HEINZ. Without losing my right to the floor.

Mr. CRANSTON. Yes.

The Senator's amendment has now taken on a different character. I will not make comment on it now; I can no longer say I will accept it if possible.

Mr. HEINZ. I understand.

Mr. CRANSTON. I ask the Senator a question. I have the Ambassador of the Philippines waiting to see me and constituents waiting to see me. How long will the Senator be talking on this subject? I want to come back when we get to housing.

Mr. HEINZ. The Senator from Pennsylvania does not need to talk a long time. I will be happy to do whatever I can to accommodate the schedule of the senior Senator from California.

I see the ranking member of the Budget Committee, Senator DOMENICI, is on the floor, and he may wish to express himself, either at length or not, on this issue.

Mr. CRANSTON. If I may just say, I do not have any compelling need to get the floor. I do not know anybody else who wants to speak now on housing, unless someone comes to the floor.

If the Senator wishes to speak on the subject a while, that is fine with me. I want to know how long he may be going on.

Mr. HEINZ. I will not need more than a half hour, including any remarks of the Senator from New Mexico.

Mr. CRANSTON. I thank the Senator very much.

Mr. DOMENICI. May I ask the Senator a question without losing the right to the floor?

The PRESIDING OFFICER. The Senator may proceed.

Mr. DOMENICI. Let me say to my friend from Pennsylvania, I was totally unaware the amendment he is speaking of was coming up tonight. I did not come to the floor for that purpose. I wanted to speak on an issue I think he will find interesting and perhaps he will be even supportive of the Senator from New Mexico. I wanted to speak about the Federal Reserves' current policy of tight money in the United States.

Mr. HEINZ. Mr. President, might I have unanimous consent to yield to the Senator from New Mexico without losing my right to the floor for——

Mr. DOMENICI. Not more than 5 or 6 minutes. Let us make it no more than 8 minutes, Mr. President.

The PRESIDING OFFICER. Without objection, the Senator from New Mexico is recognized for not more than 10 minutes.

Mr. DOMENICI. I thank the Chair. The Chair has been in the Senate with the Senator from New Mexico for long enough to know of my propensity to overspeak.

INFLATION, ECONOMIC GROWTH, AND FED POLICY

Mr. DOMENICI. Mr. President, let me start by saying that if the economy of the United States were a patient, I would say that it was time to get a second opinion. The Federal Reserve Board is following a tight money policy as an effort to cure the "I" word, inflation. But in effect it may

very well be that what they are trying to cure may end up being worse than the current ailment.

I would like to spend just a few minutes addressing this issue because I do not think there is anything more important than a vibrant American economy and a healthy and sound American financial and banking system.

Mr. President, I say to our fellow Senators we are currently experiencing an unprecedented confluence of events: An anemic real estate market compounded by the economic impact of the savings and loan bailout, weak overall economic growth, and the strain of foreign credit demands on U.S. credit markets.

The potential for even larger problems in our financial sector that these events raise calls for special care by the Federal Reserve Board at this time. In its zeal to fight inflation, it needs to be especially careful that it does not overlook its role of insuring the safety and solvency of the financial system.

In its desire to maintain the soundness of money, it must not neglect the solvency of the economy.

Let me speak a moment about inflation. While it is absolutely important to the continuation of the current expansion to keep inflation under control, the signs are that inflation is not accelerating at this time. And I repeat, not.

Let us look at some facts. Finished goods prices have increased only 3.1 percent over the last 12 months, the lowest for any 12-month period since October 1988.

While the Consumer Price Index rose appreciably from January through March, that was primarily due to temporary effects: The December freeze of agricultural produce and the temporary rise in energy prices from weather-related increases in heating demands over the winter, a rise that is now being reversed. Spot crude oil prices are now down to $14 a barrel from around $20 a barrel in January.

The increase in the Consumer Price Index has been a modest 0.2 percent in both April and May. That is an annual rate, Mr. President, of 2.4 percent if it were to continue—an annual rate not seen since 1986.

Predictors of future inflation are also down; gold prices, commodity prices, and long-term bond rates have all fallen recently.

At the same time, Mr. President, while the economy is growing, it is not growing solidly enough. After stripping out temporary hiring of workers to conduct the census, job growth has been quite weak over the last 3 months.

On the demand side, retail sales have declined over the same period. Interest sensitive sectors—housing and autos—have been hit especially hard.

And I think every Senator is aware of the next remark: Banks have become more skittish, as the real estate market softened; they have tightened their terms of credit and raised standards for all types of risk loans.

Real GNP in the first quarter was revised down last month to 1.3 percent, that is following a 1.1-percent increase in the fourth quarter of 1989. These are the slowest two quarters since 1986.

Complicating this picture of domestic economic activity are higher interest rates abroad, the result of increased foreign credit demands and central bank restraint, particularly in Europe. To the extent that higher U.S. rates are being driven up by those foreign demands, the higher U.S. rates are not needed or desired.

Important public policy questions are being debated by too small a group of policymakers at the present time: Questions such as, What is the present status of inflation in this country and its prospects for worsening in the future; What risks do we run by focusing only on the issue of inflation instead of widening our focus to the larger question of the state of the economy and the safety of the basic financial institutions; and, third, What are the effects of changing foreign economic circumstances on our credit markets?

I hope that hearings on these three questions and the others raised by Members of the Senate will be held soon in the Congress, and I intend to urge the chairman of the Budget Committee to consider holding such hearings as soon as possible.

Looking at the economic numbers, it is clear that adequate real growth, not inflation, should be our major concern. But the Federal funds rate, the rate by which the Federal Reserve affects the economy, remains at 8.25 percent, unchanged over the past 6 months.

What is the Federal Reserve trying to fix, Mr. President? If it is inflation, currently there is little evidence in the numbers that it needs fixing. With credit stringency already being pursued by banks, we do not need an even worse credit crunch brought on by tight monetary policies.

While it is clear that we need to get the deficit down, the amount that can be cut without bringing on a recession is reduced in a weak economy, and a weak economy makes the size of the budget problem even larger. As Alice discovered in Wonderland, it seems the faster we run to solve the problem, the further we get behind.

In light of these issues, it is this Senator's opinion that it is time for the Federal Reserve to change its policy. They should err on the side of economic growth and solvency, rather than on the side of fighting inflation.

I urge that others who are concerned about this issue join with the Senator from New Mexico in urging that, while we want an independent Federal Reserve, we insist on answers to these questions in public hearings. We need to know precisely what we are fighting with tight money policies in the midst of the savings and loan disaster, and in the midst of evidence that inflation is modest and under control and that economic growth is weak.

We are being asked to put together a deficit reduction package—multiyear in size—I have been at it long enough to know that, if it is a package of $40 billion or $50 billion and we do not get some significant economic growth soon—at more than 2.5 percent a year—we will lose each year much of the deficit reduction that we are struggling to put together because of the diminished economic growth.

So, Mr. President, it is not usual for the Senator from New Mexico to address issues such as this on the floor of the Senate. But the more I look at it, the more I talk with people in my State and across this country and I observe their concerns about pieces of the confluence of events—and I state them again. The confluence of events are: an anemic real estate market being made more anemic by the S&L insolvency and bailout process and compounded by weak economic growth; the strain of foreign credit demands on the U.S. market; and everything that goes with the S&L problem that we are confronted with in this country. When you add all of those up, it is reasonable to ask, What are we fighting with a tight monetary policy when we are being buffeted by serious adverse effects not only on our economic growth but on those things that the Federal Reserve Board is most charged with taking precautions about, such as the financial system, the banking system and the like.

I thank the Senate for listening and I thank the Senator from Pennsylvania for his generous yielding of the floor to the Senator from New Mexico.

I yield the floor.

The PRESIDING OFFICER (Mr. INOUYE). Under the previous order, the Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, I thank my colleague from New Mexico for delivering some very important remarks on a subject many of us have been concerned about. As always it is a pleasure to have him here. I would, however, like to continue to bring to the attention of the Senate, some of my specific concerns.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. HEINZ. I will withhold.

Mr. President, let me briefly recapitulate why we are here. It is, very simply, this. We have been through a series of discussions on how we can address the subject of Social Security off budget. As I started to say a moment ago, the issue was one we first began to confront in some cases as far back as 1983; in other cases, with specific legislation only within the last year or two.

But toward the end of 1988, both Senator MOYNIHAN and I delivered speeches to the National Academy of Social Insurance at which we suggested, indeed we urged that then—this is nearly 2 years ago, now—was the time to address this issue.

Since that time there have been occasional legislative opportunities but, for one reason or another, those opportunities have had to have been foregone.

So, basically there are 3 reasons I bring this to the Senate today. The first is that we have seen two debt ceiling increases to which this should have been an amendment, or the substance of this should have been an amendment offered by one of my colleagues or myself: the temporary debt ceiling increase last fall; the permanent debt ceiling increase last November.

It might have been addressed, at least in a sense-of-the-Senate way, on the budget resolution. And, as I listened to the majority leader on Thursday as he talked about—as indeed he appropriately did—the opportunities to address this on the next debt ceiling bill which could come as early as the end of next month, and listened again to his quite appropriate qualifications as to why it could be in a position where it might not be appropriate, once again from his standpoint, to address this issue, I felt waiting for the possibility of a third debt ceiling bill was too uncertain. Therefore, I made the decision not to wait.

The second reason I decided to offer this amendment today is that the Budget Committee appears to be on the brink of having real budget discussions. That is a welcome event. However, many of us are concerned, the budget crisis may drag on through the beginning of the next fiscal year and into a lame duck session.

I suppose it would be terribly optimistic to think that might not happen. I hope it will not happen. But it still might. It is extremely important for the Senate to express itself very clearly as to whether or not we intend that our budget negotiators and the administration together be instructed in this fashion to make a decision right up front about how they are going to treat the old-age and survivors and disability income [OASDI] trust funds. They are trust funds. They should be segregated. They should not be counted as part of deficit reduction when indeed, because they are trust funds, we all know that not a single dollar of what is in those trust funds, and the surpluses that are beginning to build in those trust funds, should be spent for any other purpose than to provide benefits to the elderly and disabled—as we, in Congress, have intended.

Therefore, before the budget negotiations really get started, before people get in the middle of things, we express the will of the Senate and, hopefully, the will of the Congress on this subject.

Finally, it has become apparent to me that, at least within any reasonable timeframe, that the Budget Committee, which had hoped to act on this matter no later than April 1 of this year, is too preoccupied currently with other matters and for whatever reasons was simply not able to reach either an agreement or a consensus on addressing this matter in committee with the timeframe specified here on the floor back in November.

That is what brings me to the floor today. And, all that being true, I suppose I would not otherwise be here except I believe this to be an extremely important issue and I want to take a moment of the Senate to demonstrate why.

Mr. President, on Thursday of last week, I indicated that we had an extraordinary situation. That extraordinary situation was that the national debt, what our country owes, was growing a lot faster than the annual increase in our deficit. And in order to make that clear to people, what I said was that during the 4-year period for which we have numbers, fiscal years 1986, 1987, 1988 and 1989—those four fiscal years, if you read our profit and loss statement, the books of the United States of America, you would see we reported for those 4 years a total of deficits that added up to some $677 billion. In other words, our deficit averaged pretty close to $160 billion or $170 billion in each of those years. It was higher in some years. It was as high as $221 billion. It was as low as $149 billion in fiscal 1987. It was around $155 billion in fiscal 1988 and 1989.

The total number was $677 billion—a huge number. It is one I know we are all embarrassed about. Because, as they say, if you are not part of the solution you are part of the problem. And none of us can stand here and say we have been a real part of the solution because those numbers prove we are wrong.

But, big as that number is, the national debt over those same 4 years has grown not by $677 billion, as we would think it would, but by a much larger number. The national debt over those 4 years has grown to the tune of $1.049 trillion.

How do you do that? How do you increase the national debt more than 50 percent faster than the deficit?

Mr. President, first of all, I guess the answer is it is not easy. You have to work at it.

Unfortunately, what we have worked at is pretending this is not happening. But in this case the numbers do not lie. The numbers tell us that we have been misleading the American public for longer than we would like to admit.

I am not here to say that when the Gramm-Rudman-Hollings procedure started, there was any intent to mislead the people. There was an intent to solve the problem—not to mislead.

But what has happened since then is that Social Security surpluses have been used to make the deficit look smaller, even though it cannot hide the increase in the national debt; Congress has become guilty of complicity in continuing this fiscal charade.

That is not what we intended. It is not what we as a Congress set out to do. I think we can plead innocent to those charges. But when it comes to condoning a continuing charade, we have been caught red handed.

Mr. President, some of our colleagues may say maybe the American people do not understand this. Maybe we should not bother to change. As I will demonstrate in a moment, I think the American people understand very clearly what it is we are doing, and they do not like it one bit.

What I would like to show to our colleagues though is the following chart. This chart shows what has happened in the difference between our annual deficits and the national debt. It is true, if you go back to 1980—and these are numbers in terms of our cumulative budget deficit that started back in 1960—the 1980's was not the first time that the national debt grew at a faster rate than the budget deficits. Back in 1980, we had nearly $500 billion, a half a trillion dollars' worth of accumulated deficit since the year 1960, and before 1960 the deficits were pretty small except for World War II when we ran fairly significant deficits. Our total national debt a the end of 1980 was about $900 billion, a difference of about $400 billion over the previous 20 years.

What has happened, though, in the last 10 years between 1980 and 1990, is that we have really begun to pick up steam, and that our cumulative budget deficit now is only about two-thirds of our cumulative national debt. Again, we began picking up speed in 1986, 1988, and 1990, those 4 years, to the point where, looking back over the last 30 years, our national debt is now a trillion dollars greater than the budget deficits that we said were all that we were running up in the way of red ink. A trillion dollars is a real

problem. As I said, just in the last 4 years we have accounted for about $372 billion of that problem, and that, if anybody wants to make a comparison of it, dwarfs even the most pessimistic assessment of the savings and loan financial disaster and scandal. The upper estimate on that, the worst estimate I have heard—maybe it will change, but the worst I have heard is $300 billion. In 4 years, we have run up the national debt faster than we have told people by nearly $375 billion—$372 billion to be precise. As a result, we are mortgaging the future of this country, and we are not even bothering to tell anybody.

Mr. President, if we continue along this path—and we very well could—what we are going to see as the Social Security trust fund builds is that we will be accumulating not just $3 trillion in national debt, which is where we are today, but that as the revenues to the Social Security trust fund and the interest on the surplus in the Social Security trust fund increase. We will have more and more that we can tell the American people we can spend, but we will spend it only at the cost of running up the national debt within the next 15 years to double—double—the $3 trillion level at which it is today and then double it again 15 years later, by the year 2020.

Mr. President, the idea of doubling the $3 trillion national debt, as we are talking about reducing the budget deficit down to zero, and then doubling that national debt from twice what it is today, or $3 to $6 trillion and doubling that by the year 2020 to $12 trillion is something of which I cannot conceive. A trillion is so much money nobody can explain to anybody how much it is, and we are talking about debt increasing that much more.

It is certainly not something that this Senator feels we should leave as a legacy to our children, and thus, I am compelled to offer the amendment today that is now before my colleagues.

I would like, however, to try to make clear to my colleagues that there are some very eloquent comments on this issue that are not my own.

I said a moment ago that the American public knows that Congress has allowed the Social Security trust fund to help make the size of the deficit. Indeed, I would like to quote from some mail I have received from my constitutents in Pennsylvania.

A woman from McKeesport, PA, writes—and all I say will be quotes of constitutents—

> We realize that the Congress is undermining the soundness of the Social Security System and by doing so it is jeopardizing the retirement security of retirees.

She is absolutely correct, because, Mr. President, when we start paying out the surpluses in the Social Security trust fund, what we will find is that there is nothing there but paper. That paper will be U.S. Government debt, and the U.S. Government will be so deeply in debt it will make Donald Trump look like a sound and prudent financial investor.

Mr. President, a man from Stroudsburg, PA, said,

> As a retiree it is disgusting to realize that Congress is as deceitful as to include Social Security funds in the balance of the Federal Treasury.

Another man from Lancaster, PA, the central part of the State—Stroudsburg is up in northeastern Pennsylvania—writes:

> True, the national debt is deplorable, but stealing from the Social Security trust fund is no way to solve this problem. It's only one more way of prolonging the time when we as a Nation must face the music.

Another gentleman from Catawissa, PA, writes:

> Clearly, Social Security should be set aside and out of the budget of the United States of America. It was established as a Trust for those who have dedicated the best years of their life to their family, their job, and their country. Herein, we owe those who have given and who will give in the future, the comfort of this fiscal trust.

From Tamaqua, PA, a man writes:

> This is a trust which must be preserved and protected at all costs: so that the many elderly Americans now, and for those who come, can have some semblance of independence and pride in their retirement life.

Mr. President, I could go on. But let me ask unanimous consent that all of these quotations appear in the RECORD at this point.

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

SOCIAL SECURITY—OFF BUDGET—CONSTITUENT RESPONSE

"We realize that the Congress is undermining the soundness of the Social Security System, and by doing so, it is jeopardizing the retirement security of future retirees."—McKeesport, PA.

"As a retiree it is disgusting to realize that Congress is as deceitful as to include Social Security funds in the balance of the Federal Treasury."—Stroudsburg, PA.

"True, the national debt is deplorable, but stealing from the Social Security Trust Fund is no way to solve this problem. It is only one more way of prolonging the time when we, as a nation, must face the music."—Lancaster, PA.

"Clearly, Social Security should be set aside and out of the budget of the United States of America. It was established as a Trust for those who have dedicated the best years of their life to their family, their job, and their country. Herein, we owe those who have given and who will give in the future, the comfort of this fiscal trust."—Catawissa, PA.

"This is a trust which must be preserved and protected at all costs: so that the many elderly Americans now, and for those to come, can have some semblance of independence and pride in their retirement life."—Tamaqua, PA.

"It is a fundamental commitment to retirement security and independence that deserves a stand-alone status. As one who relies on Social Security as a retirement supplement I believe Social Security Trusts must be protected."—Bradford Woods, PA.

"I also agree that Social Security money should not be used to hide the budget deficit. It seems reasonable to me that Congress itself should be open and honest in every respect with the people they represent. That, of course, seems to be asking too much."—Warren, PA.

"To spend the money I believe to be contributing to Social Security in payment for government programs other than those of Social Security is dishonest. Consequently, I consider such an allocation of money, without my knowledge and consent, an abuse of my trust. I wish my Social Security Tax to subsidize Social Security programs exclusively."—Bala-Cynwyd, PA.

"Americans believe Social Security not to be tax to balance the federal budget but payment toward a retirement system to provide some semblance of security in old age. The budget is one thing and Social Security another. This action is needed to maintain the solvency of the Social Security System and peoples faith in our system."—Carbondale, PA.

"Our federal budget deficit bothers me greatly. Our Congress should not hide the actual amount of the deficit from themselves not the American people."

Mr. HEINZ. Mr. President, let me conclude where I began.

This amendment gives every Senator an opportunity to demonstrate to the millions of both current and future retirees that they do indeed have a personal commitment to protecting the Social Security trust funds. Those who support this amendment will have demonstrated it; those who oppose it will be sending a message that they do not care about the integrity of the Social Security trust funds nor about the basic commitment of honesty in the fiscal affairs of Government.

This amendment sends a very clear message that the Members of this body who vote for it are determined to see honesty restored to the budget process. For those who vote for it, it will underscore their commitment to removing the Social Security trust funds from our deficit reduction calculations.

So I think it is important that the time to address this issue is now. Not 2 months from now, not 2 weeks from now, certainly not 2 years from now.

I see that the manager of the bill, the distinguished Senator from California, has returned. If it would be appropriate, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. HEINZ. Mr. President, I yield the floor.

Mr. ADAMS. Mr. President, as a cosponsor of this bill, I rise to provide my support to S. 566, the National Affordable Housing Act. This bill is the culmination of many months of hard work by Chairman CRANSTON, Senator

D'AMATO, James Rouse of the Enterprise Foundation, and David Maxwell of Fannie Mae.

As others will point out, the citizen involvement on this legislation was massive. The Rouse-Maxwell National Housing Task Force was formed as a bipartisan group of 26 leaders with a national housing policy reputation. Meetings were held over 4 months. Over a 3-year period, 1,100 pages of recommendations were reviewed by this group and the subcommittee.

Mr. President, I bring up these facts, because it is important that the public recognize the comprehensive review process that went into developing this bill. Senator CRANSTON and the Housing Subcommittee are well aware of the critical need in this Nation to facilitate the development of affordable housing. Let me emphasize that this is a need that also demands quick action on the part of this body.

Quick action is needed because we are in a time where Federal policy has shifted away from stimulating the supply of low-income housing. Rather, with the repeal of the section 8 new construction, we now look to providing section 8 vouchers or certificates. This means the stock of federally assisted, privately owned housing has shrunk as the use restrictions and contracts on these projects expire and private owners convert them to non-low-income uses.

Mr. President, in my own State of Washington, 40 percent of the federally assisted housing stock is potentially at risk of loss. Between 1989 and 2010, contracts and use restrictions on over 26,000 assisted housing units will expire, allowing many private owners to seek prepayment of mortgage balances or opt out of contracts.

Mr. President, let me say that my own State has done very much to mitigate these losses. The Governor of Washington has developed a major housing trust fund that commits millions of dollars to an innovative housing trust fund to meet a variety of locally identified low income and special housing needs statewide. He has also appointed a growth strategies commission that is considering the impacts of growth on housing affordability and signed into law a major growth bill that includes important housing elements.

Mr. President, now it is our turn to step up to the plate. The National Affordable Housing Act provides for that leadership role that the Federal Government must take.

The core of the bill is to create a comprehensive program that consolidates nine different housing programs into one program that brings together a long-term investment partnership among the Federal, State, and local governments, and the private sector. Funds would be distributed according to the development of local housing strategies to expand the supply of affordable housing. This is a creative solution that mandates the cooperation of many different sectors, and I am happy to see its implementation.

Let me also say that I am very supportive of the fact that this bill extends for 2 years, the $124,785 ceiling on FHA insured mortgages. The FHA insured mortgages program has been a constant source of support for the young first time home buying couple who just need that extra help to get them in their first home. Obtaining a home is every person's American dream.

Mr. President, housing needs in this country have reached critical proportions. Over the last 8 years, while we have built more bombs and guns, we have failed to develop the real strength in our Nation. That is, investing in affordable housing, adequate health care, and a workable infrastructure, that ultimately increases the productivity, and social well-being of the U.S. worker and his or her family.

Mr. President, I urge my colleagues to pass this historic legislation. Thank you.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. 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. CRANSTON. 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

Mr. CRANSTON. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

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

EXECUTIVE CALENDER

EXECUTIVE SESSION

Mr. CRANSTON. I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar No. 812, Robert H. Cleland, to be a U.S. district judge; Calendar No. 813, Jimmy C. Carter, to be U.S. Marshal for the Southern District of Georgia; Calendar No. 814, Gary E. Shovlin, to be U.S. Marshal for the Middle District of Pennsylvania; and Calendar No. 815, Richard J. Hankinson, to be inspector general of the Department of Justice.

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. Reserving the right to object, I shall not object, Mr. President, I just want to say I am very pleased to be here as the Senate considers the nomination of Gary Shovlin, to be the U.S. Marshal for the Middle District of Pennsylvania. He has been extremely well-qualified for the job. I know he will do well.

Mr. CRANSTON. I ask unanimous consent that the nomination of Richard J. Hankinson be considered as having been referred to and discharged from the Committee on Governmental Affairs.

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

Mr. CRANSTON. I further ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table, en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

Robert H. Cleland, of Michigan, to be U.S. district judge for the Eastern District of Michigan.

DEPARTMENT OF JUSTICE

Jimmy C. Carter, of Georgia, to be U.S. Marshal for the Southern District of Georgia for the term of 4 years.

Gary E. Shovlin, of Texas, to be U.S. Marshal for the Middle District of Pennsylvania for the term of 4 years.

Richard J. Hankinson, of Virginia, to be inspector general, Department of Justice.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, 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 ON NATIONAL DRUG OPERATIONS CENTER MESSAGE FROM THE PRESIDENT—PM-124

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 the Judiciary:

To the Congress of the United States:

Pursuant to the provisions of section 1213(a)(2) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189), I transmit herewith a report containing an analysis of the feasibility of establishing a National Drug Operations Center for the integration, coordination, and control of all drug interdictions.

GEORGE BUSH.

THE WHITE HOUSE, *June 18, 1990.*

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-3148. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the Association of Democratic Nations proposed by Pakistan Prime Minister Benazir Bhutto in June 1989; to the Committee on Foreign Relations.

EC-3149. A communication from the Federal Co-Chairman of the Appalachian Regional Commission, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Appalachian Regional Commission, for the period ended March 31, 1990; to the Committee on Governmental Affairs.

EC-3150. A communication from the Acting Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1989; to the Committee on Governmental Affairs.

EC-3151. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "The Gallery Place, Parcel 6, Square 455"; to the Committee on Governmental Affairs.

EC-3152. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on Rural Telephone Bank's financial statements for the fiscal year ended September 30, 1988; to the Committee on Governmental Affairs.

EC-3153. A communication from the Secretary of Education, transmitting, pursuant to law, the second semiannual Report to Congress on Audit Follow-up (covering the period from October 1, 1989, through March 31, 1990), and information on management's decisions and final actions taken on audit recommendations; to the Committee on Governmental Affairs.

EC-3154. A communication from the Chairman of the Federal Labor Relations Authority, transmitting a draft of proposed legislation to provide for a pay adjustment for the Chairman, Members, and the General Counsel of the Federal Labor Relations Authority; to the Committee on Governmental Affairs.

EC-3155. A communication from the Chairman of the United States International Trade Commission, transmitting, pursuant to law, the second semiannual Report of the Office of Inspector General and the activities and accomplishments of the Office of Inspector General for the period October 1, 1989 through March 31, 1990; to the Committee on Governmental Affairs.

EC-3156. A communication from the Assistant Secretary of the Army, transmitting a draft of proposed legislation to amend title 5, United States Code, to expand the types of duties that may be performed by Federal employees when on military leave as members of the Reserve components of the Armed Forces; to the Committee on Governmental Affairs.

EC-3157. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the interim report on the Native Hawaiian Revolving Loan Fund (NHRLF) describing the activities and progress of the NHRLF during its first year of funding; to the Select Committee on Indian Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations, without amendment:

S. 2749: An original bill to provide a supplemental authorization of appropriations for fiscal year 1991 for the Department of State and the United States Information Agency, and for other purposes (Rept. No. 101-334).

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. DOMENICI (for himself, Mr. KENNEDY, Mr. D'AMATO, Mr. DURENBERGER, Mr. DODD, and Mr. SIMON):

S. 2747. A bill to provide services and housing grants to aid the transition from homelessness for homeless individuals who are mentally ill or substance abusers; to the Committee on Labor and Human Resources.

By Mr. RIEGLE (for himself and Mr. GARN) (by request):

S. 2748. A bill to authorize the Secretary of the Treasury to adopt distinctive counterfeit deterrents for exclusive use in the manufacture of U.S. securities and obligations, to clarify existing authority to combat counterfeiting, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PELL, from the Committee on Foreign Relations:

S. 2749. An original bill to provide a supplemental authorization of appropriations for fiscal year 1991 for the Department of State and the United States Information Agency, and for other purposes; placed on the calendar.

By Mr. SASSER (for himself, Mr. HATCH, Mr. JOHNSTON, and Mr. DASCHLE):

S. 2750. A bill to amend the Federal Property and Administrator Services Act of 1949 to authorize the Administrator of General Services to make available for humanitarian relief purposes any nonlethal surplus personal property, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DECONCINI (for himself and Mr. MCCAIN):

S. 2751. A bill to reform certain Indian programs, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON (for himself, Mr. BENTSEN, and Mr. WIRTH):

S.J. Res. 335. Joint resolution designating July 1, 1990, as "Imported Oil Dependence Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself, Mr. KENNEDY, Mr. D'AMATO, Mr. DURENBERGER, Mr. DODD, and Mr. SIMON):

S. 2747. A bill to provide services and housing grants to aid the transition from homelessness for homeless individuals who are mentally ill or substance abusers; to the Committee on Labor and Human Resources.

PATH GRANTS ACT

Mr. DOMENICI. Mr. President, this bill we call the PATH grant bill, Projects to Aid the Transition from Homelessness, pathways to services and improved housing for the homeless, mentally ill, and substance abusers. My cosponsors are Senators KENNEDY of Massachusetts, D'AMATO of New York, DURENBERGER of Minnesota, DODD of Connecticut, and SIMON of Illinois.

I want to let the Senate know that we have worked very hard on this bill, to see if we could not find a way to get the mayors of this country and the Governors of this country to agree on an approach to doing something more effective for the homeless who are mentally ill and the homeless who are substance abusers, who are on our streets. I am pleased to say in addition to my cosponsors that we have reached some kind of broad support, which I think is worthy of note.

The U.S. Conference of Mayors supports this approach as do the National Governors Association. Even if we would have those two major organizations of political leaders, we ought to have some organizations that are aware of the problem called homelessness in the streets of America.

But the problem is not homogeneous. There are some really different problems in the streets of America on homelessness, and we are trying to address one problem that is very, very serious and has to be treated differently. Those who are mentally ill and those who are drug abusers, thus in a sense are suffering mental impediments because of their addiction, are on the streets.

I am pleased to inform the Senate that the National Mental Health Association, the National Alliance for the Mentally Ill, the American Psychiatric

Association, the American Psychological Association, the Mental Health Law Project, the National Association of State Mental Health Program Directors, and the National Association of Counties also support this bill.

Mr. President, I have to tell the Senate that we do have a very unique and different problem among those homeless Americans who are mentally ill and on the streets and those who are suffering with drug abuse addiction and are on the streets and others who may be in need of help. It should be obvious that they have a very different problem.

But I must say to the Senate—and I want to be careful as to how I say this—that we are a part of the problem in trying to put together legislation to address this issue. Let me see if I can explain to the distinguished occupant of the chair why we have a problem ourselves.

Mr. President, if we draw a bill that provides housing and related housing services for this class of Americans that are desperately in need of help, that goes to the housing committees of the Congress. But if we put into the same bill what this very distinguished group of supporters are saying ought to be in the service we perform, then we have to provide this along with housing service for those who are mentally ill. If it was as easy as providing housing for the mentally ill, most mentally ill would not be on the streets. The problem is this need for care and services along with the housing.

So, Mr. President, if we then write in one bill what this bill has in it, we do not have a committee in the Congress that has jurisdiction over this. Because one deals with housing and one deals with the kind of human services, including expert mental health care, expert drug addiction care and services, and that goes to another committee. Now, if that was not bad enough—and I regret to say this—then our Government is structured so we cannot do this, because HUD takes care of housing, but Secretary Sullivan in the Department of Health and Human Services takes care of these services.

Mr. President, we are going to try, nonetheless, when the housing bill comes to the floor, to put this approach in the HUD bill, in the new housing bill. We will be down here in a few days urging the Senators to put this bill in the new HUD bill that we pass. We think we have found a way so that our Secretary of HUD and our Secretary of Health and Human Services can support this approach, because it is essentially in most respects a block grant that is going to go to our sovereign States, about half to the Governors and about half to the mayors on a formula basis. And what they must provide for our National Government is an in-advance commitment to furnish the kind of service described in this bill and they will then get the block grant money and have to regularly report on what they are doing.

The major problem is in the major cities, but there are problems in every city. So any Senator that is interested will find the formula will put some money in every State. And I am from New Mexico with one large city, but this is an American problem. I am concerned about it. I know something about the mentally ill component.

Incidentally, Mr. President, these two groups of American people are no less than 40 percent of the homeless in the United States and in many places they may be 50 or 60 percent. And maybe in America the concern about homelessness has waned. I gather, looking at some pollsters, it may have waned in the minds of Americans. And probably part of it is because such a large portion of those who are in the streets are mentally ill or drug abusers, and maybe many Americans feel that it is useless or maybe fruitless to help them, because they truly need some very special kind of help.

In fact, when I said 40 percent I was speaking of one of these areas. We think the mentally ill component is 40 percent. We think those who are drug abuse-affected may also be 40 percent. So we may have 80 percent of the homeless in some of the large cities of America that are having one or either of these problems or a combination of two of these.

So what we are going to try to do is authorize a new bill and see if we can get this bill through the Congress. I know it disregards committee jurisdictions and that it also disregards the previous anomalies of which Cabinet Secretary should administer a program that has both housing and services.

And I might say, I compliment the Secretaries of both HUD and Health and Human Services. They are aware of this problem. As a matter of fact, they have already heretofore entered into some interagency agreements where they try to mend this very strained kind of application of services to housing. They are succeeding in some cases.

But, nonetheless, as the housing bill goes through the Congress and as one of Senator KENNEDY's bills goes through the Labor and Human Resources Committee, they are kind of trying to stick to their jurisdictional lines. I think the first bill to the floor is HUD, and we will try to put the Domenici-Kennedy bill on it. It is an authorization bill. If we cannot fund it later, that will be for fiscal policy reasons. It will be a $300 million authorization for housing and services for the homeless in this Nation. This will not replace the existing McKinney Act, but it will take one section of it that was very small, and it will substitute this and expand it.

When I explained how they will use the money once it gets to Governors and to mayors of large and small cities, I did not mention that their plan of action will have to provide that all of this money goes for this purpose, but it also will give flexibility, in that at least one-third is for the housing component and at least one-third on outreach and treatment services related to the shortcoming and impediment of the homeless person. A final one-third can be spent on either housing or services or combining the two, whichever makes most sense for the area. So it is going to replace the mental health services block grant now in the McKinney Act.

Again, I repeat, one of the reasons we are not able to make a real dent in the homelessness issue in America is because some have assumed it is a very simple proposition of providing housing. The Senator from New Mexico does not argue the point that you need housing for the homeless. But I do argue the point that to merely provide housing for mentally ill people or those who are suffering and are on the streets suffering from drug abuse will do no good or will do very little good and provide very temporary removal from the streets. We need something that will attempt to make their house look a little bit like a home, which means there has to be some support service with it. And we are going to try to do that.

The National Institute for Mental Health estimates—and I repeat what I said a while ago—that about 40 percent of the homeless suffer from well-defined, known mental illnesses: Schizophrenia, depression, manic or bipolar, major psychosis of one type or another, clearly definable in today's psychiatric evaluative process.

The conference of mayors has done their own report and they have focused some attention on the other group of people we are trying to help here, those who are addicted to alcohol or drugs and are on the streets. They have given an estimate, believe it or not, that in their major cities, those that have been evaluated, up to 44 percent of the homeless people they are trying to help are either addicted to illegal drugs or suffering from some form of alcohol addiction.

So, Mr. President, while I am on neither of the committees of jurisdiction, the mentally ill part of the American population has been of special concern to this Senator. I am very proud and pleased that the U.S. Government had finally recognized that serious mental illness is among the worst diseases in the United States any way we look at it: Numbers of people affected, families, number of family members being destroyed and distraught, economic

impact, number of hospital beds occupied. Take any of those, and serious mental illness is the No. 1 illness in America.

I am aware of that. Our Government is now aware of that. The National Institute of Mental Health and others over the last 5 years are doing remarkably well. Some of the greatest scientists in America are involved in this research, Mr. President, because they have seen a national commitment. We are putting in substantial amounts of money. I might say, not as much as we spend on cancer, not as much as we spend on some others, but we have been making strides with sufficient continuity and consistency that great scientists are getting committed.

We are making enormous breakthroughs in determining what the root cause is. Clearly we are making enormous strides, putting this disease, mental illness, right up on the table so it is not something that families in the United States whose 17-year-old is a schizophrenic have to hide in terror, who are embarrassed to talk about the illness. We are beginning to make some great strides.

Diagnostic equipment that is being invented to find out what is going on in the human brain is absolutely startling in its innovativeness and in the dimension of progress made in the past 5 or 6 years.

In fact, we are now in a decade we call the "Decade of the Brain," by Presidential resolution. I believe it is fair to say we have made more progress in this area in the last decade than in all of human history. And the Decade of the Brain will end with us knowing more about the mind and what causes people to have mental diseases—and yes, we may, in the process, even find out why we get addicted to drugs and how we can eliminate that. If that kind of knowledge is found, that may be the way we get out of the mess we are in with reference to illegal drugs.

This bill addresses what the best people in the country say ought to be done to help with this problem. I have a detailed analysis of the bill, along with an attachment that will furnish each Senator with information about the formula allocations to each State and that State's major cities.

We are introducing this bill because we want everyone to have a good look at it. It is probably not going to have a full-blown hearing on its merits because it is in two different committees. We may even break it into two parts and put part of it into one bill, if that bill gets out of committee. But if we have a chance, we are going to put the entire bill on one of the first housing or homelessness bills that comes through here. I want to be prepared, then, to urge Senators from both sides of the aisle to vote for it.

I thank all of the cosponsors. As the Chair will recognize, I have cosponsors from both of the major committees and from both sides of the aisle. I thank Senator KENNEDY for his cosponsorship.

Mr. President, I ask unanimous consent that the detailed analysis samples of allocations, allocations to the 50 States and large cities, and the text of our bill be printed in the RECORD.

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

S. 2747

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

SECTION 1. PROJECTS TO AID THE TRANSITION FROM HOMELESSNESS.

(a) AMENDMENT TO TITLE.—The heading to part C of title V of the Public Health Service Act (42 U.S.C. 290cc et seq.) is amended to read as follows:

"PART C—PROJECTS TO AID THE TRANSITION FROM HOMELESSNESS"

(b) AMENDMENT TO TEXT.—Part C of title V of the Public Health Service Act (42 U.S.C. 290cc et seq.) is amended to read as follows:

"SEC. 521. SHORT TITLE.

"This part may be cited as the 'Projects to Aid the Transition from Homelessness (PATH) Act of 1990'.

"SEC. 522. DEFINITIONS.

"For the purposes of this part—

"(1) the term 'eligible entity' means a State, a metropolitan city, or an urban county;

"(2) the term 'eligible homeless individual' means an individual who is—

"(A) afflicted with serious mental illness, alcoholism, substance abuse or a combination thereof; and

"(B) homeless or at imminent risk of becoming homeless;

"(3) the term 'metropolitan city' has the meaning given such term in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302);

"(4) the term 'service provider' includes any general purpose unit of local government, a city, county, town, township, parish, village or combination thereof, or a community based organization;

"(5) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Federated States of Micronesia and Palau;

"(6) the term 'urban county' has the meaning given such term in section 102 of the Housing and Community Development Act of 1974; and

"(7) the term 'Secretary' means the Secretary of Health and Human Services.

"SEC. 523. ALLOTMENT.

"(a) IN GENERAL.—The Secretary in each fiscal year shall make an allotment to metropolitan cities, urban counties, and States (for distribution to service providers in the States) in the same manner as the Secretary of Housing and Urban Development makes allocations under section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306) except that the Secretary shall—

"(1) substitute 50 percent for 70 percent in subsection (a) of such section; and

"(2) substitute 50 percent for 30 percent in subsection (d) of such section.

"(b) SPECIAL RULES.—

"(1) IN GENERAL.—If, under the allotment provisions applicable under this part, any city or urban county would receive an allotment of less than 0.05 percent of the amounts appropriated to carry out this part for any fiscal year, such amount shall instead be reallotted to the State, except that any metropolitan city that is located in a State that does not have counties as local governments, that has a population greater than 40,000 but less than 50,000 as used in determining the fiscal year 1987 community development block grant program allocation, and that was allocated in excess of $1,000,000 in community development block grant funds in fiscal year 1987, shall receive directly the amount allotted to such city under subsection (a).

"(2) MINIMUM.—Notwithstanding any other provision of law, the total among allotted to each State, including amounts allotted to each eligible entity within the State shall not be less than—

"(A) $500,000; or

"(B) the amount of the allotment such State received pursuant to this part in fiscal year 1990 plus 30 percent of such allotment.

"(3) RATABLE REDUCTION.—The Secretary shall ratably reduce the allotments made pursuant to subsection (a) in order to carry out the provisions of this subsection.

"(c) ALLOTMENTS TO TERRITORIES.—In addition to the other allotments required in this section, the Secretary shall (for amounts appropriated after the date of enactment of this section) allot assistance under this subtitle to the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Federated States of Micronesia and Palau, and any other territory or possession of the United States, in accordance with an allotment formula established by the Secretary, but in no case shall the total amount allotted to all of the territories and possessions exceed 2 percent of the total amount appropriated pursuant to the authority of section 532.

"(d) REQUIREMENT OF NON-FEDERAL CONTRIBUTIONS.—

"(1) IN GENERAL.—The Secretary shall not make an allotment under this part unless the eligible entity agrees that the eligible entity will make available, directly or through donations from public or private entities, non-Federal contributions toward such costs in an amount equal to not less than $1 for each $3 of Federal funds provided under the grant.

"(2) DETERMINATION OF AMOUNT.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Except as provided in paragraph (3), amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(3) SPECIAL RULE.—Funds received pursuant to section 106 of the Housing and Community Development Act of 1974 may be included in determining the amount of such non-Federal contributions.

"(4) WAIVER.—The Secretary may waive the requirements of paragraph (1) for metropolitan cities and urban counties which are unable to provide such matching funds.

"(5) PARTICIPATING LOCALITIES.—Each State receiving an allotment under this part shall not require participating localities to provide non-Federal contributions in excess

of the non-Federal contributions described in paragraph (1).

"SEC. 524. ALLOTMENT APPLICATION.

"(a) ALLOTMENT APPLICATION—

"(1) IN GENERAL.—Each eligible entity desiring an allotment under section 523 shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(2) APPLICATION PERIOD.—The Secretary shall provide for a 90 day period during which applications may be submitted pursuant to paragraph (1).

"(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall—

"(1) describe the activities and services for which the allotment is sought;

"(2) identify existing programs providing services and housing to eligible homeless individuals and identify gaps in the delivery systems of such programs;

"(3) include a plan for providing services and housing to eligible homeless individuals which shall—

"(A) describe the coordinated and comprehensive means of providing services and housing to homeless individuals; and

"(B) include documentation that suitable housing for eligible homeless individuals will accompany the provision of services to such individuals;

"(4) describe the source of the non-Federal contributions described in section 523;

"(5) contain assurances that the non-Federal contributions described in section 523 will be available at the beginning of the grant period;

"(6) describe any voucher system which may be used to carry out the provisions of this part; and

"(7) contain such other information or assurances as the Secretary may reasonably require.

"SEC. 525. REQUIREMENT OF SUBMISSION OF DESCRIPTION OF INTENDED USE OF GRANT FUNDS.

"(a) IN GENERAL.—The Secretary may not make an allotment under section 523 to an eligible entity for any fiscal year unless—

"(1) the eligible entity submits to the Secretary a description of the intended use for the fiscal year of the amounts for which the eligible entity is applying pursuant to such section;

"(2) such description identifies the geographic areas within the eligible entity in which the greatest numbers of homeless individuals with a need for mental health, substance abuse, and housing services are located;

"(3) such description provides information relating to the programs and activities to be supported and services to be provided, including information relating to coordinating such programs and activities with any similar programs and activities of public and private entities; and

"(4) the eligible entity agrees that such description will be revised throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the eligible entity pursuant to section 523.

"(b) OPPORTUNITY FOR PUBLIC COMMENT.—The Secretary may not make an allotment under section 523 to an eligible entity for a fiscal year unless the eligible entity agrees that, in developing and carrying out the description required in subsection (a), the eligible entity will provide public notice with respect to the description (including any revisions) and such opportunities as may be necessary to provide interested persons, such as family members, consumers, and mental health, substance abuse, and housing agencies, an opportunity to present comments and recommendations with respect to the description.

"(c) RELATIONSHIP TO STATE COMPREHENSIVE MENTAL HEALTH SERVICES PLAN.—

"(1) IN GENERAL.—The Secretary shall not make an allotment under section 523 to an eligible entity unless the services to be provided pursuant to the description required in subsection (a) are consistent with the State comprehensive mental health services plan required in subpart 2 of part B of title XIX.

"(2) SPECIAL RULE.—The Secretary shall not make an allotment under section 523 to an eligible entity unless the services to be provided pursuant to the description required in subsection (a) have been considered in the preparation of, have been included in, and are consistent with, the State comprehensive mental health services plan referred to in paragraph (1).

"SEC. 526. USE OF ALLOTMENT.

"(a) USE OF ALLOTMENT.—

"(1) IN GENERAL.—Each eligible entity receiving an allotment under to section 523 shall use such allotment to pay the Federal share of awarding grants to or entering into contracts with service providers to enable such service providers to provide services and housing to homeless individuals in accordance with the provisions of this part.

"(2) FEDERAL SHARE.—The Federal share shall be 75 percent.

"(3) SPECIAL RULE.—Each eligible entity receiving an allotment under section 523 shall use at least two-thirds of such allotment to assist eligible homeless individuals who have—

"(A) a primary diagnosis of a serious mental illness; or

"(B) a diagnosis involving a serious mental illness and substance abuse.

"(4) USES.—

"(A) IN GENERAL.—Each eligible entity receiving an allotment under section 523 shall use—

"(i) one-third of such allotment to enable service providers to provide services to eligible homeless individuals;

"(ii) one-third of such allotment to enable service providers to provide housing to eligible homeless individuals; and

"(iii) one-third of such allotment to enable service providers to provide services or housing to eligible homeless individuals.

"(B) WAIVER.—The Secretary may waive the provisions of subparagraph (A) if the eligible entity demonstrates, to the satisfaction of the Secretary, that other sources of funds, such as payments under titles IV, XVI and XIX of the Social Security Act, State programs, donations or wages are available to meet the service or housing needs of eligible homeless individuals in the area for which the allotment was made.

"(5) COORDINATION.—Each eligible entity receiving an allotment under section 523 shall only make grants pursuant to paragraph (1) to service providers which have the capacity to meet or coordinate the comprehensive services and housing needs of eligible homeless individuals, including referral services. Such capacity includes contractual arrangements and viable referral plans among service providers of mental health, substance abuse, or housing services so that the comprehensive needs of individuals who are both mentally ill and substance abusers are met.

"(6) ADMINISTRATIVE EXPENSES.—Notwithstanding the provisions of this subsection, each eligible entity receiving an allotment pursuant to section 523 may reserve 4 percent of such allotment for administrative expenses.

"(b) SPECIAL RULES.—Each eligible entity receiving an allotment under section 523 shall not award a grant to a service provider which—

"(1) has a policy of excluding individuals from mental health services due to the existence or suspicion of substance abuse; and

"(2) has a policy of excluding individuals from substance abuse services due to the existence or suspicion of mental illness.

"(c) SUPPLEMENTATION.—Each eligible entity receiving an allotment under section 523 shall only use such funds to supplement and not supplant the amount of Federal, State and local government funds available for mental health services in the area served by such eligible entity in fiscal year 1990.

"SEC. 527. LOCAL APPLICATION.

"Each service provider desiring a grant pursuant to section 526(a) shall submit an application to the appropriate eligible entity at such time, in such manner and accompanied by such information as the eligible entity may reasonable require.

"SEC. 528. LOCAL USE OF GRANT FUNDS.

"(a) SERVICES.—Grants awarded pursuant to section 526(a) shall be used to provide either on-site or off-site services to eligible homeless individuals. Such services shall include—

"(1) outreach and engagement services;

"(2) screening and diagnostic treatment services;

"(3) habilitation and rehabilitation;

"(4) community mental health services;

"(5) alcohol or drug treatment services;

"(6) staff training, including the training of individuals who work in shelters, mental health clinics, substance abuse programs, and other sites where homeless individuals require services;

"(7) case management services, including—

"(A) preparing a plan for the provision of community mental health services to the eligible homeless individual involved, and reviewing such plan not less than once every 3 months;

"(B) providing assistance in obtaining and coordinating social and maintenance services for the eligible homeless individual, including services relating to daily living activities, transportation services, and habilitation and rehabilitation services, prevocational and vocational services, and housing services;

"(C) providing assistance to the eligible homeless individual in obtaining income support services, including housing assistance, food stamps, and supplemental security income benefits;

"(D) referring the eligible homeless individual for such other services as may be appropriate; and

"(E) providing representative payee services in accordance with section 1631(a)(2) of the Social Security Act if the eligible homeless individual is receiving aid under title XVI of such Act and if the applicant is designated by the Secretary to provide such services;

"(8) supportive and supervisory services in residential settings;

"(9) referral to primary health services;

"(10) referral to job training and education programs; and

"(11) referral to other relevant service or housing programs.

"(b) HOUSING.—

"(1) IN GENERAL.—Grants awarded pursuant to section 526(a) shall also be used for—

"(A) providing eligible homeless individuals and their families transitional and permanent housing, including housing in—

"(i) group homes;

"(ii) community-based long term housing;

"(iii) service enriched single room occupancy;

"(iv) units in a multi-family housing project;

"(v) condominiums;

"(vi) cooperatives;

"(vii) apartments; and

"(viii) single room occupancy units;

"(B) renovation, expansion, repair and operating costs of housing;

"(C) start-up costs;

"(D) planning;

"(E) technical assistance in applying for housing assistance;

"(F) improving the coordination of housing services;

"(G) security deposits; and

"(H) the costs associated with matching eligible homeless individuals with appropriate housing situations.

"(2) RESTRICTION.—Grants awarded pursuant to section 526(a) shall not be used to place eligible homeless individuals in housing described in clauses (iii) through (viii) of subparagraph (A) of paragraph (1) if more than 20 percent of the units in such housing are occupied by eligible homeless individuals.

"(c) SPECIAL RULE.—Grants awarded pursuant to section 526(a) may be used to purchase housing facilities if at least 50 percent of the purchase price of such facility is supplied from non-Federal sources.

"(d) LIMITATIONS.—Grants awarded pursuant to section 526(a) shall not be used—

"(1) to support emergency shelters or construction of housing facilities;

"(2) for inpatient psychiatric treatment costs or inpatient substance abuse treatment costs; and

"(3) to make cash payments to intended recipients of mental health, substance abuse, or housing services.

"SEC. 529. COORDINATION.

"(a) IN GENERAL.—The Secretary shall provide for coordination among eligible entities of housing and service strategies used in carrying out the provisions of this part.

"(b) INFORMATION.—In carrying out the provisions of subsection (a) the Secretary shall make available to eligible entities—

"(1) the information contained in the application and plan submitted pursuant to section 524; and

"(2) the annual report described in section 531.

"SEC. 530. TECHNICAL ASSISTANCE.

"The Secretary, through the National Institute of Mental Health, the National Institute of Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse may provide technical assistance to eligible entities in developing planning and operating programs in accordance with the provisions of this Act.

"SEC. 531. REQUIREMENT OF REPORTS BY STATES.

"(a) IN GENERAL.—The Secretary shall not make allotments under section 523 to an eligible entity unless such eligible entity agrees to prepare and submit to the Secretary an annual report in such form and containing such information as the Secretary determines (after consultation with the Comptroller General of the United States, the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse) to be necessary for—

"(1) securing a record and a description of the purposes for which amounts received under section 523 were expended and of the recipients of such amounts; and

"(2) determining whether such amounts were expended in accordance with the provisions of this part.

"(b) AVAILABILITY TO PUBLIC OF REPORTS.—The Secretary may not make allotments under section 523 to an eligible entity unless such eligible entity agrees to make copies of the reports described in subsection (a) available for public inspection.

"(c) EVALUATIONS BY COMPTROLLER GENERAL.—The Comptroller General of the United States in cooperation with the National Institute of Mental Health, shall evaluate at least once every 3 years the expenditures of grants under this part by eligible entities in order to ensure that expenditures are consistent with the provisions of this part, and shall include in such evaluation recommendations regarding changes needed in program design or operation.

"SEC. 532. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $300,000,000 for fiscal year 1990 and each succeeding fiscal year thereafter to carry out the provisions of this part.".

PATH GRANTS FOR THE HOMELESS

Mr. President, I would like to provide my Senate colleagues with a more detailed description of our bill to create Projects to Aid the Transition from Homelessness (PATH).

These grants are intended to make a major difference in the lives of the homeless who are mentally ill and those who are substance abusers. We truly hope to create pathways from homelessness for these needy Americans.

In addition to serving these very difficult populations, Mr. President, our approach is unique in that we provide housing and service money in a single grant to help the homeless.

From all the information about treating the mentally ill and the substance abusing homeless we can gather, it is quite clear that a stable living environment is essential if we are going to make a difference in the lives of the mentally ill or substance abusers. Yet, the McKinney Act, with all its good programs misses the mark when it comes to this fundamental notion. Treatment services stand a better chance of success when they are based in a home setting.

Our bill is not a replacement for the McKinney Act, rather it is an expansion of the McKinney Act for the homeless who are mentally ill and substance abusers. In essence, we are hoping to replace the existing block grant program for the homeless mentally ill of the McKinney Act (Title VI-B) with an expanded effort to base these people in much needed housing such as group homes, apartments, or other suitable home.

It is possible to combine services and housing under the current terms of the McKinney Act. But it is also difficult. In most cities and towns in America it will not be done. This is because the housing and services resources of the McKinney Act do not come from the same Federal department. The housing money is offered through a national competition under Title IV, while the mental health treatment money goes out under a formula allocation as a block grant to each State, Title VI-B.

Thus, to secure McKinney Act housing money to go along with the treatment funds, each State must be successful in a national competition. Failing this, a non-profit service provider must find some other local source of funding to provide the housing that is needed.

The current mental health treatment funds of the McKinney Act are allocated to each State under a formula that guarantees each State a minimum of $275,000. There is no comparable minimum for housing grants to each States.

We did our best to build as many bridges as possible in the McKinney Act to link the service money with the housing money, but there are still many many gaps in local services due to this two-track funding approach.

This new bill, Mr. President, simplifies the funding process enormously and guarantees each State and major metropolitan area a certain level of funds to provide both services and housing for these hard-to-reach and hard-to-treat homeless populations.

In addition to simplifying the process, we increase budget authority to pay for the additional costs of adding housing as well as treatment programs for substance abusers to current law.

The current law FY 1990 authorization level for Title VI-B of the McKinney Act is $35 million, Title VI-B, however, does not provide housing money, nor does it serve substance abusers unless they have a primary diagnosis of mental illness.

ADDING SUBSTANCE ABUSE SERVICES

The current McKinney Act does not provide a source of funds for substance abuse treatment except for the Community Demonstration Projects for Alcohol and Drug Abuse Treatment of Homeless Individuals (Section 512(c) of the Public Health Service Act). These demonstration projects are being run in 9 cities with funds appropriated through FY 1989. The FY 1990 applications are now under review in a competition for about $16.4 million (authorized at $17 million). In FY 1987 we appropriated $9.2 million; nothing in FY 1988; and $4.6 million in FY 1989 for these pilot programs for substance abuse among the homeless.

A U.S. News World Report Story on January 15, 1990, reports that substance abuse among the homeless is increasing dramatically. The story cites the U.S. Conference of Mayors 27-city survey released in December, 1989.

Local officials reporting to the Conference of Mayors are now saying that 44 percent of the homeless are substance abusers.

According to the article, the mayors are also reporting that "since 1986, the numbers of alcoholics and drug addicts have grown faster than other segments of the homeless, with their ranks increasing by almost a third in the last year alone."

One of the most difficult assessments to make when dealing with a homeless person who is an alcoholic or a drug addict is the determination of whether or not there is also an underlying mental illness. In many cases *both* illnesses are present. These are homeless persons with a "dual diagnosis."

Recent studies show that among the general population, drug abusers have the highest likelihood of also having a severe mental disorder—about one-half of drug addicts are thus afflicted.

Among alcoholics in the general population, about a third have a "co-morbid mental disorder."

Explained in another way, these findings say that an alcoholic is 2.7 times more likely than a non-alcoholic to have a severe mental disorder. A drug addict is 4.5 times

as likely as a non-abuser to have an underlying mental disorder.

This type of research finding, while not specifically about the homeless, certainly lends credibility to creating a source of Federal funds to address these often related and difficult to treat ailments.

When we add the estimates together—44% substance abusers among the homeless according to the Mayors' survey and 40% mentally ill from the National Institute of Mental Health—it is clear that a great majority of homeless people have either substance abuse problems, mental illness or both.

EXPANDING THE MCKINNEY ACT

We authorize $300 million in budget authority in our bill, Mr. President. We hope to see more mental health treatment, better housing conditions, and, for the first time in the McKinney Act, nationwide substance abuse treatment targeted to the homeless.

To assure that the new money is spent on housing for the homeless who are mentally ill or substance abusers, we require that at least one-third of the funds received by a city or State be spent on housing. Another one-third must be spent on eligible services, and the final one-third can be spent on either housing or services.

If a Governor or Mayor can establish to the satisfaction of the Secretary of Health and Human Services (HHS) that the one-third requirement for either housing or services is being met from other sources, that requirement can be waived.

If there is an extreme housing shortage in Boston, for example, but the Mayor of Boston can show enough State and local money available for mental health and substance abuse services, the grant funds from this act may all be used to meet the housing needs of eligible homeless people in Boston.

On the other hand, Denver may be in need of service money while easily able to find suitable housing for these populations. In that case, Denver could use this grant money for services only as long as the required housing can be shown to be available from other sources.

We anticipate, however, that most cities and States will need both service and housing money. If our bill is enacted, they will have both.

FUND ALLOCATION

To allocate the $300 million, we have applied the current formula for distributing funds for the Community Development Block Grant (CDBG), with two important changes.

This formula was chosen because it is well known and well accepted across this country. This formula uses the factors of population, poverty, and housing conditions to distribute funds.

The first change we make in this formula is to require that large cities and urban counties will receive one-half of appropriated funds. States will receive the other half. States can, of course, allocate their funds to smaller cities and towns around the State, or to community based organizations.

Assuming a full appropriation of $300 million when the first 50–50 split is made, $150 million would go to State governments to distribute and $150 million would go to the larger cities in America, designated as metropolitan cities and urban counties. The CDBG formula factors of population, poverty, and housing conditions are then applied to allocate these funds among States and large cities.

The current Title VI-B, Community Mental Health Services, of the McKinney Act, allocates all block grants to States based only on population. Governors then distribute the money within their States to large and small cities.

The second change we make in the CDBG formula allocation is the requirement that no State, including its entitlement communities, will receive less than $500,000.

If the initial formula run allocates less than $500,000 to any State and its entitlement communities based on the factors used for distribution, a pro rata reduction is taken from the other States to bring each State up to $500,000.

This minimum per state has the effect of equalizing the States if low levels of appropriations are made by the Congress. In FY 1989, for example, when we appropriated only $14.128 million for Title VI-B, each State, including California, New York, and New Mexico received the same minimum of $267,944! The $14 million was too low to allow each State the statutory minimum of $275,000.

To help my colleagues see the estimated allocation of funds under our proposed formula, I am including a complete listing of the 50 States, territories, and entitlement communities at the end of my statement.

This calculation is based on two appropriation levels: full funding at $300 million and partial funding at $100 million for all 50 States and entitlement communities.

As in the current CDBG formula, we assumed that the territories would receive two-tenths of one percent of the total funds available.

PROTECTING THE MENTALLY ILL

Since this new grant program replaces the Community Mental Health Services Block Grant of the Stewart B. McKinney Homeless Assistance Act, some people in the mental health community may be concerned over providing services to this fragile population.

To protect this group, we have created a hold harmless provision that holds each state and its entitled communities to the total amount of funds received under Title VI-B of the McKinney Act in FY 1990, plus an additional 30 percent.

This 30 percent increase is an acknowledgement that housing costs and serving substance abusers add to the costs of providing eligible services in our bill.

In addition to the "hold harmless plus 30 percent", we have required that at least two-thirds of the beneficiaries be seriously mentally or dually diagnosed with mental illness and substance abuse problems.

Unfortunately, the recent history of substance abuse treatment compared to mental health treatment shows a sharp relative decline in services to the mentally ill compared to substance abusers. This is due largely to the surge in funding for drug treatment programs in the two large anti-drug abuse acts.

The two-thirds minimum for mentally ill or dually diagnosed persons will keep this grant program from becoming an extension of current substance abuse programs.

By requiring case managers to seek services for eligible clients, we are hoping to see more coordination with substance abuse treatment programs. In the event such programs cannot be located, this bill provides some of the necessary funds to add substance abuse treatment services for the homeless.

IMPROVING THE CHANCES OF GETTING SERVICES

Unfortunately, a mental health center will too often fail to treat a person with substance abuse problems. Nor will a drug or alcohol treatment program treat a person with signs of mental illness.

Our bill addresses this institutional failure by denying funds from this grant to programs with a stated or implied policy of turning away potential clients with either mental disorders or substance abuse afflictions.

In other words, if a substance abuse treatment program denies services to those with mental illness or vice versa, these funds cannot be contracted to that agency or provider.

Our aim here is to assure a homeless person that any entrance point into the treatment system will lead to positive assistance. We are not requiring each service provider to be a comprehensive alcohol, drug, and mental health provider. Rather, we are requiring that proper referrals be made without regard to the primary capability of the provider. This provision will improve the integration of the treatment network for a homeless person who is very likely to have mental disorders or addictions to alcohol or drugs.

HOUSING

In addition to strengthening the service network for the homeless, our bill assures large cities and all States at least one source of funding from the McKinney Act to provide the essential housing needed to stabilize eligible program beneficiaries and enhance their chances of making a transition our of homelessness.

We believe, Mr. President, that no transition from homelessness can be made without adequate housing assistance, especially when we are trying to help the mentally ill and the alcohol or drug addicted homeless person.

In FY 1990, the McKinney Act housing programs in Title IV, operated by the U.S. Department of Housing and Urban Development (HUD), were authorized at $291 million.

Depending on local decisions, our bill increases the potential housing assistance under the McKinney Act by at least $100 to $200 million. These figures do not count the local match of 25 percent, which serves to increase the funding for this purpose.

This range of $100 million to $200 million is based on our requirement that at least one-third of this $300 million grant authorization be spent on housing and at least one-third be for services.

In short, we are increasing the housing assistance authority of the McKinney Act anywhere from 34 to 68 percent.

Our housing money is also more flexible than the current McKinney Act Housing Assistance money. We do not require competition for the housing funds, and we allow using the funds for security deposits.

We want to encourage transitional and permanent housing for eligible homeless individuals *and their families.* Hence we encourage many kinds of housing services: Group homes, community-based long term housing, service enriched single room occupancy units, units in a multi-family housing projects, condominiums, cooperatives, apartments and single room occupancy units.

To accomplish this housing goal, we allow expenditure of grant funds for renovation, expansion, repair and operating costs of housing. Security deposits and housing vouchers (locally created) are also allowed.

A building or housing unit may be purchased with grant funds if an additional 50 percent in local funds is used to match such

a purchase (over and above the initial 25 percent match to obtain the basic grant).

No new construction or emergency shelter support is allowed.

REQUIRED APPLICATIONS

The intended uses of these funds must be written in an application submitted to the Department of Health and Human Services. This application will define the geographic areas where the greatest numbers of intended beneficiaries are located.

It will describe the programs and activities to be supported, including coordination with other agencies and non-profit organizations. Public comments will be required.

Intended mental health activities must be consistent with the State comprehensive mental health services plan.

Assurances that improved housing conditions will be available to eligible participants will also be required.

LOCAL MATCH REQUIREMENTS

Each eligible entity must contribute a local share of 25 percent to match the 75 percent Federal share.

The local match may be cash or in kind including plant, equipment, or services.

CONCLUSION

Our proposed PATH grants, Mr. President, will significantly expand the Stewart B. McKinney Homeless Assistance Act to add significant new housing authority and service funds for the homeless who are mentally ill and/or sustance abusers.

We are replacing a FY 1990 authorization level of $35 million with a new authorization of $300 million.

The significant increase in reported substance abuse and the seriousness of mental disorders among the homeless warrants such an increase. We are confident that the cities, towns, and States of America will welcome this very important assistance to create more innovative pathways out of homelessness for the homeless who are severely mentally ill or who have addictions to alcohol and/or drugs.

This bill is supported by the U.S. Conference of Mayors, the National Governors' Association, the National Alliance for the Mentally Ill, the National Mental Health Association, the American Psychiatric Association, the American Psychological Association, the Mental Health Law Project, the National Association of State Mental Health Program Directors, and the National Association of Counties.

I urge my colleagues to help us simplify the McKinney Act while at the same time increasing its effectiveness for a very needy group of homeless individuals.

EXAMPLES OF ALLOCATIONS TO STATES AND CITIES FOR THE DOMENICI-KENNEDY PATH GRANTS

If the full $300 million is appropriated, the following grants would go to those sample States and cities:

California: $29.3 million.

State: $19.1 million.

Entitlement cities ($10.2 million): e.g. Los Angeles County: $2.5 million.

City of Los Angeles: $4.9 million.

Sacramento: $315,000.

New York: $28.9 million.

State: $6.0 million.

Entitlement cities ($22.9 million): e.g. New York City: $15.2 million.

Albany: $316,000.

Massachusetts: $9.1 million.

State: $4.82 million.

Entitlement cities ($4.3 million): e.g., Boston: $1.6 million.

Worcester: $390,000.

Connecticut: $3.6 million.

State: $2.35 million.

Entitlement cities ($1.3 million): e.g. New Haven: $327.000.

New Mexico: $1.505 million.

State: $1.175 million.

Albuquerque: $330,000.

Ohio: $13.9 million.

State: $6.5 million.

Entitlement cities ($7.37 million): e.g. Cleveland: $2.1 million.

Columbus: $557,000.

Illinois: $15.4 million.

State: $5.2 million.

Entitlement cities ($10.2 million): e.g., Chicago: $7.3 million.

Peoria: $164,000.

ANALYSIS OF PATH GRANT ESTIMATES, REVISED ESTIMATE ALLOCATION OF $300 MILLION: 50 PERCENT TO ENTITLED PLACES, 50 PERCENT TO NONENTITLEMENT; MINIMUM TOTAL $500,000, TERRITORIES 0.20 PERCENT

[In thousands of dollars]

State	Communities entitlement	States nonentitlement	Total
Alaska	138	362	500
Alabama	1,445	3,675	5,120
Arkansas	176	2,699	2,875
Arizona	1,754	1,081	2,835
California	19,063	10,276	29,339
Colorado	1,046	1,728	2,774
Connecticut	1,304	2,353	3,657
District of Columbia	1,462	0	1,462
Delaware	436	178	614
Florida	7,477	4,257	11,734
Georgia	2,356	4,207	6,563
Hawaii	995	286	1,281
Iowa	486	3,375	3,861
Idaho	0	882	882
Illinois	10,173	5,246	15,419
Indiana	2,188	3,968	6,156
Kansas	566	2,006	2,572
Kentucky	1,364	3,261	4,625
Louisiana	2,232	3,688	5,920
Massachusetts	4,296	4,821	9,117
Maryland	3,331	1,158	4,489
Maine	166	1,483	1,649
Michigan	6,089	5,899	11,988
Minnesota	2,143	2,852	4,995
Missouri	3,287	3,043	6,330
Mississippi	268	3,517	3,785
Montana	0	811	811
North Carolina	741	5,479	6,220
North Dakota	0	709	709
Nebraska	341	1,431	1,772
New Hampshire	139	911	1,050
New Jersey	6,386	2,832	9,218
New Mexico	330	1,175	1,505
Nevada	380	388	768
New York	22,927	5,992	28,919
Ohio	7,372	6,541	13,913
Oklahoma	662	2,077	2,739
Oregon	922	1,535	2,457
Pennsylvania	12,362	6,101	18,463
Puerto Rico	4,667	6,003	10,670
Rhode Island	752	678	1,430
South Carolina	200	3,638	3,838
South Dakota	0	865	865
Tennessee	1,767	3,307	5,074
Texas	8,723	9,290	18,013
Utah	735	899	1,634
Virginia	1,889	3,312	5,201
Vermont	0	685	685
Washington	2,457	1,697	4,154
Wisconsin	1,651	4,112	5,763
West Virginia	356	2,131	2,487
Wyoming	0	500	500
Territories	0	600	600
Total	150,000	150,000	300,000

ANALYSIS OF PATH GRANT ESTIMATES, REVISED ESTIMATE ALLOCATION OF $100 MILLION: 50 PERCENT TO ENTITLED PLACES, 50 PERCENT TO NONENTITLEMENT; MINIMUM TOTAL $500,000, TERRITORIES 0.20 PERCENT

[In thousands of dollars]

State	Communities entitlement	States nonentitlement	Total
Alaska	46	454	500
Alabama	483	1,155	1,638
Arkansas	58	850	908
Arizona	585	341	926
California	6,353	3,232	9,585
Colorado	349	544	893
Connecticut	434	741	1,175
District of Columbia	487	0	487
Delaware	145	355	500
Florida	2,489	1,342	3,831
Georgia	787	1,323	2,110
Hawaii	332	168	500
Iowa	162	1,063	1,225
Idaho	0	500	500
Illinois	3,390	1,650	5,040
Indiana	730	1,249	1,979
Kansas	190	631	821
Kentucky	456	1,026	1,482
Louisiana	743	1,161	1,904
Massachusetts	1,432	1,517	2,949
Maryland	1,111	364	1,475
Maine	56	466	522
Michigan	2,030	1,857	3,887
Minnesota	715	898	1,613
Missouri	1,094	958	2,052
Mississippi	90	1,107	1,197
Montana	0	500	500
North Carolina	248	1,724	1,972
North Dakota	0	500	500
Nebraska	114	450	564
New Hampshire	46	454	500
New Jersey	2,125	894	3,019
New Mexico	110	390	500
Nevada	127	373	500
New York	7,643	1,884	9,527
Ohio	2,457	2,057	4,514
Oklahoma	221	653	874
Oregon	308	482	790
Pennsylvania	4,118	1,921	6,039
Puerto Rico	1,556	1,889	3,445
Rhode Island	250	250	500
South Carolina	67	1,145	1,212
South Dakota	0	500	500
Tennessee	590	1,039	1,629
Texas	2,909	2,921	5,830
Utah	245	284	529
Virginia	630	1,041	1,671
Vermont	0	500	500
Washington	820	533	1,353
Wisconsin	551	1,293	1,844
West Virginia	118	671	789
Wyoming	0	500	500
Territories	0	200	200
Total	50,000	50,000	100,000

ANALYSIS OF PATH GRANT ESTIMATES REVISED ESTIMATED ALLOCATIONS TO METRO CITIES/URBAN COUNTIES TOTAL TO ENTITLED COMMUNITIES REDUCED TO 50 PERCENT OF U.S. ALLOCATION

[Amounts in thousands of dollars]

State/Community	Revised estimate $300,000,000	Revised estimate $100,000,000
Alaska: Anchorage (subtotal)	138	46
Alabama:		
Birmingham	592	198
Huntsville	133	44
Mobile	247	83
Montgomery	233	78
Jefferson County	240	80
Subtotal	1,445	483
Arkansas: Little Rock (subtotal)	176	58
Arizona:		
Mesa	155	51
Phoenix	795	265
Tucson	395	132
Maricopa County	248	83
Pima County	161	54
Subtotal	1,754	585
California:		
Anaheim	202	67

ANALYSIS OF PATH GRANT ESTIMATES REVISED ESTIMATED ALLOCATIONS TO METRO CITIES/URBAN COUNTIES TOTAL TO ENTITLED COMMUNITIES REDUCED TO 50 PERCENT OF U.S. ALLOCATION—Continued

[Amounts in thousands of dollars]

State/Community	Revised estimate $300,000,000	Revised estimate $100,000,000
Berkeley	240	80
Compton	191	64
El Monte	168	56
Fresno	316	105
Glendale	154	51
Inglewood	144	48
Long Beach	461	153
Los Angeles	4,889	1,629
Oakland	653	218
Oxnard	171	57
Pasadena	150	57
Pomona	141	47
Riverside	170	57
Sacramento	315	105
San Bernadino	154	51
San Diego	932	311
San Francisco	1,522	507
San Jose	589	196
Santa Ana	340	113
Stockton	199	66
Alameda County	146	49
Contra Costa County	258	86
Fresno County	339	113
Kern County	365	122
Los Angeles County	2,500	834
Marin County	135	45
Orange County	417	139
Riverside County	510	170
Sacramento County	402	134
San Bernardino County	449	150
San Diego County	429	143
San Joaquin County	203	68
San Mated County	222	74
Santa Clara County	225	75
Sonoma County	184	61
Ventura County	178	59
Subtotal	19,063	6,353
Colorado:		
Colorado Springs	180	60
Denver	728	243
Adams County	138	46
Subtotal	1046	349
Connecticut:		
Bridgeport	307	102
Hartford	346	115
New Britain	145	49
New Haven	327	109
Waterbury	179	59
Subtotal	1304	434
District of Columbia (subtotal)	1,462	487
Delaware:		
Wilmington	223	74
New Castle County	213	71
Subtotal	436	145
Florida:		
Fort Lauderdale	183	61
Hialeah	335	111
Jacksonville	646	215
Miami	1,036	345
Miami Beach	165	55
Orlando	159	53
St. Petersburg	235	78
Tallahassee	132	44
Tampa	351	117
Brevard County	139	46
Broward County	458	152
Dade County	1,311	437
Escambia County	195	65
Hillsborough County	355	118
Orange County	337	112
Palm Beach County	415	138
Pasco County	172	57
Pinellas County	233	78
Polk County	279	93
Seminole County	152	51
Volusia County	189	63
Subtotal	7,477	2,489
Georgia:		
Albany	134	44
Atlanta	841	280
Augusta	159	53
Columbus	201	67
Macon	169	57
Savannah	206	69
Cobb County	166	56
De Kalb County	314	105

ANALYSIS OF PATH GRANT ESTIMATES REVISED ESTIMATED ALLOCATIONS TO METRO CITIES/URBAN COUNTIES TOTAL TO ENTITLED COMMUNITIES REDUCED TO 50 PERCENT OF U.S. ALLOCATION—Continued

[Amounts in thousands of dollars]

State/Community	Revised estimate $300,000,000	Revised estimate $100,000,000
Fulton County	166	56
Subtotal	2,356	787
Hawaii, Honolulu (Subtotal)	995	332
Iowa:		
Des Moines	323	108
Sioux City	163	54
Subtotal	486	162
Illinois:		
Chicago	7,317	2,439
Cicero	145	49
East St. Louis	194	64
Evanston	145	48
Oak Park	134	44
Peoria	164	55
Rockford	162	54
Cook County	908	303
Du Page County	285	95
Lake County	176	58
Madison County	246	82
St. Clair County	165	55
Will County	132	44
Subtotal	10,173	3,390
Indiana:		
Evansville	227	76
Fort Wayne	206	69
Gary	311	104
Hammond	192	64
Indianapolis	727	242
South Bend	233	78
Terre Haute	160	53
Lake County	132	44
Subtotal	2,188	730
Kansas:		
Kansas City	185	62
Topeka	148	50
Wichita	233	78
Subtotal	566	190
Kentucky:		
Covington	145	49
Lexington-Fayette	191	64
Louisville	793	265
Jefferson County	235	78
Subtotal	1,364	456
Louisiana:		
Baton Rouge	381	127
New Orleans	1,254	418
Shreveport	262	87
Jefferson Parish	335	111
Subtotal	2,232	743
Massachusetts:		
Boston	1,596	532
Cambridge	259	86
Fall River	230	77
Lawrence	165	55
Lowell	174	58
Lynn	217	72
Medford	131	44
New Bedford	233	78
Newton	162	54
Quincy	164	55
Somerville	239	79
Springfield	336	112
Worcester	390	130
Subtotal	4,296	1,432
Maryland:		
Baltimore	2,002	667
Anne Arundel County	189	63
Baltimore County	347	116
Montgomery County	318	106
Prince Georges County	475	159
Subtotal	3,331	1,111
Maine: Portland (subtotal)	166	56
Michigan:		
Dearborn	171	57
Detroit	3,715	1,239
Flint	369	123

ANALYSIS OF PATH GRANT ESTIMATES REVISED ESTIMATED ALLOCATIONS TO METRO CITIES/URBAN COUNTIES TOTAL TO ENTITLED COMMUNITIES REDUCED TO 50 PERCENT OF U.S. ALLOCATION—Continued

[Amounts in thousands of dollars]

State/Community	Revised estimate $300,000,000	Revised estimate $100,000,000
Grand Rapids	298	99
Kalamazoo	147	49
Lansing	139	46
Pontiac	132	44
Saginaw	206	69
Genesee County	189	63
Macomb County	131	44
Oakland County	299	99
Wayne County	293	98
Subtotal	6,089	2,030
Minnesota:		
Duluth	232	78
Minneapolis	1,101	367
St. Paul	599	199
Hennepin County	211	71
Subtotal	2,143	715
Missouri:		
Kansas City	785	261
St. Joseph	154	51
St. Louis	1,879	626
St. Louis County	469	156
Subtotal	3,287	1,094
Mississippi: Jackson (subtotal)	268	90
North Carolina:		
Charlotte	308	103
Greensboro	151	51
Raleigh	135	45
Winston Salem	147	49
Subtotal	741	248
Nebraska: Omaha (subtotal)	341	114
New Hampshire: Manchester (subtotal)	139	46
New Jersey:		
Atlantic City	159	52
Bayonne	157	52
Camden	280	93
East Orange	137	45
Elizabeth	200	67
Jersey City	631	210
Newark	918	306
Paterson	295	98
Trenton	265	88
Bergen County	830	277
Burlington County	204	68
Camden County	168	56
Essex County	447	149
Gloucester County	142	47
Hudson County	426	142
Middlesex County	146	49
Monmouth County	243	81
Morris County	159	53
Ocean County	173	57
Union County	406	135
Subtotal	6,386	2,125
New Mexico: Albuquerque (subtotal)	330	110
Nevada:		
Las Vegas	170	57
Clark County	210	70
Subtotal	380	127
New York:		
Albany	316	105
Babylon Town	132	44
Binghamton	191	64
Buffalo	1,436	479
Islip Town	195	65
Mount Vernon	153	51
New Rochelle	131	44
New York	15,246	5,081
Niagara Falls	224	75
Rochester	748	249
Schenectady	199	66
Syracuse	511	171
Tonawanda Town	142	47
Troy	165	55
Utica	248	83
Yonkers	306	102
Erie County	199	66
Monroe County	148	50
Nassau County	1,063	354
Onondaga County	143	48
Orange County	142	47

ANALYSIS OF PATH GRANT ESTIMATES REVISED ESTIMATED ALLOCATIONS TO METRO CITIES/URBAN COUNTIES TOTAL TO ENTITLED COMMUNITIES REDUCED TO 50 PERCENT OF U.S. ALLOCATION—Continued

[Amounts in thousands of dollars]

State/Community	Revised estimate $300,000,000	Revised estimate $100,000,000
Rockland County	141	47
Suffolk County	336	112
Westchester County	412	138
Subtotal	22,927	7,643
Ohio:		
Okron	563	187
Canton	241	80
Cincinnati	1,073	358
Cleveland	2,100	700
Columbus	577	192
Dayton	557	186
Lakewood	148	50
Springfield	168	56
Toledo	577	192
Youngstown	376	125
Cuyahoga County	249	83
Franklin County	166	56
Hamilton County	255	85
Montgomery County	184	61
Stark County	138	46
Subtotal	7,372	2,457
Oklahoma:		
Oklahoma City	375	125
Tulsa	287	96
Subtotal	662	221
Oregon:		
Portland	626	209
Clackamas County	146	49
Washington County	150	50
Subtotal	922	308
Pennsylvania:		
Allentown	207	69
Altoona	164	55
Chester	145	49
Erie	279	93
Harrisburg	197	65
Johnston	142	47
Lancaster	131	44
Philadelphia	4,494	1,497
Pittsburgh	1,469	490
Reading	254	84
Scranton	277	92
Upper Darby	150	50
Wilkes-Barre	159	53
York	132	44
Allegheny County	1,212	404
Beaver County	296	98
Berks County	205	68
Bucks County	198	66
Chester County	213	71
Delaware County	278	92
Lancaster County	250	84
Luzerne County	388	129
Montgomery County	272	91
Washington County	351	117
Westmoreland County	302	101
York County	197	65
Subtotal	12,362	4,118
Puerto Rico:		
Aguadilla Municipio	197	65
Arecibo Municipio	313	105
Bayamaon Municipio	505	168
Caguas Municipio	368	123
Carolina Municipio	418	139
Guaynabo Municipio	203	68
Humacao Municipio	170	57
Mayaguez Municipio	304	101
Ponce Municipio	656	219
San Jan Municipio	1,144	381
Toa Baja Municipio	240	80
Trujillo Alto Municipio	149	50
Subtotal	4,667	1,556
Rhode Island:		
Pawtucket	156	52
Providence	498	166
Woonsocket	98	32
Subtotal	752	250
South Carolina: Greenville County (subtotal)	200	67
Tennessee:		
Chattanooga	199	66
Knoxville	200	67
Memphis	935	312

ANALYSIS OF PATH GRANT ESTIMATES REVISED ESTIMATED ALLOCATIONS TO METRO CITIES/URBAN COUNTIES TOTAL TO ENTITLED COMMUNITIES REDUCED TO 50 PERCENT OF U.S. ALLOCATION—Continued

[Amounts in thousands of dollars]

State/Community	Revised estimate $300,000,000	Revised estimate $100,000,000
Nashville-Davidson	433	145
Subtotal	1,767	590
Texas:		
Amarillo	132	44
Austin	433	145
Beaumont	148	50
Brownsville	226	76
Corpus Christi	320	106
Dallas	1,082	361
El Paso	713	238
Fort Worth	437	145
Houston	1,887	629
Laredo	256	85
Lubbock	201	67
McAllen	144	48
San Antonio	1,278	426
Waco	134	44
Bexar County	146	49
Harris County	459	153
Hidalgo County	520	173
Tarrant County	207	70
Subtotal	8,723	2,909
Utah:		
Provo	131	44
Salt Lake City	358	119
Salt Lake County	246	82
Subtotal	735	245
Virginia:		
Newport News	138	46
Norfolk	388	129
Portsmouth	149	50
Richmond	368	123
Roanoke	146	49
Virginia Beach	197	65
Arlington County	177	59
Fairfax County	326	109
Subtotal	1,889	630
Washington:		
Seattle	962	321
Spokane	306	102
Tacoma	214	71
Clark County	145	49
King County	399	133
Pierce County	245	82
Snohomish County	186	62
Subtotal	2,457	820
Wisconsin:		
Madison	145	49
Milwaukee	1,359	453
Racine	147	49
Subtotal	1,651	551
West Virginia:		
Charleston	172	57
Huntington	184	61
Subtotal	356	118
Total	150,000	50,000

Mr. D'AMATO. Mr. President, I am pleased to cosponsor Senator DOMENICI's "Projects to Aid the Transition from Homelessness [PATH]" bill. My friend and colleague has shown tremendous dedication to improving the plight of mentally ill homeless individuals. His comprehensive legislation to provide housing and social services to this needy group must be commended.

Across the country, the number of mentally ill homeless persons is increasing. The numbers are particularly striking in large urban areas like New York City. We must respond to this trend. And we must respond in a way that takes into account the complexity and diversity of homelessness around the Nation.

Complex problems require comprehensive solutions, and homelessness is certainly no exception. This is why I support Senator DOMENICI's legislation: it moves away from a simplistic, overly segmented approach to homelessness, and moves toward a comprehensive interdisciplinary way of addressing the needs of homeless individuals. Currently, community groups are faced with the nightmare of coordinating two large Federal bureaucracies, the Departments of Housing and Urban Development [HUD] and Health and Human Services [HHS]. Within HUD itself, there are six separate housing programs for the homeless—each with its own rules, regulations, and procedures. Within HHS, there are six comparable programs providing services for the homeless. This labyrinth of programs must be mind-boggling for nonprofit homeless groups.

Senator DOMENICI's legislation eliminates this dysfunctional system and replaces it with the "PATH" program—a $300 million new housing and social services block grant for the homeless with serious mental illness, alcoholism or substance abuse problems. By administering this program through a single Department, community groups will be able to access and coordinate innovative housing and social services programs.

In addition to simplifying the process by coordinating programs, the block grant approach that is used in this legislation embraces a sensible way to get funding out to the areas that most need Federal assistance. "PATH" grants will be funded using the proven CDBG formula, dividing the formula allocation based on a 50/50 split between States and localities. One-third of New York's "PATH Grant" money will be spent on housing, one-third on services, and the remaining third can be used for either housing or services, based on a region's particular need. By getting the money out of the hands of Washington bureaucrats and into the hands of mayors and Governors, the resources will then be spent by those who can best respond to the Nation's housing needs.

The "PATH" grants legislation will have a great impact on my home State of New York; $28.9 million, or almost 10 percent of the total pot, will go to New York State. I anticipate that about $15.2 million will go to New York City, $1.4 million to Buffalo, and $316,000 to Albany. $6 million of New York's money will go to the Governor to be distributed among smaller and more rural communities.

Various mental health groups have expressed concern that they will lose some of their McKinney funding

under this legislation since "PATH" grants will replace the Community Mental Health Services Block Grant in the McKinney Act. I would like to assure such groups that they will be protected. This legislation includes a hold harmless provision that guarantees each State and its entitlement communities the total amount of funds received under title VI-B of the McKinney Act in fiscal year 1990, plus an additional 30 percent.

As it relates to housing, the bill increases homeless housing assistance over current levels by at least 30 percent, or at least $100 million. In addition, the housing funding also becomes more flexible than the McKinney programs permit because it can be used for a wider range of housing activity.

As a whole, this legislation should be a boost to all organizers who provide housing and/or services to mentally ill homeless individuals. Most importantly, it should provide better, more thorough assistance directly to mentally ill, homeless individuals.

Our Nation is in the midst of a domestic crisis. I commend my friend Senator DOMENICI for his recognition of this crisis. I am proud to be an original cosponsor of legislation that responds to this crisis and look forward to working towards its passage so we can get the necessary resources out to those in dire need.

Thank you, Mr. President.

Mr. DURENBERGER. Mr. President, today I rise to join my distinguished colleagues from New Mexico, Massachusetts, Illinois and New York in introducing a bill to give State and local governments another weapon in their arsenal for combating the scourge of homelessness.

This new program will be known as PATH grants. PATH stands for projects to aid the transition from homelessness. The program will fill an important niche in U.S. housing programs in order to place the homeless into homes and to address the medical and social problems of this neglected segment of our society.

I have long been an advocate of block grants that allow local units of government to assess their own needs and create their own solutions to those needs. The problem of homelessness is well suited to block grant programs. Minneapolis has different needs than El Paso and should be allowed to try and create different solutions.

In my own State of Minnesota, State and local governments have been successful in using block grants to create innovative programs to solve persistent problems. Through experimentation by local governments, we can see what does and does not work for future Federal, State and local programs. I firmly believe that it is far more effective for decisions on programming needs to be made at the local level rather than by bureaucrats in Washington, DC.

Last month, I had the pleasure of visiting a number of people who are living in transitional housing in Minnesota. These people are moving from a period of dependence on their survival skills and the emergency shelter system to independent living.

Karen is one of these people. Karen recently had a baby, a chubby, sleepy little girl named Dana. Karen became homeless and turned to the emergency shelter system in St. Paul as the result of an unsettling and potentially abusive living situation. Her childhood was filled with a history of abuse shortly after entering the shelter, Karen was visited by an outreach worker funded through the Health Care for the Homeless Program of the Stewart B. McKinney Homeless Assistance Act who referred her to a transitional housing program. The shelter was not a place for her to live, much less for her to raise a baby.

The solution for Karen and thousands of people like her in Minnesota is transitional housing; a safe, comfortable environment where they receive the necessary services, housing referrals, love and encouragement to rise above homelessness.

Minnesota has more transitional housing than any other State in the country. However, due to funding, safety, and staff restrictions, most of these transitional housing units are unable to serve people who suffer from severe or chronic chemical dependency or mental health problems.

Approximately one-third of homeless people suffer from mental health problems; another one third are dependent on chemicals or alcohol. The Health Care for the Homeless Program in Minnesota has been very successful in meeting the immediate needs of these homeless people. The problem comes when the people are ready to move out of emergency shelter and there is no place to go. Or, after 3 to 6 months in a more stable housing situation, a crisis happens, and there is nowhere to turn but the streets.

Ellen and her children Sharon and Marie could have been in just such a situation. Ellen escaped a battering situation and found placement in a battered women's shelter. A short time later, Ellen moved in to a housing unit in a transitional housing program in Minneapolis.

Ellen broke into tears as she told me her story. And she glowed when she talked about her goals to get her diploma, get a good job, and move off of assistance.

A couple of weeks ago, daughter Marie became very ill with pneumonia. All goals were quickly put aside to deal with this new crisis. Ellen turned to the transitional housing program director for financial guidance and help with this new stress in the life of her family. Karen and Ellen were very fortunate because they had a place to go. But what would have happened if the transitional housing programs were not there?

Ellen could live in rural Minnesota, say in St. Louis County, with her husband and her two children. After years of abuse, she leavs at 2 a.m. and asks a neighbor for help. The family is homeless and has no where else to turn.

A couple of weeks later, Ellen finds a tiny apartment which she can afford. Sharon has now missed a great deal of school and she no longer feels comfortable with her friends. Marie does not have any toys and there is not any money for even a pack of crayons. Ellen cannot find work and she can not get to the doctor or store easily because she does not have a car. Ellen talks to a friend: would you drive us to Duluth? In Duluth, a larger urban center, the family turns to an emergency shelter—homeless again. The children out of school, without friends, toys, or anything that is familiar. Marie is very ill with pneumonia. Ellen questions whether or not she should have stayed in the battering situation.

This pipeline from rural Minnesota to urban areas is a common one in Minnesota. While rural Minnesota may have an abundance of low cost affordable housing, there is a shortage of services for people who are in crisis situations or who are afflicted with mental health problems or chemical dependency problems. People who are homeless or people who have particular mental health or chemical dependency needs are unlikely to stay in a rural area for long before they migrate to an urban center. Once in an urban area, the culture, people, services, and systems are unfamiliar. Not only is an individual homeless, the individual has no idea where to turn for help.

Children suffer greatly from homelessness and poverty. I can easily picture the sunny face of 5 year old Amber as she showed me her house, a deteriorating structure with five pages of building code violations. Her mother, Charlotte, told me the house was luxurious compared to the place from which they moved.

Amber is a beguiling youngster who is never at a shortage for words. Amber has never been homeless, but her family, one of the "working poor" families, struggles to keep food in her stomach and a roof over her head every day. One unpredicted addition to a tight budget, a medical emergency or car problems, for example, means the difference between a home and a shelter. I wonder what would happen to Amber and her family if that one unknown crisis pushed them to the streets.

Children as young as 9 who have lived in homeless situations in Minnesota have attempted suicide four and five times. Twelve-year-olds have been involved in consuming and distributing drugs and in cult activities. Approximately 130 developmental and medical problems are documented for every one hundred homeless children screened by public health nurses in the St. Paul shelter system. This ratio compares to 20 developmental and medical problems documented for every 100 nonhomeless children. These children need counseling, monitoring, and intervention from trained professionals to insure they are not our homeless people of tomorrow.

The PATH bill, which we introduce today, is a major step in the right direction in our continuing efforts to stamp out involuntary homelessness. I urge my colleagues to review this bill and become cosponsors to this important legislation.

By Mr. RIEGLE (by request):

S. 2748. A bill to authorize the Secretary of the Treasury to adopt distinctive counterfeit deterrents for exclusive use in the manufacture of United States securities and obligations, to clarify existing authority to combat counterfeiting, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

COUNTERFEIT DETERRENCE ACT

● Mr. RIEGLE. Mr. President, today I am introducing—at the administration's request—a bill designed to curb the increasing efforts to counterfeit Federal Reserve notes. With the advances in computerization, the ability to duplicate drawings and reproductions in color, and the sophisticated scanning equipment, the Treasury Department is concerned about the impact this technology will have on both the casual as well as professional counterfeiters. My colleague, Senator GARN, joins me in cosponsoring this legislation by request. While this is a concern, we must also be aware of the needs of legitimate business and personal use of such technology, while protecting the rights of law-abiding citizens.

Mr. President, I ask unanimous consent that a letter from the Department of the Treasury explaining the need for the legislation and the full text of the bill be included in the RECORD at the conclusion of my remarks.

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

S. 2748

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Counterfeit Deterrence Act of 1990".

SEC. 2. Chapter 25 of title 18, United States Code, is amended by—

(a) inserting the following new section immediately before section 471:

"SEC. 470. ELECTRONIC MEANS

"For the purposes of this chapter, the term 'other thing' or 'thing', from which a counterfeit is printed or may be printed, or which is fitted, used or intended to be used or fitted in the making of counterfeits, shall specifically include any electronic means which is used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security, unless such use is authorized by law, the Secretary of the Treasury, or some other proper officer of the United States."; and

(b) inserting after section 474 the following new section:

"SEC. 474A. DETERRENTS TO COUNTERFEITING OF OBLIGATIONS AND SECURITIES

"(a) Whoever has or retains in his control or possession, after a distinctive paper has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States, any similar paper adapted to the making of any such obligation or other security, except under the authority of the Secretary of the Treasury or some other proper officer of the United States, shall be fined not more than $5,000 or imprisoned not more than fifteen years, or both.

"(b) Whoever has or retains in his control or possession, after a distinctive counterfeit deterrent has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States by publication in the Federal Register, any similar feature or device adapted to the making of any such obligation or other security, except under the authority of the Secretary of the Treasury or some other proper officer of the United States, shall be fined not more than $5,000 for each violation, or imprisoned not more than fifteen years, or both.

"(c) As used in this section—

"(1) The term 'distinctive paper' includes, but is not limited to, any distinctive medium of which currency is made, whether of wood pulp, rag, plastic substrate or other natural or artificial fibers or materials; and

"(2) The term 'distinctive counterfeit deterrent' includes, but is not limited to, any ink, watermark, seal, security thread, optically variable device, or other feature or device in which the United States has an exclusive property interest, or which is distinct from any other similar feature or device by its design, color or other specifications, and which the Secretary designates as being of value in preventing the counterfeiting of obligations or other securities of the United States.".

SEC. 3. Section 474 of title 18, United States Code, is amended by—

(a) striking "United States; or" at the end of the sixth paragraph and inserting in lieu thereof, "United States—"; and

(b) striking the seventh paragraph.

SEC. 4. Section 504 of title 18, United States Code, is amended—

(a) in subparagraph (D) by striking the comma at the end thereof and inserting instead a period;

(b) in paragraph (1) by striking from the text following subparagraph (D) the words "for philatelic" and all that follows through "albums).";

(c) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) The provisions of this section shall not apply to, or permit the reproduction of illustrations of obligations or other securities, by or through electronic means used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security."; and

(d) striking from paragraph (3), as redesignated, the phrase "but not for advertising purposes except philatelic advertising,".

SEC. 5. The analysis of chapter 25 of title 18, United States Code, is amended—

(a) by inserting before the item relating to section 471 the following:

"470. Electronic means."; and

(b) by inserting after the item relating to section 474 the following:

"474A. Deterrents to counterfeiting of obligations and securities.".

DEPARTMENT OF THE TREASURY,
Washington, DC, January 30, 1990.

The Honorable DAN QUAYLE,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To authorize the Secretary of the Treasury to adopt distinctive counterfeit deterrents for exclusive use in the manufacture of United States securities and obligations and to clarify existing authority to combat counterfeiting, and for other purposes." Also enclosed is a comparative type showing the changes proposed to be made in current law. During the 99th Congress, a similar proposal passed the Senate on August 15, 1986, as part of S. 1092.

Recent advances in reprographic technology pose a new and substantial threat of counterfeiting. New and improving generations of copying equipment are capable of reproducing documents—including currency and other securities—in color and with greater accuracy and clarity. The introduction of such equipment is making counterfeiting a crime of opportunity; the potential counterfeiter no longer requires any particular expertise.

This threat is compounded by the recent exponential advances in other reprographic equipment and techniques. For example, currency and securities designs can now be read by electro-optical (laser) scanning, digitized and stored in computers. Once stored, such designs can be reproduced by computer-controlled printing techniques in varying formats, colors and sizes. The United States Secret Service is aware of three instances where electro-optical scanning techniques have been employed in attempts to counterfeit U.S. currency.

In order to combat these new threats of counterfeiting, it will be necessary for the Secretary of the Treasury to adopt a variety of new "distinctive counterfeit deterrents" that will make U.S. currency and obligations more difficult to counterfeit. The Department of the Treasury is actively engaged in the identification and development of such deterrents.

This proposal would authorize the Secretary to adopt new distinctive counterfeit deterrents (*e.g.,* watermarks, seals, and security threads); criminalize the unauthorized possession of distinctive counterfeit deterrents adopted by the Secretary, as well as the possession of features and devices similar in form to such deterrents; amend chapter 25 of title 18, United States Code, to clarify that counterfeiting includes the use of electronic techniques such as electro-optical scanning; amend section 504 of title 18, United States Code, to provide that laser-generated computer images of U.S. currency and securities are not permissible reproductions, and to conform that section with the

holding of the Supreme Court in *Regan* v. *Time, Inc.*, 468 U.S. 641 (1984).

It would be appreciated if you would lay the draft bill before the Senate. An identical draft bill has been transmitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

EDITH E. HOLIDAY,
General Counsel.●

By Mr. SASSER (for himself, Mr. HATCH, Mr. JOHNSTON, and Mr. DASCHLE):

S. 2750. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make available for humanitarian relief purposes any nonlethal surplus personal property, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL USED PROPERTY FOR DOMESTIC USE ACT

● Mr. SASSER. Mr. President, this morning, I along with my good friends, Senator HATCH, Senator JOHNSTON, and Senator DASCHLE, rise to introduce legislation that will end the unfair preferential treatment given to foreign nations by the U.S. Government in the distribution of surplus Federal property. Much of this property takes the form of useful construction and engineering equipment that is greatly needed by States and local communities. At a time when these financially strapped localities are having an increasingly difficult time maintaining and developing their infrastructure and basic services, we should ensure that they get their fair share of equipment the Federal Government cannot use.

Currently, Mr. President, the Secretary of Defense has the authority to transfer excess Department of Defense property to the State Department for distribution to Third World and other countries under the auspices of the Humanitarian Assistance Program. I believe that much of this property, which is all taxpayer financed, should first be made available to Federal agencies and States through the General Services Administration [GSA] Donation Program before it is donated away free of charge.

The Humanitarian Assistance Program was created in fiscal year 1986. Initially, the program was intended to help supply Afghan and Cambodian refugees and resistance groups with limited categories of Federal surplus property. Some of these items included boots, parkas, clothing items, medical supplies, and communication equipment. However, as the focus of the program expanded to a larger number of Third World nations, and now to Eastern Europe and even the Soviet Union, the category of excess property sought for the Humanitarian Assistance Program has also expanded. Over the past 2 years there has been an increasing emphasis on heavy duty equipment, including bulldozers, tractors, roadgraders, cranes, backhoes, front loaders, dump trucks, and other equipment traditionally sought by States through the GSA donation program. In fact, approximately $60 million in Department of Defense excess property was acquired by the Humanitarian Assistance Program during fiscal year 1986 through 1990-to-date, with steady and substantial increases occurring each year.

Mr. President, I believe that the original intent of the Humanitarian Assistance Program has been circumvented. The program was designed to meet an immediate need in two Third World countries, but it has since expanded to become a full-fledged foreign assistance program. It has become a foreign assistance program that gives away surplus Government property paid for out of the pockets of the American people and provides free to foreign nations valuable surplus construction and engineering equipment greatly needed by financially strapped State and local governments.

Mr. President, each State has an agency for surplus property that is responsible for screening available property and distributing it to the various local government entities. In my home State of Tennessee, the State Division of Property Utilization has been able to obtain for county and city road departments heavy construction equipment through the GSA Donation Program. The cost of this equipment was substantially lower than if purchased new. In fact, in one county, the superintendent of highways paid $30,000 for a pan-scraper that would of cost $250,000 new. These State agencies are not only saving taxpayers money, they provide an invaluable source of inexpensive, surplus Federal equipment that greatly benefits thousands of local communities across the country.

Mr. President, the legislation I am proposing today affords us a real opportunity to enable States and local communities to provide vital infrastructure improvements and other Government services. The value of some of this excess surplus property is immeasurable. My colleagues need only ask their respective State surplus agencies to find out what a difference this surplus equipment can make. I want to emphasize that this legislation will not end the Humanitarian Assistance Program, it will simply lessen its priority and allow States and local communities the first opportunity to obtain surplus construction and engineering equipment.

I urge my colleagues to support this important bill.●

Mr. HATCH. Mr. President, I am delighted to support my good friend from Tennessee. We are trying to come to grips with the self-help programs that our States need to develop in order to deal with our Nation's decaying infrastructure.

The Senator from Tennessee fears that much of the equipment declared excess by our military engineer organizations will be preempted by the Humanitarian Assistance Program when there is a genuine need at home. I share these fears but, like my friend from Tennessee, I do not want to cut off access by needy nations in the midst of a natural disaster. This equipment that can make the difference between continuing losses and recovery; indeed, in some cases, between life and death perhaps. And that is not the purpose of this bill.

Rather the bill establishes some rather basic priorities:

If equipment is excess to military use, priority access will go to state and local governments. This will be done by repealing the United States Code at 10 USC 2547 to lower the priority of the Humanitarian Assistance Program [HAP]. The President retains his ability to provide virtually any type of emergency assistance he determines to be appropriate to the crisis, but under different legislative authority. What is removed is the access that foreign countries now have.

We are already in the process of a major restructuring of the Armed Forces of the United States, and especially the Army, from which the great bulk of equipment will come. The critical priority here, Mr. President, is to assure that excess equipment, which will be released in ever-greater quantities, is made available first to our own domestic needs. There are several compelling reasons for this.

Needs, above all. I have heard from most of the countries in my own State of Utah: Salt Lake, Cache, Davis, Utah Counties, among others, as well as from dozens of cities: Providence City, Salt Lake City, Tooele, to name a few, all with the same message: taxes, competing expenditure targets, and equipment costs won't allow us to take care of our own roads and highways.

The equipment was built and bought for a threat scenario in Europe that has changed. Yet the need for the equipment is no less at home. By transferring excess equipment to domestic uses, many advantages accrue—the savings are obvious; but less obvious is the availability of such equipment in the event of mobilization. In this instance, well-maintained equipment could be returned immediately to military use. Obviously, this would not be the case if it were transferred abroad.

The amount of equipment potentially available, just from the Army's engineer units, and excluding almost half as much again that would be available from the other services com-

bined, is immense. Let me give you my own calculations which I have taken from standard Army organizational documents.

There is an engineer battalion for each division, amounting to 28 battalions for our 20 infantry, six armored and mechanized divisions, and two air assault or airborne divisions. For these units alone, the following engineer equipment is organic to the unit: over 1,000 dump trucks, 450 bulldozers, 200 scoop loaders, 136 graders, and 66 20-ton cranes. However, there are still another 10 separate engineer brigades, or 30 battalions, with about the same equipment. If 25 percent of this capacity is transferred back to the United States and inactivated, there could be an immediate release of over 500 dump trucks, for example, or about 225 bulldozers.

Mr. President, this is state-of-the-art equipment, often well beyond the needs of a humanitarian program. Moreover, as I have already said, even excess equipment could be treated as a mobilization asset under this bill because the items would be available.

Mr. President, we have done our share in making Europe safe and secure; and we will continue to provide a fair share. But keep this in mind: we have spent over $10 billion on European infrastructure, such as roads, highways, communications lines, airports, and so forth, in the past decade alone as part of our contribution to NATO. In a sense, we now suffer a three-way disadvantage: The Europeans have a modernized infrastructure; it enhances their competitiveness, for example, a German manufacturer will use this network to transport his products to the East European market at a significant shipping advantage over the U.S. exporter; and, finally, we must now pay for our own infrastructural recovery, having financed NATO's for 40 years.

My point is this: We need these items at home; yet we are no less sensitive to emergency needs abroad.

By Mr. DECONCINI (for himself and Mr. MCCAIN):

S. 2751. A bill to reform certain Indian programs, and for other purposes; to the Committee on Energy and Natural Resources.

INDIAN PROGRAMS REFORM ACT

● Mr. DECONCINI. Mr. President, I am pleased to be joined by my colleague Senator MCCAIN in introducing legislation today which will, in my opinion, provide for more accurate and efficient monitoring of the recovery of natural resources on Indian and Federal lands. This bill will ensure that we fulfill our trust responsibilities to native Americans.

In 1987, the Arizona Republic carried a series of investigative articles entitled "Fraud in Indian Country." A particular focus of these articles was the defrauding of Indian tribes and allottees of much-needed income from the sale of oil and gas found on their lands. Through specific examples, this investigative series exposed serious problems in the monitoring of natural resource activities on Indian lands.

In 1988, the Senate, in response to these allegations, created the Special Committee on Investigations, which I chaired. The charge of the special committee was to investigate these allegations and recommend solutions. For 2 years, the special committee poured over millions of pages of documents which were subpoenaed and gathered from industry, the Federal Government, and Indian organizations. We interviewed thousands of witnesses, and held hearings on a number of topics, including the monitoring of Indian natural resources.

The findings of the special committee in the area of natural resources have been summarized in our final report. I ask unanimous consent that this section of our report, pages 105 to 151, be included in the RECORD.

Our investigation found that large mineral-producing Indian tribes have encountered huge successes in developing their natural resources. However, the Federal Government, particularly the Department of the Interior, has been slow to provide assistance to these tribes and has been dilatory in allowing these tribes autonomy in monitoring their own mineral interests. I believe that no one is better suited to monitor tribal natural resource interests than the tribes themselves.

For Indian allottees and tribes with small quantities of minerals on their lands, the problems associated with the lack of adequate monitoring and accountability of their resources were found to have a much greater impact. These individuals usually receive less than a few thousand dollars per year in royalty income, and rely on this income to feed and shelter themselves and their families. These tribes are located in otherwise economically depressed areas and their modest royalty income provides some measure of relief to high unemployment and poor living conditions on their reservations.

These allottees and tribes rely primarily, if not totally, on the Department of the Interior to monitor their natural resources and the modest income derived from these resources. Yet, when close inspection of the mineral activities on their lands was called for and reports of theft needed investigation, the Department of the Interior's Bureau of Land Management [BLM] simply did not adequately carry out its responsibilities. The special committee found in that organization a callous indifference toward the inspection and monitoring of mineral activities on Indian lands.

The special committee further found that the Bureau of Indian Affairs was negligent in its responsibilities to distribute, in a timely fashion, royalty incomes to allottees and tribes so that they could avoid financial disaster. This agency's record of handling Indian funds, Indian inquiries and requests for help has been atrocious. For example, the special committee found that one Indian allottee was forced to live in an abandoned car when her royalty checks stopped coming and the BIA could not provide any answers to her questions.

Currently, BLM has the responsibility for the inspection of Indian lands and the duty to verify that the field production of oil and gas resources from Indian leases is accurately measured and reported. These Indian leases comprise slightly more than 16 percent of the total leases under BLM supervision. The Minerals Management Service [MMS] on the other hand, is responsible for ensuring that the proper amount of royalties are paid on that production, and the BIA has the responsibility to properly distribute the royalty payments to the Indian tribes and allottees. Vigorous enforcement and close coordination are essential to make this kind of system work. In fact, this has even been acknowledged by the BLM in their own report on their Inspection and Enforcement Program dated February 1990. On page 18 of this report concerning the sophisticated thefts of oil and gas resources it states:

> A major factor affecting the identification and investigation of suspected records falsification is the requirement for close coordination and cooperation between the BLM and MMS in integrating their respective roles in production and royalty accountability. The review and comparison of production and sales reports by MMS cannot be used alone to identify suspected theft. The production reports must be compared with independently measured production and run tickets verified by BLM on the ground.

The special committee found that in spite of these pronouncements, the BLM has failed to effectively coordinate with other agencies and take sufficient steps to detect and prevent thefts of Indian natural resources. As evidence of this, the General Accounting Office [GAO] found that the BLM does not fully verify production and that management controls and interagency cooperation are inadequate. Additionally, the Department of the Interior's Inspector General issued a report in November 1989 which expressed concern about the ability of the BLM to effectively monitor the accuracy of oil and gas production and urged more aggressive enforcement and coordination with the MMS. This current system of divided responsibilities among different agencies for the inspection of Indian lands, and the monitoring, collection, and distribu-

tion of Indian royalities has been a dismal failure.

The legislation which I introduce today will solve a number of the problems that currently exist in the monitoring of and accountability for Indian natural resources. First, this bill consolidates the monitoring, collection and distribution of Indian royalties, as well as inspection of Indian lands, into one agency—the Department of the Interior's Mineral Management Service. Second, to prevent the type of theft which the special committee uncovered, this bill provides a system of monitoring purchases of oil and gas from Indian and Federal lands by requiring that purchasers submit, to the proper parties, certified information on each removal run. The bill also includes criminal penalties for purchasers who fail to provide the required information. Specific criminal penalties have also been prescribed for the theft of natural resources from Indian and Federal lands. In addition, the Department of the Interior will be required to develop a plan that will ensure routine inspection of all meters and gauges relating to oil and gas production on Indian and Federal lands, and develop minimum standards for such meters and gauges. Any party which does not maintain its meters and gauges properly will be subject to civil sanctions. The Department and the Federal Bureau of Investigation will be required to work together and share information regarding natural resource theft from Indian lands. This will include FBI training for relevant Department personnel on inspecting lease sites and investigating theft.

In addition to the provisions discussed above, this bill also amends the Federal Oil and Gas Royalty Management Act of 1982 [FOGRMA] to allow more effective monitoring of Indian and Federal royalties. The first of these changes allows Indian tribes to receive 100 percent funding for any cooperative efforts they make to monitor their royalties. Currently Indian tribes receive only 50 percent funding, while States are entitled to receive 100 percent funding for making the same cooperative efforts.

Second, this legislation adds a number of procedural amendments to FOGRMA which will allow the Department of the Interior to issue civil penalties for violations enumerated within the Act, to cancel leases when appropriate, and to give rewards for information leading to the recovery of unpaid royalties due Indian tribes or allottees. Due to a 20-day cure period found within the original Act, the Department is, for all practical purposes, precluded from effectively issuing and collecting civil penalties. This cure period eliminates any deterrent effect of issuing penalties, and has prompted the Department to be lax in assessing penalties for certain violations. The Department has also encountered legal resistance from parties whose leases were subject to cancellation. Those parties have claimed that the Department has no authority to cancel Indian and Federal leases. Also, FOGRMA currently allows rewards to be given to individuals who provide information leading to the recovery of unpaid royalties on only Federal lands, not Indian lands. This bill corrects this inequity.

Third, this bill clarifies the Department's authority to require the maintenance of records and to conduct audits on Indian and Federal leases. The Department will require parties to maintain records for longer than the 6-year period currently prescribed in FOGRMA. Also, the Department will be allowed to audit leases anytime after the 6-year period.

The last amendment to FOGRMA expands the Department's authority to monitor and enforce leases on Indian and Federal lands to include the development and extraction of natural resources other than oil and gas. Currently, the provisions of FOGRMA extend only to oil and gas leases, which in 1988 accounted for over 52 percent of all Indian natural resource royalties collected by the Federal Government. However, coal leases account for another 41 percent of all Indian royalties, and other minerals such as copper and phosphate account for the remaining 6 or 7 percent.

Other provisions of this legislation include requiring MMS to compile and print annual royalty statistics which would be helpful to Indian tribes and allottees to monitor their own royalties. Those statistics will include the number of Indian leases audited by the Department during the past year, the product and geographic area relating to such leases, and the frequency and causes of underpayment. The bill directs the Department to provide the maximum amount of information in its statistics while at the same time assuring confidentiality.

Mr. President, as you know, the special committee has recommended much broader changes in the administration of programs which affect native Americans. On April 25, I introduced legislation which will codify the principal recommendation of the special committee. This new Federalism will enable Indian governments, if they so choose, to assume full control over their programs and funds. However, because the management of natural resources tends to be highly complex and technical in nature, some tribes may wish to rely on the Federal Government for assistance in this regard. The bill I am introducing today makes the Federal Government's role in the management of Indian natural resources more responsive to the needs of native Americans.

I ask unanimous consent that the bill and a synopsis of the legislation be printed in the RECORD.

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

S. 2751

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 "Indian Programs Reform Act of 1990".

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term "Federal lands" means lands and interests in land owned by the United States that are subject to the mineral leasing laws, including mineral resources and mineral estates reserved to the United States in the conveyance of a surface or nonmineral estate;

(2) the term "Indian allottee" means an Indian for whom land or an interest in land is held in trust by the United States or who holds title subject to a restriction against alienation imposed under Federal law;

(3) the term "Indian lands" means lands and interests in land of an Indian tribe or an Indian allottee that is held in trust by the United States or that is subject to a restriction against alienation imposed under Federal law, including mineral resources and mineral estates reserved to an Indian tribe or an Indian allottee in the conveyance of a surface or nonmineral estate, but not including lands subject to the Act entitled "An Act for the division of the lands of the Osage Indians in Oklahoma Territory, and for other purposes", approved June 28, 1906 (34 Stat. 539);

(4) the term "Indian tribe" means an Indian tribe, band, nation, pueblo, community, rancheria, colony, or other group of Indians for which land or an interest in land is held in trust by the United States or which is subject to a restriction against alienation imposed under Federal law;

(5) the term "lease" means a contract, profit-share agreement, joint venture agreement, or other agreement issued or approved by the United States under a mineral leasing law that authorizes exploration for, extraction of, or removal of natural resources;

(6) the term "natural gas" means combustible gas formed naturally within the Earth;

(7) the term "natural resources" means chat, coal, copper, gypsum, limestone, phosphate, sand, gravel, scoria, sulfur, and other commodities formed naturally within or upon the Earth;

(8) the term "oil" means unrefined oil, condensate, and refined oil or condensate to be blended with unrefined oil;

(9) the term "operator" means a person, including a lessee, who has control of or manages operations on a natural resource lease site on Federal lands or Indian lands; and

(10) the term "removal run" means the receipt of oil or natural gas by a purchaser of oil or natural gas in a transaction in which royalties accrue to the original owner of the oil or natural gas.

SEC. 3. TRANSFER OF FUNCTIONS.

Not later than 180 days after the date of enactment of this Act, the following functions, and any funds allocated or reserved for such functions, shall be transferred to the Minerals Management Service of the Department of the Interior:

(1) The distribution of royalty income to Indian tribes and Indian allottees, currently performed by the Bureau of Indian Affairs of the Department of the Interior.

(2) The enforcement of leases, including inspection duties involved with such enforcement, relating to the leasing of Indian lands, currently performed by the Bureau of Land Management of the Department of the Interior.

SEC. 4. REMOVAL FORMS.

(a) IN GENERAL.—A purchaser of oil or natural gas extracted from Federal lands or Indian lands who removes the oil or natural gas shall, for each removal run, provide a removal form to the operator and mineral-owner of the extracted oil or natural gas.

(b) CONTENTS OF FORM.—(1) The removal forms described in subsection (a) shall contain the following information:

(A) The total quantity of oil or natural gas removed during the removal run.

(B) The date and hour at which the removal run occurred.

(C) The temperature, gravity, and quality of the oil or natural gas that was removed.

(D) The license number of any vehicles involved in the removal or initial transport of the oil or natural gas.

(E) The names of the persons who participated in the removal or initial transport of the oil or natural gas.

(2) Each removal form shall be certified as true, under oath and subject to criminal penalty, by—

(A) at least 1 person who participated in the removal or transport of the oil or natural gas; and

(B) in the case of a purchase by a corporation, an officer of the corporation.

(3) A copy of a completed removal form shall be left on-site prior to transport, and subsequently sent to the mineral-owner not later than 15 days after removal of the oil or natural gas.

(4) For the purposes of this section, the term "mineral-owner" means—

(A) in the case of Federal lands, a representative of the United States Government; and

(B) in the case of Indian tribal lands, a representative of the tribe owning the land or mineral rights.

(5) In the case of a removal of oil or natural gas from Indian allotted land, removal forms shall be sent to a representative of the Department of the Interior and made available for inspection by the allottee owners.

(6) The Secretary of the Interior shall prescribe civil penalties for failure to prepare and certify removal forms or to submit a removal form to an operator or mineral-owner as required above by this section.

(7) A willful failure to prepare, certify, or provide a removal form as required by this section shall be subject to criminal penalties pursuant to section 8.

(8) The Secretary of the Interior shall promptly promulgate regulations to implement and enforce this section and sections 5 and 6.

SEC. 5. ANNUAL REPORTS.

(a) IN GENERAL.—A purchaser of oil or natural gas from Federal lands or Indian lands shall submit annually to the Department of the Interior a report, certified as true, subject to criminal penalties, by an authorized representative of the purchaser, listing figures, reported to the purchaser by its gaugers, employees, or other representatives charged with receiving or transferring such oil or natural gas during the previous year, describing in detail transactions in which—

(1) the purchaser received more oil or natural gas than it paid for; and

(2) the purchaser received less oil or natural gas than it paid for.

(b) APPLICATION.—Subsection (a) shall apply only to transactions in which royalties accrue to the United States, an Indian tribe, or an Indian allottee.

SEC. 6. OIL AND NATURAL GAS METERS.

(a) IN GENERAL.—The Secretary of the Interior shall establish guidelines for the maintenance and inspection of on-site meters used to gauge the production and purchase of oil and natural gas on Federal lands and Indian lands.

(b) CONTENTS OF GUIDELINES.—The guidelines described in subsection (a) shall—

(1) detail minimum quality standards for such meters;

(2) ensure that all such meters will be inspected on a periodic basis; and

(3) prescribe mandatory civil penalties to be assessed against owners of meters which, upon inspection, do not meet minimum quality standards.

SEC. 7. JOINT WORKING GROUP.

The Director of the Federal Bureau of Investigation, in conjunction with the Secretary of the Interior, shall create a joint working group for the purposes of—

(1) increasing the flow of information between the Federal Bureau of Investigation and the Department of the Interior regarding thefts or reports of theft of natural resources from Indian lands; and

(2) providing training seminars conducted by experienced representatives of the Federal Bureau of Investigation for the purpose of assisting Department of the Interior personnel with their inspection and investigation duties involving natural resource theft from Indian lands.

SEC. 8. PENALTIES.

(a) VIOLATIONS RELATING TO REMOVAL FORMS.—Whoever knowingly or willfully—

(1) forges a signature on a removal form completed pursuant to this Act;

(2) submits false, misleading or inaccurate material information on such removal forms; or

(3) fails to submit removal forms or provide all material data on such removal forms as required by this Act,

shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

(b) OTHER VIOLATIONS.—Whoever—

(1) knowingly or willfully prepares, maintains, or submits to any Federal agency false, inaccurate, or misleading reports, notices, removal forms, or other removal documents, affidavits, records, data, or other written information relating to the lease of Federal lands or Indian lands for the purpose of exploration, extraction of, or removal of oil, natural gas, or other natural resources;

(2) knowingly or willfully takes, removes, transports, uses, or diverts any oil, natural gas, or other natural resources from any lease site or Federal lands or Indian lands without legal authority; or

(3) purchases, accepts, sells, transports, or conveys to another, any oil, natural gas, or other natural resource knowing or having reason to know that such oil, natural gas, or other natural resource was stolen or unlawfully removed or diverted,

shall be fined not more than $500,000, imprisoned not more than 5 years, or both.

SEC. 9. PENALTIES FOR VIOLATION OF THE FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT.

Section 109 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1719) is amended—

(1) by amending subsections (a), (b), (c), and (d) to read as follows:

"(a)(1) Any person who—

"(A) fails or refuses to comply with any requirements of this Act (including failure to provide records within a reasonable time alter a request by the Secretary under this Act) or any mineral leasing law, any rule or regulation thereunder, or the terms of any lease or permit issued thereunder; or

"(B) fails to permit inspection authorized in section 108 or fails to notify the Secretary of any assignment under section 102(a)(2),

shall be liable for a penalty of up to $1,000 per violation for each day such violation continues, dating from the date such person is given written notice of violation by the Secretary.

"(2) A penalty under this section may not be applied to any person who is otherwise liable for a violation of paragraph (1) if the violation was discovered and reported to the Secretary or the Secretary's authorized representative by the liable person and corrected within such time as the Secretary may agree to.

"(b) If corrective action is not taken within 40 days or such longer period as the Secretary may agree to, after written notice of violation by the Secretary, such person shall be liable for a civil penalty of not more than $5,000 per violation for each day the violation continues, dating from the date of such notice.

"(c) Any person who—

"(1) knowingly or willfully fails to make any royalty payment by a date specified by statute, regulation, order, or lease term;

"(2) fails or refuses to permit lawful entry, inspection, or audit; or

"(3) knowingly or willfully fails or refuses to comply with section 102(b)(3),

shall be liable for a penalty of up to $10,000 per violation for each day the violation continues, and, at the discretion of the Secretary, cancellation of the lease to which the violation relates.

"(d) Any person who—

"(1) knowingly or willfully prepares, maintains, or submits false, inaccurate, or misleading reports, notices, removal forms, run tickets or other removal documents, affidavits, records, data, or other written information;

"(2) knowingly or willfully takes, removes, transports, uses, or diverts any oil, gas, or other natural resource from any lease site without legal authority; or

"(3) purchases, accepts, sells, transports, or conveys to another, any oil, gas, or other natural resource, knowing or having reason to know that the oil, gas, or other natural resource was stolen or unlawfully removed or diverted,

shall be liable for a penalty of up to $50,000 per violation for each day the violation continues, and, at the discretion of the Secretary, cancellation of the lease to which the violation relates."; and

(2) by inserting at the end thereof the following new subsection:

"(m)(1) The Secretary may issue an order canceling a lease on Federal lands, Indian lands, or the Outer Continental Shelf, if the Secretary determines that the lessee has failed or refused to comply with an order to

pay royalties within 30 days after issuance of a notice to the lessee of the effectiveness of such order and nonpayment.

"(2) No order canceling a lease shall be issued until the lessee has been given the opportunity for a hearing on the record.

"(3) In a proceeding to control the cancellation of a lease pursuant to an order issued under this subsection, the lessee may not assert as a defense that the order to pay royalty is invalid.".

SEC. 10. REWARDS.

Section 113 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1723) is amended by striking "with respect to any oil and gas lease on Federal lands or the Outer Continental Shelf" and inserting ", an Indian tribe, or an Indian allottee with respect to any oil, gas, or other natural resource lease of Federal lands, Indian lands, or the Outer Continental Shelf".

SEC. 11. RECORDKEEPING.

Section 103(b) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1713) is amended by inserting at the end thereof the following new sentence:

"Nothing in this Act shall limit the authority of the Secretary to—

"(1) conduct audits after expiration of the 6-year period referred to in the preceding sentence; or

"(2) require maintenance and production of records beyond the expiration of that 6-year period, without necessity of initiating an audit.".

SEC. 12. COOPERATIVE AGREEMENTS.

(a) Section 202 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1732) is amended—

(1) by striking "Indian tribe" each place it appears and inserting "Indian tribe or duly recognized and qualified audit representative of an organization of Indian allottees"; and

(2) inserting at the end thereof the following new subsection:

"(d) The Secretary may compensate any Indian tribe or any duly recognized and qualified organization of Indian allottees for direct costs needed to participate in a cooperative agreement pursuant to this Act.".

SEC. 13. AMENDMENT OF THE FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT OF 1982 TO GOVERN REMOVAL OF NATURAL RESOURCES OTHER THAN OIL AND NATURAL GAS.

(a) Section 2(a) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701) is amended in paragraphs (2), (3), and (4) by striking "oil and gas" and inserting "oil, gas, and other natural resources".

(b) Section 2(b) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701) is amended—

(1) in paragraph (1) by striking "oil and gas" and inserting "oil, gas, and other natural resources";

(2) in paragraphs (2) and (3) by striking "oil and gas" and inserting "oil, gas, and other natural resources"; and

(3) in paragraph (4) by striking "oil and gas resources" and inserting "oil, gas, and other natural resources".

(c) Section 3 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1702) is amended—

(1) by redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (6), (7), (8), (9), and (10);

(2) by inserting after paragraph (4) the following new paragraph:

"(4) 'gas' means any gas originating from, or allocated to, the Outer Continental Shelf, Federal, or Indian lands;";

(3) in paragraph (10), as redesignated by paragraph (1) of this subsection, by striking "or gas" each place it appears;

(4) by redesignating paragraphs (11), (12), (13), (14), (15), and (16) as paragraphs (12), (13), (14), (15), (16), (17), and (18);

(5) by inserting after paragraph (10), as redesignated by paragraph (1) of this subsection, the following new paragraph:

"(11) 'other natural resource' means chat, coal, copper, gypsum, limestone, phosphate, sand, gravel, scoria, sulfur, and other commodities formed naturally within or upon the Earth;";

(6) in paragraphs (6), (7), (9), (15), and (16), as redesignated by paragraph (1) of this subsection, by striking "oil or gas" each place it appears and inserting "oil, gas, or other natural resources"; and

(7) in paragraph (13), as redesignated by paragraph (1) of this subsection, by striking "oil and gas" and inserting "oil, gas, or other natural resource".

(d) Section 101 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1711) is amended—

(1) in subsection (a) by striking "oil and gas" and inserting "oil, gas, or other natural resources";

(2) in subsection (b)(1) by striking "oil and gas" and inserting "oil, gas, or other natural resources"; and

(3) in subsection (c) (1) and (2) by striking "oil and gas" and inserting "oil, gas, or other natural resources".

(e) Section 102 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1712) is amended—

(1) in subsection (b) (1) and (2) by striking "oil and gas" and inserting "oil, gas, or other natural resources";

(2) in subsection (c)(1) by striking "oil" each place it appears and inserting "oil or other natural resources"; and

(3) in subsection (c)(2) by striking "oil or gas" each place it appears and inserting "oil, gas, or other natural resources".

(f) Section 103 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1713) is amended—

(1) in subsection (a) by striking "oil or gas" and inserting "oil, gas, or other natural resources"; and

(2) in subsection (b) by striking "oil and gas" and inserting "oil, gas, and other natural resource".

(g) Section 104(b) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1714) is amended by striking "oil or gas" and inserting "oil, gas, or other natural resources".

(h) Section 105(a) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1715(a)) is amended by striking "oil or gas" each place it appears and inserting "oil, gas, or other natural resource".

(i) Section 106 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1716) is amended by striking "oil or gas" and inserting "oil, gas, or other natural resource".

(j) Section 108(a) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1718(a)) is amended—

(1) in paragraph (1) by—

(A) striking "oil" the first place it appears and inserting "oil or another natural resource"; and

(B) striking "oil" the second place it appears and inserting "oil or other natural resource"; and

(2) in paragraph (2) by striking "oil" and inserting "oil or other natural resource".

(k) Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721) is amended—

(1) in subsection (a) by striking "oil or gas" and inserting "oil, gas, and other natural resource"; and

(2) in subsection (b) by striking "oil or gas" and inserting "oil, gas, or other natural resource".

(l) Section 201 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1731) is amended by striking "oil or gas" and inserting "oil, gas, and other natural resource".

(m) Section 202 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1732) is amended—

(1) in subsection (a) by striking "oil or gas" and inserting "oil, gas, or other natural resource"; and

(2) in subsection (b) by striking "oil or gas" each place it appears and inserting "oil, gas, or other natural resources".

(n) Section 204(a)(1) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1734(a)(1)) is amended by striking "oil and gas" and inserting "oil, gas, or other natural resource".

(o) Section 308 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1756) is amended by striking "oil or gas" and inserting "oil, gas, or other natural resource".

SEC. 14. LEASE STATISTICS.

The Minerals Management Service shall print annually statistics on the number of Indian tribal and allottee leases audited during the past year, the product and geographic area relating to each lease, and the frequency and causes of underpayment, if any, discovered as a result of such audits. Such statistics shall be made available to any Indian lessor upon written request by the lessor. In producing such statistics, the Minerals Management Service shall strive to provide the maximum amount of information while at the same time assuring necessary confidentiality, where appropriate, to lessors, lessees, and royalty payors.

SYNOPSIS OF PROPOSED BILL

Sec. 1. Short title: Indian Programs Reform Act of 1990.

Sec. 2. Definitions: This section sets forth specific definitions to be applied throughout the legislation in regard to natural resources, leases, Federal and Indian lands, Indian Tribes and individual allottees and similar specific terms.

Sec. 3. Transfer of functions: This section transfers to the Minerals Management Service (MMS):

a. Indian royalty distribution function from Bureau of Indian Affairs (BIA).

b. Inspection and enforcement authority over Indian leases from the Bureau of Land Management (BLM).

Sec. 4. Removal forms: Purchasers of oil and gas will provide a detailed removal form for each taking. The form will be certified as true subject to civil and criminal penalties for failure to prepare, certify and/or submit the form to the proper persons.

Sec. 5. Annual reports: Purchasers of oil and natural gas from Federal and Indian lands must submit specified annual reports to the Secretary of the Interior describing all transactions in which either more or less oil and gas were received than actually paid for.

Sec. 6. Oil and natural gas meters: The Secretary of the Interior shall establish guidelines for the maintenance and inspection of on-site meters used to gauge production and purchase of oil and gas on Federal and Indian lands.

Sec. 7. Joint working group: The Director of the FBI and the Secretary of the Interior will create a joint working group to facilitate the sharing of information on and training in the detection, investigation and prevention of fraud and theft of natural resources from Federal and Indian lands.

Sec. 8. Penalties: Felony provisions (5 years/$250,000) provided for fraud regarding removal forms. Felony provisions (5 years/$500,000) provided for: (1) other fraudulent statements or reports concerning leases for exploration, extraction or removal of natural resources from Federal or Indian lands; (2) taking, diverting, using or transporting natural resources from Federal or Indian lands (theft); and (3) sale, transfer, purchase or receipt of stolen natural resources.

Sec. 9. Penalties for violation of the Federal Oil and Gas Royalty Management Act (FOGRMA): Amends section 109 of FOGRMA:

(1) Provides civil penalties up to $1,000 per day for non compliance with mineral leasing laws and regulations or failure to permit authorized inspections. If corrective action is not taken in 40 days, the penalties escalate to not more than $5,000 per day of continuing violation. This eliminates the current 20 day "cure" period for assessment of civil penalties.

(2) Willful failure to pay a royalty due by a required date can result in a penalty of up to $10,000 per day and cancellation of the lease.

(3) Willful fraud in records or the submission of documents, illegal taking, transferring or receiving of natural resources that were stolen, or unlawfully removed or diverted can result in daily penalties up to $50,000 and cancellation of the particular lease.

(4) Gives authority to the Secretary of the Interior to issue a cancellation order on any lease on Federal or Indian lands or the Outer Continental Shelf if the lessee fails to comply with an order to pay royalties within 30 days.

Sec. 10. Rewards: Amends section 113 of FOGRMA to include rewards for information leading to the recovery of unpaid royalties due Indian Tribes or allottees.

Sec. 11. Recordkeeping: Amends section 103(b) of FOGRMA to clarify authority to require the maintenance of records and the audit of Indian and Federal leases and to do so beyond the courrent six year period.

Sec. 12. Cooperative agreements: Amends section 202 to include representatives of Indian allottees and to provide for payment of compensation for direct costs needed to participate in a cooperative agreement.

Sec. 13. Amendment of FOGRMA to govern removal of natural resources other than oil and natural gas: Amends all necessary sections of FOGRMA to expand the act's application to other natural resources such as coal and copper.

Sec. 14. Lease statistics: The MMS will be required to compile and print annual royalty statistics which will be helpful to Indian Tribes and allottees in monitoring their own royalties.●

By Mr. JOHNSTON (for himself, Mr. BENTSEN, and Mr. WIRTH):

S.J. Res. 335. Joint resolution designating July 1, 1990, as "Imported Oil Dependence Day"; to the Committee on the Judiciary.

IMPORTED OIL DEPENDENCE DAY

● Mr. JOHNSTON. Mr. President, oil imports are surging into this country in volumes that we have not experienced since the 1970's. These imports are bleeding our economy and they constitute a threat to our national security. Today I am introducing a joint resolution which would designate July 1, 1990 as Imported Oil Dependence Day.

I have deliberately proposed July 1 because it is just 3 days before the Fourth of July—the day we celebrate the independence of our country. We should be proud of our history of over 200 years of independence and freedom, but we must also be aware of forces that threaten that independence.

Our Nation's dependence on foreign oil is large and growing. In May we imported 8.5 million barrels every day—about 52 percent of our needs. Current forecasts show that we could soon be importing over two-thirds of our oil.

The bill we pay for this oil is huge. It will be about $50 billion this year. That is a $50 billion hemorrhage of money flowing out of the country. It accounts for fully one-half of our total trade deficit.

Our oil import bill is projected to grow dramatically. According to the Department of Energy, by the year 2000, it will double to $100 billion. By the year 2010, it will be over $160 billion. Let me emphasize, those are real 1990 dollars.

Personally, I think the DOE forecast is optimistic. Former Energy Secretary James Schlesinger recently testified before my committee and predicted that domestic production will decline faster than what DOE projects. The difference will be made up by more foreign oil.

We are already struggling with a high, stubborn trade deficit. We are paying for it largely by going deeper into debt and selling off our assets. There are some positive signs that our exports are expanding and this will help. But how will we ever close the trade deficit when our oil import bill doubles, then triples.

In addition to bleeding our economy, oil imports pose a security threat. We know what happens when a nation becomes too dependent on outside energy sources. We have the experience of the 1970's to reflect upon. Two oil crises drove up the price of oil and helped throw the economy into recession. In the first oil crisis, our Nation was the target of a politically inspired oil supply boycott. In the second crisis, the shortage was small but price rise was very large.

If past events do not provide sufficient warning, we should look to the more recent experience of Lithuania. That country has felt the noose of an energy cutoff tighten around its neck.

These twin problems—a bleeding economy and the energy security threat—cry out for an aggressive policy to expand our domestic energy supplies and reduce our oil imports. I propose to designate July 1 as Imported Oil Dependence Day in order to call attention to the pressing problems.

The administration seems mired in an interminable review of energy policy options. Congress has been occupied with the Clean Air Act amendments and the annual budget battles. We need to raise our level of attention to energy matters.

I am happy to report that Congress is making some progress toward mitigating the energy security threat. The Senate recently passed S. 2088, a bill that would expand the strategic petroleum reserve to 1 billion barrels. The House is considering similar legislation. Unfortunately, the administration opposes this expansion. Yet it still has offered no plan to deal with the economic and security implications of rapidly rising oil imports.

Mr. President, for all these reasons, I am introducing this joint resolution. I urge my colleagues to support it. I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 335

Whereas the health of the American economy is dependent on adequate supplies of energy at reasonable prices; and

Whereas the United States is dependent upon foreign supplies for close to fifty percent of its daily oil needs; and

Whereas that oil dependence is predicted to grow significantly in the decade to come; and

Whereas our nation's oil import bill now accounts for half of the trade deficit; and

Whereas if present trends in production and consumption continue, our nation's oil import bill could double and triple over the next ten to twenty years, and

Whereas the economic and national security of the United States and the independent conduct of America's foreign policy is threatened by high levels of oil imports: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 1, 1990 is designated "Imported Oil Dependence Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate activities promoting awareness of oil imports and the problems they pose for the nation.

Resolved further, That the Secretary of Energy is directed to issue a report to Congress on July 1 of every year indicating the extent to which the United States relied on imported oil during the previous one-year period, and the extent to which it is projected to rely on imported oil during the coming one-year period.●

ADDITIONAL COSPONSORS

S. 160

At the request of Mr. THURMOND, the names of the Senator from Mississippi [Mr. LOTT], and the Senator from Hawaii [Mr. INOUYE] were added as a cosponsors of S. 160, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate U.S. participation in that conflict.

S. 260

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 260, a bill to amend the Internal Revenue Code of 1986 to make the exclusion from gross income of amounts paid for employee educational assistance programs.

S. 416

At the request of Mr. DOMENICI, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost-of-living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 513

At the request of Ms. MIKULSKI, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 513, a bill to amend chapters 83 and 84 of title 5, United States Code, to extend certain retirement provisions of such chapters which are applicable to law enforcement officers to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the U.S. Customs Service, and revenue officers of the Internal Revenue Service.

S. 874

At the request of Mr. FORD, the names of the Senator from Louisiana [Mr. BREAUX], and the Senator from Nebraska [Mr. EXON] were added as cosponsors of S. 874, a bill to establish national voter registration procedures for Presidential and congressional elections, and for other purposes.

S. 1170

At the request of Mr. INOUYE, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 1170, a bill to amend the Federal Aviation Act of 1958 to provide for the establishment of limitations on the duty time for flight attendants.

S. 1384

At the request of Mr. DASCHLE, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 1384, a bill to amend the XVIII of the Social Security Act to provide direct reimbursement under part B of Medicare for nurse practitioner or clinical nurse specialist services that are provided in rural areas.

S. 1690

At the request of Mr. DODD, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 1690, a bill to establish programs to improve foreign language instruction, and for other purposes.

S. 1808

At the request of Mr. BREAUX, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1808, a bill to amend section 468A of the Internal Revenue Code of 1986 with respect to deductions for decommissioning costs of nuclear powerplants.

S. 1834

At the request of Mr. LIEBERMAN, the names of the Senator from New York [Mr. MOYNIHAN], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of S. 1834, a bill to recognize and grant a Federal charter to the organization known as the Supreme Court Historical Society.

S. 1911

At the request of Mr. DODD, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1911, a bill to provide assistance in the development of new or improved programs to help younger individuals through grants to the States for community planning, services, and training; to establish within the Department of Health and Human Services an operating agency to be designated as the Administration on Children, Youth, and Families; to provide for a White House Conference on Young Americans; and for other purposes.

S. 1923

At the request of Mr. REID, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1923, a bill to protect the rights of victims of crime and to establish a Federal victim's bill of rights for children.

S. 1981

At the request of Mr. HOLLINGS, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1981, a bill to permit the Bell Telephone Companies to conduct research on, design, and manufacture telecommunications equipment and for other purposes.

S. 2032

At the request of Mr. COHEN, the names of the Senator from New Mexico [Mr. DOMENICI], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 2032, a bill to amend the Internal Revenue Code of 1986 to provide for a credit for health insurance expenses.

S. 2044

At the request of Mr. BIDEN, the names of the Senator from Florida [Mr. GRAHAM], the Senator from Iowa [Mr. HARKIN], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 2044, a bill to require tuna products to be labeled respecting the method used to catch the tuna, and for other purposes.

S. 2056

At the request of Mr. HARKIN, the names of the Senator from Alabama [Mr. SHELBY], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 2056, a bill to amend title XIX of the Public Health Service Act to provide grants to States and implement State health objectives plans, and for other purposes.

S. 2071

At the request of Mr. PACKWOOD, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 2071, a bill to amend the Internal Revenue Code of 1986 to provide incentives for savings and investments in order to stimulate economic growth.

S. 2112

At the request of Mr. METZENBAUM, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 2112, a bill to amend the National Labor Relations Act to prevent discrimination based on participation in labor disputes.

S. 2229

At the request of Mr. DODD, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 2229, a bill to reauthorize the Head Start Act for fiscal years 1991 through 1994, and for other purposes.

S. 2236

At the request of Mr. MCCONNELL, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2236, a bill to amend the Housing Act of 1949.

S. 2247

At the request of Mr. GRAHAM, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 2247, a bill to establish the Florida Keys National Marine Sanctuary in the State of Florida and for other purposes.

S. 2270

At the request of Mr. LIEBERMAN, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 2270, a bill to amend title 5, United States Code, to establish a pay schedule, to revise the rates of pay for Federal Fire Service personnel, and for other purposes.

S. 2283

At the request of Ms. MIKULSKI, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Hawaii [Mr. INOUYE], the Senator from Wyoming [Mr. SIMPSON], the Senator from Michigan [Mr. RIEGLE],

the Senator from Pennsylvania [Mr. HEINZ], the Senator from Maine [Mr. COHEN], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 2283, a bill to amend the Public Health Service Act to establish a program of grants for the prevention and control of breast and cervical cancer, and for other purposes.

S. 2286

At the request of Mr. HOLLINGS, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 2286, a bill to require the Secretary of Transportation to lead and coordinate Federal efforts in the development of magnetic levitation transportation technology and foster implementation of a magnetic levitation transportation system.

S. 2290

At the request of Mr. HEINZ, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2290, a bill to amend titles II and XVI of the Social Security Act to improve widow's and widower's eligibility for insurance benefits and children's eligibility for supplemental security income benefits.

S. 2414

At the request of Mr. WILSON, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 2414, a bill to amend the Public Health Service Act to establish a program of formula grants for compensating certain trauma care centers for unreimbursed costs incurred with respect to undocumented aliens.

S. 2415

At the request of Mr. DOMENICI, the names of the Senator from Oregon [Mr. PACKWOOD], the Senator from Washington [Mr. ADAMS], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Alabama [Mr. SHELBY], were added as cosponsors of S. 2415, a bill to encourage solar and geothermal power production by removing the size limitations contained in the Public Utility Regulatory Act of 1978.

S. 2489

At the request of Mr. LEAHY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2489, a bill to improve the nutritional health of needy Americans, to provide emergency food assistance, to authorize several vital nutrition programs, and for other purposes.

S. 2568

At the request of Mr. BIDEN, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 2568, a bill to establish the Counter-Narcotics Technology Assessment Center within the Office of National Drug Control Policy, and for other purposes.

S. 2604

At the request of Mr. GRAHAM, the names of the Senator from California [Mr. WILSON] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 2604, a bill to facilitate the use of pesticides that are registered for agricultural minor uses, to establish the Inter-Regional Research Project No. 4 (IR-4 Program), and for other purposes.

S. 2675

At the request of Mr. KOHL, the names of the Senator from Kansas [Mr. DOLE] and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 2675, a bill to amend title 13, United States Code, to provide for the enumeration in the census of members of the Armed Forces assigned outside of the United States, and for other purposes.

S. 2680

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 2680, a bill to provide for the relief of certain persons in Stone County, Arkansas deprived of property as a result of a 1973 dependent resurvey by the Bureau of Land Management.

S. 2688

At the request of Mr. GRAHAM, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 2688, a bill to amend section 21B of the Federal Home Loan Bank Act to provide for Resolution Funding Corporation borrowing from the Treasury.

S. 2689

At the request of Mr. HEINZ, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2689, a bill to amend title XVIII of the Social Security Act to provide for medicare coverage of the costs of home hemodialysis staff assistance, and for other purposes.

S. 2712

At the request of Mr. DIXON, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 2712, a bill to establish a Financial Services Crime Division in the Department of Justice.

S. 2721

At the request of Mr. LIEBERMAN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2721, a bill to amend title 18 of the United States Code to give the Secret Service jurisdiction to assist in investigating certain financial crimes arising from the savings and loan crisis.

S. 2729

At the request of Mr. CHAFEE, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 2729, a bill to amend the Coastal Barrier Resources Act, and for other purposes.

S. 2744

At the request of Mr. KASTEN, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2744, a bill to amend the Internal Revenue Code of 1986 to provide for a maximum long-term capital gains rate of 15 percent and indexing of certain capital assets, and for other purposes.

SENATE JOINT RESOLUTION 273

At the request of Mr. BREAUX, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Joint Resolution 273, a joint resolution to designate the week of October 7-13, 1990 as "National Health Care Food Service Week."

SENATE JOINT RESOLUTION 279

At the request of Mr. SPECTER, the names of the Senator from Delaware [Mr. BIDEN], the Senator from Maine [Mr. COHEN], the Senator from Georgia [Mr. NUNN], the Senator from Delaware [Mr. ROTH], the Senator from Idaho [Mr. MCCLURE], the Senator from South Carolina [Mr. THURMOND], and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of Senate Joint Resolution 279, a joint resolution to designate the week of September 16, 1990, through September 22, 1990, as "National Rehabilitation Week."

SENATE JOINT RESOLUTION 282

At the request of Mr. WILSON, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Joint Resolution 282, a joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Child."

SENATE JOINT RESOLUTION 283

At the request of Mr. CRANSTON, the names of the Senator from Hawaii [Mr. INOUYE] the Senator from Maryland [Ms. MIKULSKI], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of Senate Joint Resolution 283, a joint resolution to commemorate the centennial of the creaton by Congress of Yosemite National Park.

SENATE JOINT RESOLUTION 284

At the request of Mr. BYRD, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of Senate Joint Resolution 284, a joint resolution to designate the week beginning September 16, 1990 as "National Give the Kids a Fighting Chance Week."

SENATE JOINT RESOLUTION 290

At the request of Mr. ARMSTRONG, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 290, a joint resolution to designate the week of July 22, 1990, through July 28, 1990, as the "National Week of Recognition

and Remembrance for Those Who Served in the Korean War.

SENATE JOINT RESOLUTION 293

At the request of Mr. RIEGLE, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Joint Resolution 293, a joint resolution designate November 6, 1990, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 296

At the request of Mr. SPECTER, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Joint Resolution 296, a joint resolution designating August 7, 1990, as "National Neighborhood Crime Watch Day."

SENATE JOINT RESOLUTION 299

At the request of Mr. JOHNSTON, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Joint Resolution 299, a joint resolution to designate the period October 1, 1990, through October 1, 1991, as the "Year of the Wetlands."

SENATE JOINT RESOLUTION 305

At the request of Mr. THURMOND, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Indiana [Mr. COATS], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of Senate Joint Resolution 305, a joint resolution to designate the month of September 1990, as "National Awareness Month of Children with Cancer."

SENATE JOINT RESOLUTION 328

At the request of Mr. SPECTER, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Indiana [Mr. COATS], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from South Carolina [Mr. THURMOND], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. CHAFEE], the Senator from California [Mr. CRANSTON], the Senator from Idaho [Mr. MCCLURE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Georgia [Mr. NUNN], the Senator from Washington [Mr. ADAMS], the Senator from Alaska [Mr. STEVENS], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of Senate Joint Resolution 328, a joint resolution designating October 1990 as "National Domestic Violence Awareness Month."

SENATE JOINT RESOLUTION 329

At the request of Mr. KASTEN, the names of the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. RIEGLE], the Senator from Rhode Island [Mr. PELL], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 329, a joint resolution to designate the week of June 17, 1990 through June 23, 1990 as "National Week to Commemorate the Victims of the Famine in Ukraine, 1932-1933", and to commemorate the Ukrainian famine of 1932-1933 and the policies of Russification to suppress Ukrainian identity.

SENATE CONCURRENT RESOLUTION 127

At the request of Mr. KENNEDY, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of Senate Concurrent Resolution 127, a concurrent resolution to express the sense of Congress that Greyhound Lines, Inc., and the Amalgamated Transit Union should pursue meaningful negotiations under the auspices of the Federal Mediation and Conciliation Service and the Secretary of Labor to resolve their dispute and restore vital transportation services to American communities.

SENATE CONCURRENT RESOLUTION 134

At the request of Mr. HEINZ, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from Georgia [Mr. FOWLER], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of Senate Concurrent Resolution 134, a concurrent resolution expressing the sense of Congress concerning a 1991 White House Conference on Aging.

AMENDMENTS SUBMITTED

NATIONAL AFFORDABLE HOUSING ACT

HEINZ AMENDMENT NO. 2023

Mr. HEINZ proposed an amendment to the bill (S. 566) to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase home ownership; and for other purposes, as follows:

At the end of the Committee amendment add the following new section:

ELDERLY HOUSING NEEDS IN THE UNITED STATES

SEC. . (a) FINDINGS.—The Congress finds that—

(1) there is a large and growing demand for suitable and affordable housing for elderly Americans;

(2) to remain independent and avoid premature placement into nursing homes, elderly persons will need adequately subsidized federally sponsored housing projects;

(3) persons 85 and over are the fastest growing segment of the elderly population and are in greater need of support services to remain independent.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should recognize the unique needs of persons 85 and over and attempt to design Federal housing programs recognizing such needs.

HEINZ AMENDMENT NO. 2024

Mr. HEINZ proposed an amendment to amendment No. 2023 proposed by him to the bill S. 566, supra, as follows:

In lieu of the matter proposed to be inserted, insert the following:

It shall not be in order in the Senate to consider any bill dealing with the public debt, or amendment or conference report thereon if Congress has not acted to remove the OASDI revenues and expenditures from the calculation of the deficit of the United States Government pursuant to the Gramm-Rudman-Hollings Deficit Reduction Act.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that a field hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The field hearing will take place July 6, 1990, beginning at 10 a.m. and conclude at approximately 12 noon. The hearing will be held in the Dona Ana Branch Community College, 3400 South Espina, Las Cruces, NM.

The purpose of the hearing is to receive testimony on S. 2684, a bill to authorize a study of methods to protect and interpret the nationally significant fossil trackways found in the Robledo Mountains near Las Cruces, NM.

Because of the limited time available for the hearing, witnesses may testify by invitation only. It will be necessary to place witnesses in panels and place time limits on the oral testimony. Witnesses testifying at the hearing are requested to bring 10 copies of their testimony with them on the day of the hearing. Please do not submit testimony in advance.

Written statements may be submitted for the hearing record. It is necessary only to provide one copy of any material to be submitted for the record. If you would like to submit a statement for the record, you may send it to the Subcommittee on Public Lands, National Parks and Forests, room 364 of the Dirksen Senate Office Building, Washington, DC 20510 or Senator BINGAMAN'S office in Las Cruces, NM.

For further information regarding the hearing, please contact Alice Salcido in Senator BINGAMAN'S Las Cruces office at (505) 523-6561 or Tom Williams of the subcommittee staff at (202) 224-7145.

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on Thursday, June 28, 1990, to examine the impact of Social Security payroll taxes on small businesses. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 9:30 a.m. For further information, please call Cesar Conda of Senator

KASTEN's office at 224-8656, or Chuck Ludlam of the committee staff at 224-5175.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing has been scheduled before the Subcommittee on Energy Research and Development.

The purpose of the hearing is to receive testimony on the Department of Energy's uranium enrichment enterprise and the independent financial assessment prepared by Smith Barney, Harris Upham & Co.

The hearing will take place on Tuesday, June 26, 1990, at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

Those wishing to provide written testimony for the printed hearing record should send it to the Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510, Attn: Cheryl Moss.

For further information, please contact Cheryl Moss at (202) 224-7569.

ADDITIONAL STATEMENTS

EVERY DAY IS EARTH DAY AT MAGAHAY ELEMENTARY

● Mr. RIEGLE. Mr. President, the observance across the country of Earth Day on April 20 has inspired many people to take steps to improve our environment. I am pleased today to recognize the fourth grade class of Magahay Elementary School, in Sterling Heights, Michigan. These concerned students realized that they were throwing away an enormous amount of garbage each day after their lunch. They collected 1,589 drink containers, 878 paper bags, and 751 plastic bags. One student wrote to tell me that just one week they had enough plastic and paper bags to encircle their school twice. They determined that in one year, the 500 students at Magahay Elementary would together throw away over 30,000 drink containers, 18,000 plastic bags, and 35,000 paper bags.

As a result of their study, each student pledged to take five steps to reduce what they throw away. The pledge of one fourth grader, who wrote to me about the project, are as follows:

1. I will always bring a "Trash-free" lunch to school which contains a lunch box, tupperware for sandwiches or goodies and a thermos.
2. I will try to put less garbage in the trash can.
3. I will convince two people to recycle things so they can convince two others and it goes on.
4. Whenever someone gives me a present for my birthday, I will neatly unwrap my present and use the paper over.
5. From now on, I will plant as many trees as I can.

The students at Magahay Elementary have decided to make every day Earth Day. As their Senator, I am proud of the steps they are taking to keep our Earth a clean, healthy, and beautiful place to live. If every community, family, and individual were to follow the example of these young people, we would make great strides in protecting our fragile environment. The battle to save our planet will only be won if each individual signs up for the fight.●

STEEL SUBSIDY OF THE DAY NO. 3: ITALY

● Mr. HEINZ. Mr. President, recently I have made some remarks focusing on President Bush's efforts to build an international consensus on steel and the remaining obstacles to such an agreement. Much of the problem stems from the use of subsidies by foreign governments, and my comments today are the third in a series designed to show just how widespread this unjust practice has become. Today's subsidy comes from Italy. Despite the European Community's banning of further subsidies to its steel industry, many of its countries continue to subsidize steelmaking through regional development aid and programs in lieu of direct subsidies.

In the case of Italy, such actions are readily apparent. Only 2 months ago at the behest of the Italian Government, the EC approved $2.3 billion in aid for the State-owned steel group, Ilva, to be used to reduce outstanding debt. Furthermore, with the support of the Italian Government, Dalmine, a subsidiary of Ilva, was also granted a separate capital injection of $110 million at that same EC meeting.

Old habits die hard, Mr. President, and subsidization practices in Italy are a classic example. Yet, these practices are restricted under our bilateral consensus agreement with the EC. To insure that the playing field is level for all steelmakers, situations like this one must be addressed and future ones avoided. That is why Senator BAUCUS and I and others have introduced the Trade Agreements Compliance Act, to make sure that all U.S. trade pacts are fully implemented and properly enforced. I hope Senators will give American industry a vote of confidence by supporting this bill.●

U.S.-EASTERN EUROPE, A GESTURE OF GOODWILL

● Mr. KERRY. Mr. President, last week, I had the privilege of meeting with Pierre Balliet, vice president and director of the Houghton Mifflin Co. in Boston, who has generously donated 14,000 education textbooks to libraries and universities in Czechoslovakia.

This gesture of good will is part of a longtime effort by USIA Director Bruce Gelb and the book and library advisory committee to encourage donations from the American publishing community. Three publishers were honored by USIA for their donations: S. William Pattis, president of the National Textbook Co. Publishing Group, who as chairman of the committee has been instrumental in coordinating book donations; Robert Zeleny, senior vice president and editor-in-chief of World Book, Inc. whose company has donated 25 sets of the world book encyclopedia to USIA libraries throughout the world, and Pierrre Balliet with Houghton Mufflin. At this time, books valued at over one-half million dollars are on their way overseas. Included in the donation are encyclopedias, research and American English language texts, books on comtemporary American literature and politics, and "How To" business books.

Mr. President, I wish to bring to the attention of all Senators this extraordinary act of private diplomacy and generosity. We all owe a debt of gratitude to Mr. Balliet and the other publishing executives whose private action is an example to each of us of what can be done to build the long term relationship of goodwill between the people of the United States and the people of Eastern Europe that will be the foundation for peace and prosperity in the future.●

FLAG DESECRATION

● Mr. JOHNSTON. Mr. President, I am pleased to join in sponsoring Senate Joint Resolution 332, proposing a constitutional amendment to prohibit the physical desecration of the flag of the United States.

With this amendment we are proclaiming that our flag is more than just a piece of cloth.

It is a symbol of the values that Americans believe in.

It is a hallowed and permanent tribute to the men and women who have devoted their lives to advancing those values, who have fought for this flag, who have died for this flag, and who are buried beneath it.

It is a testament of our faith, in the dignity and nobility of the human race, a message we have carried to every corner of the globe. Even to the stars.

Finally, it is a promise to all future generations, that our commitment to liberty and justice for every citizen of the world will never die, that these stars and stripes, and the dream they represent, will endure forever.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 for Ms. Michelle Haynes, a member of the staff of Mr. Walter J. Stewart, to participate in a program in China, cosponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from May 23 to June 4, 1990.

The committee has determined that participation by Ms. Haynes in the program in China, at the expense of the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for William Mansel Long, a member of the staff of Senator HEFLIN, to participate in a program in Korea, sponsored by the Korea Economic Institute for International Economic Policy, from May 27 to June 2, 1990.

The committee has determined that participation by Mr. Long in the program in Korea, at the expense of the Korea Economic Institute for International Economic Policy, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Pamela Kruse, a member of the staff of Senator JAMES M. JEFFORDS, to participate in a program in England, funded by the British Council and cosponsored by the Liaison Group for International Educational Exchange, from May 26 to June 3, 1990.

The committee had that participation by Ms. Kruse in the program in England, at the expense of the Liaison Group for International Educational Exchange, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Mr. Mitch Bainwol, a member of the staff of Senator CONNIE MACK, to participate in a program in England, sponsored by the American Council for Young Political Leaders, from May 12 to May 18, 1990.

The committee has determined that participation by Mr. Bainwol in the program in England, at the expense of the American Council for Young Political Leaders, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Dr. Andrew K. Semmel, a member of the staff of Senator RICHARD G. LUGAR, to participate in a program in China cosponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from May 23 to June 2, 1990.

The committee has determined that participation by Dr. Semmel in the program in China, at the expense of the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Mr. Ed Quick a member of the staff of Senator DAVID PRYOR, to participate in a program in China cosponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from May 25 to June 5, 1990.

The committee has determined that participation by Mr. Quick in the program in China, at the expense of the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Mr. David Strauss, a member of the staff of Senator QUENTIN N. BURDICK, to participate in a program in China, cosponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from May 23 to June 5, 1990.

The committee has determined that participation by Mr. Strauss in the program in China, at the expense of the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Mr. Robert N. Mottice, a member of the staff of Senator CONNIE MACK, to participate in a program in China cosponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from May 25 to June 2, 1990.

The committee has determined that participation by Mr. Mottice in the program in China, at the expense of the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.●

THE NATIONAL ASSOCIATION OF LIFE UNDERWRITERS 100TH ANNIVERSARY

● Mr. SASSER. Mr. President, today Americans enjoy more life insurance protection than ever before. If this protection was spread evenly across all families, it would mean the average American household in 1989 had $93,600 of life insurance, equal to some 28 months of disposable personal income per household. However, restricted to the 81 percent of all U.S. households which actually have some form of life insurance, the average climbs to $115,500. Life insurance and private pension reserves account for over one-third of all long-term personal savings in the United States. Many financially secure retirements are made possible by life insurance products and annuities. In total, 156 million Americans depend on life insurance for their personal financial security and for independent retirement.

Individual policyholders and their families are not the only beneficiaries of life insurance. America's cities and towns, real estate and securities industries, and the stock market—in general, any endeavor which requires capital—are significant beneficiaries of life insurance. This occurs because life insurance companies are able to circulate back into the economy policyholders' premium dollars in the form of investments. The capital then becomes available for use by other segments of the American business community to build hospitals, factories, office buildings and homes, as well as to expand and modernize public utilities, thereby creating jobs and strengthening the economy.

It is unquestioned, Mr. President, that career life underwriters—agents, managers, and general agents—are indispensable to the provision of this insurance and the effectiveness and progress of the life insurance industry and daily provide skilled and personal service of great social and economic benefit to consumers.

These life underwriters, as members of local associations of The National Association of Life Underwriters, further demonstrate their professionalism by wide-ranging involvement in their communities' well-being.

The National Association of Life Underwriters is now celebrating its century-long tradition of providing service to the public and promoting the highest ethics and professionalism among life underwriters, the historic first convention having occurred at the Parker House in Boston, on June 18, 1890.

So, Mr. President, today it is fitting that we commemorate the 100th anniversary of the National Association of Life Underwriters and commend its members, past and present, for their tireless work for the good of their profession and their communities.●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. BINGAMAN. Mr. President, as citizens of the United States, we can travel or move basically anywhere we want. If a family wants to travel abroad, and has the money to do so, the major obstacle they face is obtaining permission from the host country. Likewise, if this family desires to take up residence abroad, and is law-abiding, they must receive permission from the country where they wish to live—rather than from some agency of the U.S. Government. This is so because the United States does not restrict our right of movement.

But this right is not something we should take for granted. Not every person in the world enjoys this right. For example, we all know that the Soviet Union has made stunning progress in recent years in allowing its citizens the right of movement both within and outside of its borders. For those people who have finally been granted exit visas, the years of hoping and waiting have ended. But for others, the days of waiting continue.

Today, in the Soviet city of Penza, the Sorkin family is waiting. And if the past is any indication, Roman and Svetlana Sorkin, and their three children, could be waiting for quite some time. The Sorkins have been told by Soviet authorities that they cannot leave the country until after 1995.

Roman Sorkin, a 38-year-old engineer, first applied for permission to emigrate to Israel in 1988. He was initially denied because of the secret nature of his work as a simple laborer at the Electropribor—or scientific instrument—plant in Penza from 1977 until 1983. He was denied despite the fact that when he left this work in 1983, he signed an agreement not to leave the Soviet Union until 5 years had passed. Five years did pass, Mr. President, and the Sorkins were still not allowed to leave.

Later that year, shortly before a visit to the United States by President Gorbachev, Roman Sorkin was informed by Soviet authorities that his exit visa secrecy limitations had been lifted, and that he and his family would finally be allowed to emigrate. Understandably excited, the Sorkins quit their jobs, gave up their flat and purchased five one-way airplane tickets out of the country.

A short time later, the visas were annulled. Once again, Soviet authorities cited secrecy as grounds for denial. The Sorkins were told they could leave the country not sooner than 1996.

Now I do not know if there was a link between President Gorbachev's visit to the United States and the fact that the Sorkins' visas were suddenly granted and then just as suddenly revoked. But I do know that the Sorkins are confused, angry and scared.

Recently, Svetlana Sorkin wrote in a letter to a friend outside the country, "For Jews, Russia now feels like a powder keg waiting for the right match to explode. * * * So when I ask today to do everything possible to facilitate our leaving for Israel, I ask not for me, but for my three children."

I truly hope that her analogy is an exaggerated one. But whether or not it is, the bottom line is that the Sorkins, like so many other thousands of people before them, should be allowed to emigrate.

I applaud the great progress we have seen in the Soviet human rights situation under President Gorbachev. Since 1986, his policies have allowed more than 135,000 Soviet Jews to emigrate and to finally live their lives as they choose. I only hope that President Gorbachev will extend this same basic right to the Sorkins and to the other refuseniks who remain inside the Soviet Union.

This August, 12-year-old Renata Sorkin will turn 13, which is the time for Batmitzvah. I believe there could be no better gift for her, her siblings, and her parents than the gift of freedom.●

THE CALENDAR

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration en bloc of Calendar Nos. 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 633, 634, and 635; that the bills and resolutions be deemed read a third time and passed; that the preambles be agreed to; and that the motion to reconsider the passage of these items be laid on the table.

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

MEASURE INDEFINITELY POSTPONED

Mr. CRANSTON. Mr. President, I further ask unanimous consent that Calendar No. 632 be indefinitely postponed.

The PRESIDING OFFICER. Withouty objection, it is so ordered.

Mr. CRANSTON. I ask unanimous consent that the consideration of these calendar items appear individually in the RECORD.

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

RETIRED ENLISTED ASSOCIATION, INC.

The bill (S. 670) to recognize the organization known as the "Retired Enlisted Association, Incorporated," was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 670

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

SECTION 1. CHARTER.

The Retired Enlisted Association, Incorprated, a nonprofit corporation organized under the laws of the State of Colorado, is recognized as such and is granted a Federal charter.

SEC. 2. POWERS.

The Retired Enlisted Association, Incorporated, (hereinafter in this Act referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorpration filed in the State in which it is incorporated and subject to the laws of such State.

SEC. 3. OBJECTS AND PURPOSES OF THE CORPORATION.

The objects and purposes of the corporation are those provided in its bylaws and articles of incorporation and shall include—

(1) upholding and defending the Constitution of the United States;

(2) promoting health, prosperity, and scholarship among its members and their dependents and survivors through benevolent programs;

(3) assistaing veterans and their dependents and survivors through a service program established for that purpose;

(4) improving conditions for retired enlisted service members, veterans and their dependents and survivors; and

(5) fostering fraternal and social activities among its members in recognition that cooperative action is required for the furtherance of the common interests.

SEC. 4. SERVICE OF PROCESS.

With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 5. MEMBERSHIP.

Except as provided in section 8, eligibility for membership in the corporation and the rights and privileges of members of the corporation shall be as provided in the constitution and bylaws of the corporation.

SEC. 6. BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES.

Except as provided in section 8, the composition of the board of directors of the corporation and the responsibilities of such board shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 7. OFFICERS OF CORPORATION.

Except as provided in section 8, the positions of officers of the corporation and the election of members to such positions shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 8. NONDISCRIMINATION.

In establishing the conditions of membership in the corporation and in determining the requirements for serving on the board of the directors or as an officer of the corporation, the corporation may not discriminate on the basis of race, color, religion, sex, handicap, age or national origin.

SEC. 9. RESTRICTIONS.

(a) INCOME AND ASSETS.—No part of the income or assets of the corporation may inure to the benefit of any member, officer, or director of the corporation or be distrib-

uted to any such individual during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actuall necessary expenses in amounts approved by the board of directors.

(b) LOANS.—The corporation may not make any loan to any officer, director, or employee of the corporation.

(c) SHARES OF STOCK.—The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(d) CONGRESSIONAL APPROVAL.—The corporation shall not claim congressional approval or the authorization of the Federal Government for any of its activities by virtue of this Act.

SEC. 10. LIABILITY.

The corporation shall be liable for the acts of its officers and agents whenever such officers and agents have acted within the scope of their authority.

SEC. 11. BOOKS AND RECORDS; INSPECTION.

The corporation shall keep correct and complete books and records of account and minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep, at its principal office, a record of names and addresses of all members having the right to vote in any proceeding of the corporation. All books and records of such corporation may be inspected by any member having the right to vote in any corporation proceeding, or by any agent or attorney of such member, for any proper purpose at any reasonable time. Nothing in this seciton shall be construed to contravene any applicable State law.

SEC. 12. AUDIT OF FINANCIAL TRANSACTIONS.

The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law," approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"The Retired Enlisted Association, Incorporated.".

SEC. 13. ANNUAL REPORT.

The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as the report of the audit required by setion 2 of the Act referred to in section 12 of this Act. The report shall not be printed as a public document.

SEC. 14. RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER.

The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

SEC. 15. DEFINITION OF "STATE".

For the purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

SEC. 16. TAX-EXEMPT STATUS.

The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1986. If the corporation fails to maintain such status, the charter granted by this Act shall expire.

SEC. 17. EXCLUSIVE RIGHTS TO NAMES.

The corporation shall have the sole and exclusive right to use the names "The Retired Enlisted Association, Incorporated", "The Retired Enlisted Association", "Retired Enlisted Association", and "TREA", and such seals, emblems, and badges as the corporation may lawfully adopt. Nothing in this section may be construed to conflict or interfere with established or vested rights.

SEC. 18. TERMINATION.

If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

INTERNATIONAL VISITORS' MONTH

The joint resolution (S.J. Res. 248) to designate the month of September 1990 as "International Visitors' Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 248

Whereas the United States Information Agency conducts educational and cultural exchange programs that bring current and future foreign leaders to the United States, often for their first visit;

Whereas the experiences of these visitors affect attitudes and decisions regarding our country and international relations in general;

Whereas the success of these programs depends on the visitors' seeing American democracy in all its openness and diversity;

Whereas such broad and meaningful exposure requires thousands of volunteers, who open their homes, businesses, and communities to more than 5,000 visitors each year;

Whereas such volunteer efforts are coordinated by the National Council for International Visitors, comprised of 103 not-for-profit community organizations throughout the United States and 42 national programming agencies;

Whereas these international visits not only enrich the United States and the world in cultural, social, and human terms, but also provide the United States and foreign nations opportunities in international trade, commerce, and economic development; and

Whereas the continuing vitality and growing value of such programs depend upon community awareness and support: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 1990 is designated as "International Visitors' Month". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate ceremonies and activities.

MENTAL ILLNESS AWARENESS WEEK

The joint resolution (S.J. Res. 256) to designate the week of October 7, 1990, through October 13, 1990, as "Mental Illness Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The peamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 256

Whereas mental illness is a problem of grave concern and consequence in American society, widely but unnecessarily feared and misunderstood;

Whereas 31 to 41 million Americans annually suffer from clearly diagnosable mental disorders involving significant disability with respect to employment, attendance at school, or independent living;

Whereas more than 10,000,000 Americans are disabled for long periods of time by schizophrenia, manic depressive disorder, and major depression;

Whereas 33 percent of the homeless suffer serious, chronic forms of mental illness;

Whereas alcohol, drug, and mental disorders affect almost 19 percent of American adults in any 6-month period;

Whereas mental illness in at least 12,000,000 children interferes with vital developmental and maturational processes;

Whereas mental disorder-related deaths are estimated to be 33,000 annually, with suicide accounting for at least 29,000 of those, although the real number is thought to be at least three times higher;

Whereas our growing population of the elderly is particularly vulnerable to mental illness;

Whereas estimates indicate that 1 in 10 AIDS patients will develop dementia or other psychiatric problems as the first sign of the disease and that as many as two-thirds of AIDS patients will show neuropsychiatric symptoms before they die;

Whereas mental disorders result in staggering costs to society, estimated to be in excess of $249,000,000,000 in direct treatment and support and indirect costs to society, including lost productivity;

Whereas the Federal research budget committed to the Alcohol, Drug Abuse, and Mental Health Administration represents only about 1 percent of the direct clinical costs of caring for persons with alcohol, drug, and mental disorders;

Whereas mental illness is increasingly a treatable disability with excellent prospects for amelioration and recovery when properly recognized;

Whereas families of mentally ill persons and those persons themselves have begun to join self-help groups seeking to combat the unfair stigma of the diseases, to support greater national investment in research, and to advocate an adequate continuum of care from hospital to community;

Whereas in recent years there have been unprecedented major research developments bringing new methods and technology to the sophisticated and objective study of the functioning of the brain and its linkages to both normal and abnormal behavior;

Whereas research in recent decades has led to a wide array of new and more effective modalities of treatment (both somatic and psychosocial) for some of the most incapacitating forms of mental illness (including schizophrenia, major affective disorders, phobias, and phobic disorders);

Whereas appropriate treatment of mental illness has been demonstrated to be cost effective in terms of restored productivity, reduced utilization of other health services, and lessened social dependence; and

Whereas recent and unparalled growth in scientific knowledge about mental illness has generated the current emergence of a new threshold of opportunity for future research advances and fruitful application to

specific clinical problems: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the 7-day period beginning October 7, 1990, and ending October 13, 1990, is designated as "Mental Illness Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

WYOMING CENTENNIAL DAY

The joint resolution (S.J. Res. 271) to designate July 10, 1990 as "Wyoming Centennial Day," was considered, ordered to be engrossed for a third readng, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 271

Whereas on July 10, 1890, President Bengamin Harrison signed a proclamation admitting Wyoming as the forty-fourth State in the Union.

Whereas Wyoming is known as the Equality forty-fourth State;

Whereas Wyoming was the first State to recognize the rights of women and allow them voting privileges;

Whereas Wyoming appointed the first woman Justice of the Peace, Ester Hobart Morris, whose statue now graces the United States Capitol;

Whereas Wyoming is the home of the first national forest, the Shoshone;

Whereas Wyoming elected the first woman governor, Mrs. Nellie Tayloe Ross;

Whereas Wyoming, which represents the ideal in outdoor recreation, became the home of our Nation's first national park, Yellowstone National Park, the founding gem and is the site of the magnificent Grand Tetons;

Whereas Wyoming is also the home of America's first national monument, Devils Tower;

Whereas Wyoming is the site of the mother store of J.C. Penney's Department store in Kemmerer, founding a familiar fixture on mainstreets across America;

Whereas renowned inventor Thomas Alva Edison received the inspiration for the invention of the incandescent bulb while fishing and camping in Encampment, Wyoming;

Whereas Wyoming is home to the Nation's largest rodeo, Cheyenne Frontier Days, "the Daddy of them all";

Whereas Wyoming's beautiful mountains, trees, ranches and natural resources are appreciated nationwide;

Whereas on July 10, 1990, the State of Wyoming will see the dawn of a new century: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 10, 1990, is designated "Wyoming Centennial Day", and the President is authorized and requested to issue a proclamation acknowledging the economic, social and historic contributions of the people of Wyoming to the United States of America over the past century.

NATIONAL HEALTH CARE FOOD SERVICE WEEK

The joint resolution (S.J. Res. 273) to designate the week of October 7 through 13, 1990, as "National Health Care Food Service Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 273

Whereas health care food service is a vital function of the provision of care and treatment of hospitalized persons;

Whereas health care food service workers, chefs, dieticians, dietary assistants, and administrators work in concert with other health care professionals to provide the best possible patient care; and

Whereas the provision of nutrition and sustenance is an essential component of the care and recovery of hospitalized persons: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 7 through 13, 1990, is designated as "National Health Care Food Service Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe that week with appropriate ceremonies and activities.

LYME DISEASE AWARENESS WEEK

The joint resolution (S. J. Res. 276) designating the week beginning July 22, 1990, as "Lyme Disease Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 276

Whereas Lyme disease is spread by the tick species Ixodes Dammini by means of the bacterium Borrelia Burgdorferi;

Whereas these ticks are no larger than the head of a pin;

Whereas these ticks can be carried by domestic animals such as cats, dogs, and horses;

Whereas these ticks can be transferred from domestic animals to humans;

Whereas Lyme disease was first diagnosed in southeastern Connecticut and has spread to 43 States;

Whereas the Centers for Disease Control has reported more than 21,000 cases of Lyme disease since 1982;

Whereas Lyme disease is easily treated in its early stages by an oral vaccine administered by a physician (penicillin and erythromycin for young children and tetracycline for persons allergic to penicillin);

Whereas the early symptoms of Lyme disease may be a bullseye rash, severe headaches, fever, and swollen glands;

Whereas Lyme disease often mocks rheumatoid arthritis and heart disease;

Whereas if left untreated, Lyme disease can cause severe damage to the heart, brain and joints;

Whereas the best cure for Lyme disease is prevention;

Whereas prevention of Lyme disease depends upon public awareness; and

Whereas education is essential to making the general public and health care professionals more knowledgeable of Lyme disease and its debilitating side effects: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning July 22, 1990, is designated as "Lyme Disease Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

FLIGHT ATTENDANT SAFETY PROFESSIONAL'S DAY

The joint resolution (S.J. Res. 278) designating July 19, 1990, as "Flight Attendant Safety Professional's Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 278

Whereas Federal aviation regulations, since 1952, have required flight attendants on board all commercial airlines to safeguard the well-being of passengers;

Whereas flight attendants are trained to respond to medical emergencies and have assisted in saving passengers' lives in emergencies caused by strokes, heart attacks, and so forth;

Whereas flight attendants' professionalism and calmness in evacuations of crashed airplanes have saved thousands of lives that otherwise would have been lost;

Whereas flight attendants have given their lives to save passengers in emergency evacuations, sustaining an on-the-job fatality rate higher then that of police officers;

Whereas flight attendants have assisted in hundreds of in-flight emergencies due to hijackings, terrorist acts, decompressions, and severe turbulence; and

Whereas flight attendants have vigorously strived for safety improvements at their airlines and the Federal Aviation Administration and have worked diligently to educate the flying public of safety procedures: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 19, 1990, is designated as "Flight Attendant Safety Professional's Day", and the President is requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL D.A.R.E. DAY

The joint resolution (S.J. Res. 281) to designate September 13, 1990, as "National D.A.R.E. Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 281

Whereas D.A.R.E. (Drug Abuse Resistance Education) is a comprehensive program under which children from kindergarten through the 12th grade are taught how to resist the pressures of experimenting with drugs and alcohol;

Whereas the D.A.R.E. program provides parents and the information and techniques necessary to reinforce and further develop the decisions of their children to lead drug-free lives;

Whereas the D.A.R.E. program targets children at ages when they are most valuable to extreme peer pressure to try drugs and alcohol and teaches them how effectively to resist pressure to engage in negative behavior;

Whereas the D.A.R.E. program is now conducted in local schools in more than 2,000 communities in 49 States and in Department of Defense Overseas Dependent Schools worldwide;

Whereas more than 4,500,000 school children will be reached through the D.A.R.E. core curriculum in 1990;

Whereas, school children are sometimes more streetwise about substance abuse than are classroom teachers, the D.A.R.E. program is taught by veteran police officers having direct experience with cases involving criminal drug offenses and with people whose lives have been ruined by sustance abuse;

Whereas each police officer who teaches the D.A.R.E. program completes an 80-hour training course that includes instruction in teaching techniques, relationships between officers and schools, self-esteem development, child development, and communication skills;

Whereas the D.A.R.E. curriculum, development by the Los Angeles Police Department and the Los Angeles Unified School District, helps school children understand self-image, recognize and manage stress without using drugs or alcohol, analyze and resist media presentations about drugs and alcohol, evaluate risk-taking behavior, resist gang pressure, apply decision-making skills, and evaluate the consequences of the choices facing them;

Whereas independent research shows that the D.A.R.E. program has exceeded its goal of helping students combat peer pressure to use drugs and alcohol by contributing to improved study habits and grades, by reducing vandalism and gang activity, and by instilling greater respect for police officers; and

Whereas the D.A.R.E. program has achieved outstanding success teaching positive and effective approaches to one of the most difficult problems facing young people today, namely drug and alcohol abuse: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 13, 1990, is designated as "National D.A.R.E. Day", and the President is requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.

NATIONAL HISTORICALLY BLACK COLLEGES WEEK

The joint resolution (S.J. Res. 285) to designate the period commencing September 9, 1990, and ending September 15, 1990, as "National Historically Black Colleges Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 285

Whereas there are 107 Historically Black Colleges and Universities in the United States;

Whreas such colleges and unversities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas such institutions have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of the Historically Black Colleges are deserving of national recognition: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing September 9, 1990, and ending on September 15, 1990, is designated as "National Historically Black Colleges Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to observe such week with appropriate ceremonies, activities, and programs, thereby demonstrating support for Historically Black Colleges and Universities in the United States.

Mr. THURMOND. Mr. President, it gives me great pleasure to have 52 of my colleagues as cosponsors for Senate Joint Resolution 285, a joint resolution to designate the week of September 9, 1990 through September 15, 1990, as "National Historically Black Colleges Week."

This is the eighth consecutive year that I have authored this legislation.

Six of the 107 historically black colleges, namely Allen University, Benedict College, Claflin College, South Carolina State College, Morris College, and Voorhees College, are located in my home State. These colleges are vital to the higher education system of South Carolina. They have provided thousands of economically disadvantaged young people with the opportunity to obtain a college education.

Mr. President, hundreds of thousands of young Americans have received quality educations at these 107 schools. These institutions have a long and distinguished history of providing the training necessary for participation in a rapidly changing society. Historically black colleges offer to our citizens a variety of curriculums and programs through which young people develop skills and talents, thereby expanding opportunities for continued social progress.

Senate Joint Resolution 285 was reported favorably by the Judiciary Committee on Thursday, June 14, 1990. I am pleased that the Senate is considering this joint resolution today.

POLISH AMERICAN HERITAGE MONTH

The joint resolution (S.J. Res. 289) to designate October 1990 as "Polish American Heritage Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 289

Whereas the first Polish immigrants to North America were among the first settlers of Jamestown, Virginia in the seventeenth century;

Whereas Kazimierz Pulaski, Tadeusz Kosciuszko, and other Poles came to the British colonies in America to fight in the Revolutionary War and to risk their lives and fortunes for the creation of the United States;

Whereas Poles and Americans of Polish descent have distinguished themselves by contributing to the development of arts, sciences, government, military service, athletics, and education in the United States;

Whereas, the Polish constitution of May 3, 1791, was modeled directly on the constitution of the United States, is recognized as the second written constitution in history, and is revered by Poles and Americans of Polish descent;

Whereas Poles and Americans of Polish descent take great pride and honor the greatest son of Poland, His Holiness Pope John Paul the Second;

Whereas Poles and Americans of Polish descent and people everywhere applauded the efforts of Solidarity's leader Lech Walesa and the Polish Government in holding a Round Table conference in February-April 1989, which led to a peaceful transition to a multi-party democracy;

Whereas Americans of Polish descent and Americans take great pride in the election of Tadeusz Mazowiecki as Prime Minister of Poland;

Whereas Americans of Polish descent and Americans support the struggle of the Polish people to move towards a free-market economy; and

Whereas the Polish American Congress is observing its forty-sixth anniversary this year and is celebrating October 1990 as Polish American Heritage Month: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1990 is designated "Polish American Heritage Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a month with appropriate ceremonies and activities.

NATIONAL WEEK OF RECOGNITION AND REMEMBRANCE FOR THOSE WHO SERVED IN THE KOREAN WAR

The joint resolution (S.J. Res. 290) to designate the week of July 22, 1990, through July 28, 1990, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 290

Whereas on June 25, 1950, the Communist army of North Korea invaded and attacked South Korea, initiating the Korean War;

Whereas the week of July 22, 1990, through July 28, 1990, includes July 27, 1990, the thirty-seventh anniversary of the cease-fire agreement that ended the active combat of the Korean War;

Whereas the Korean War was brought to an end primarily through the efforts of the United States Armed Forces;

Whereas for the first and only time in history, a United Nations Command was created, with the United States as the executive agent, to repel such invasion and preserve liberty for the people of the Republic of Korea;

Whereas, in addition to the United States and the Republic of Korea, 20 other member nations provided military contingents to serve under the United Nations banner;

Whereas, after 3 years of active hostilities, the territorial integrity of the Republic of Korea was restored, and the freedom and independence of the people of Korea were assured, even to this date;

Whereas, over 5,700,000 American service men and women were involved directly or indirectly in the Korean War;

Whereas American casualties during the Korean War were 54,246 dead, of which 33,629 were battle deaths, and 103,284 wounded;

Whereas during the Korean War, 8,177 Americans were listed as missing or prisoners of war, and 329 prisoners of war are still unaccounted for;

Whereas although the Korean War has been known as the "Forgotten War" of the United States, this Nation should never forget the ultimate sacrifice made by those who fought and died in Korea for the noble and just cause of freedom;

Whereas the Congress of the United States has enacted a law authorizing the establishment of a Korean War Veterans Memorial in the Nation's Capital to recognize and honor the service and sacrifice of those who participated in the Korean War, and the President has signed such law;

Whereas increasing numbers of Korean War veterans are setting aside July 27, the anniversary date of the armistice, as a special day to remember those with whom they served and to honor those who made the supreme sacrifice in a war to preserve the ideals of freedom and independence;

Whereas on the significant anniversary of the cease-fire that started the longest military armistice in modern history, it is right and appropriate to recognize, honor, and remember the service and sacrifice of those who endured the rigors of combat and the extremes of a hostile climate under the most trying conditions; and

Whereas such service men and women prevailed to preserve the independence of a free nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of July 22, 1990, through July 28, 1990, is designated as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War"; and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities, and to urge the departments and agencies of the United States and interested organizations, groups, and individuals to fly the American flag at half staff on July 27, 1990, in honor of those Americans who died as a result of service in Korea.

NATIONAL NEIGHBORHOOD CRIME WATCH DAY

The joint resolution (S.J. Res. 296) designating August 7, 1990, as "National Neighborhood Crime Watch Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 296

Whereas neighborhood crime is of continuing concern to the American people;

Whereas the fight against neighborhood crime requires people to work together in cooperation with law enforcement officials;

Whereas neighborhood crime watch organizations are effective at promoting awareness of, and participation of volunteers in, crime prevention activities at the local level;

Whereas neighborhood crime watch groups can contribute to the national war on drugs by helping to prevent their communities from becoming markets for drug dealers;

Whereas citizens across the United States will soon take part in a "National Night Out", a unique crime prevention event which will demonstrate the importance and effectiveness of community participation in crime prevention efforts by having people spend the period from 8 to 10 o'clock p.m. on August 7, 1990, with their neighbors in front of their homes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 7, 1990, is designated as "National Neighborhood Crime Watch Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe National Neighborhood Crime Watch Day with appropriate programs, ceremonies, and activities.

YEAR OF THE WETLANDS

The joint resolution (S.J. Res. 299) to designate the period October 1, 1990, through October 1, 1991, as "Year of the Wetlands," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 299

Whereas wetlands areas are of great importance to both the environmental and economic health of the Nation by providing the habitat essential to the support of a variety of aquatic, avian, and terrestrial wildlife, the sustenance for much of the Nation's commercial and recreational fisheries, helping reduce flood damage and mitigating water pollution, providing homes and jobs for our citizens, and supporting a number of valued recreational opportunities and many other public benefits;

Whereas the Nation has lost a significant portion of those wetlands believed to be in existence in the contiguous United States when European settlement began and losses persist and may even be increasing;

Whereas many public and private programs have been confected over the last two decades to protect and manage these valuable wetlands resources, but these programs cannot, without the active participation of the American public, protect this valuable resource;

Whereas with three out of every four acres of wetlands in the continental United States in private ownership, it is important for all Americans to understand the critical roles wetlands play in all States, the diversity of wetlands in these States and the proper means by which to conserve wetlands;

Whereas the final report of the National Wetlands Policy Forum released in November 1988 called for over one hundred actions by Federal, State, and local government to enhance wetlands protection, many of which will be considered by the Congress this year and in future years; and

Whereas a period of special emphasis on wetlands conservation will expand public awareness and knowledge of the importance and variety of wetlands and their resources in our daily lives: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1, 1990, to October 1, 1991, be designated "Year of the Wetlands", and the President is requested to issue a proclamation calling upon the people of the United States to observe this year of special emphasis with appropriate activities that promote a better understanding and awareness of our Nation's critical and invaluable wetlands resources and the appropriate means by which all Americans may be good stewards of this resource.

Mr. JOHNSTON. Mr. President, I am pleased that Senate Joint Resolution 299 which I introduced on April 24, 1990, proclaiming October 1, 1990–October 1, 1991, as "Year of the Wetlands" was unanimously reported out of the Judiciary Committee and is now before the full Senate. I urge the Senate's approval of this measure.

Wetlands are a vital resource in the United States because of their impact on both the environmental and economic health of our Nation. This Year of the Wetlands would be instrumental in providing the public with a working knowledge of wetlands.

The Nation is now beginning to realize that wetlands do provide a wealth of values to society. One great value that many people do realize is that wetlands create habitats for many forms of fish and wildlife. Some of these animals spend their entire lives in wetlands while others use it mainly for reproduction and nursery grounds. Marshes and swamps are frequented by a variety of fish and wildlife for food and drinking water.

Fish populations are dependent on both inland and coastal wetlands. Approximately two-thirds of the major U.S. commercial fishes depend on estuaries and salt marshes for nursery or spawning grounds. Some of these fish

that are probably familiar to you, Mr. President, are bluefish, sea trout, striped bass, and mullet. Most of these fish are found in the coastal marshes along the Atlantic and gulf coasts while many salmon species are found in the Pacific Northwest. Freshwater fishes are also wetlands dependent for survival.

Waterfowl and other birds are dependent on wetlands for breeding grounds, overwintering areas and feeding grounds. Salt marshes along the Atlantic coast are used for nesting by birds such as black ducks, blue-winged teals, and seaside sparrows. The Nation's inland wetlands are most noted for waterfowl production, although they also serve as important resting areas for various migrating birds. The principal breeding area for waterfowl in the United States is the Prairie Pothole Region of the Dakotas. Examples of these pothole nesters include mallard, pintail, and blue-winged teal. Other birds such as blackbirds, spotted sandpipers, and sparrows also nest in these wetlands.

Another significant value of wetlands is that of environmental quality. They help to maintain good water quality by removing nutrients, processing chemical, and organic wastes and reducing sediment loads of water. Obviously, clean waters are important to man, yet they are also important to aquatic life. Other functions of wetlands are flood conveyance, barriers to waves and erosion and flood storage.

The need to increase public awareness was recognized by the national wetlands policy forum in 1988 in the final report that group issued. Indeed, the report found that

> Much of the public, including many landowners, continues to lack information and understanding of the functions and value of wetlands, the appropriate techniques for protecting and managing them, the economic and other advantages of protecting them, and even where such information can be found.

The report recommended that a major outreach effort be undertaken by public and private groups to expand education programs about the location of our wetlands, the diversity of values these areas hold, and how to protect them. For such an outreach program to be effective, we must have a central focal point. Designating October 1, 1990, through October 1, 1991, as the Year of the Wetlands will provide that focus and will give us the impetus to get started in earnest.

The next decade presents us with opportunities and challenges as we seek a coordinated, thoughtful strategy for the environment. No challenging is greater than finding a way to conserve our national wetlands resources, and we will only be successful if we understand the complexity of this issue and develop a consensus on the need to protect this resource. This resolution and the opportunities it presents can help us take the first step in meeting this challenge.

Mr. STEVENS. Mr. President, I support Senator JOHNSTON's effort to focus attention on our Nation's wetland resources by designating 1991 as the "Year of the Wetlands." Given the level of recent attention to and conflict about wetlands protection and development, Senator JOHNSTON's resolution is well timed.

Two features of Alaska's wetlands should be reflected in this initiative and the ensuing wetlands policy that will develop next year.

The first is Alaska's abundance of wetlands. Alaska has more total wetlands than the other 49 States put together. We have 170 millions acreas. The other States combined have only 105.6 million areas of wetlands. Any national wetlands policy must reflect this fact.

It must also recognize that only 80,000 acres of Alaska's wetlands have been lost. The rest of the country has drained, filled, or otherwise lost approximately 119 million acres of this resource. In order to grow, Alaskans—including our Native corporation wetland owners—need to be able to responsibly use their wetlands resources without a time consuming or costly burden. A national policy and the means that implements it should reflect the disproportionally large amount of wetlands Alaska is fortunate enough to contain. It should also reflect the need Alaskans to use this resource.

Will the educational efforts of the Year of the Wetlands examine and reflect on these Alaskan conditions toward developing a national wetlands policy?

Mr. JOHNSTON. Yes. I believe it will. Although the resolution focuses on the wetlands situation in the contiguous 48 States, Alaska's circumstances will not be forgotten in this educational effort. It will reflect your State's wetland circumstances and conditions, including the large amount of wetlands in Alaska. Alaskans should be recognized for their stewardship of the State's wetlands resource. I believe the wetlands initiative will show that Alaska should not be hamstrung by an inflexible national wetlands policy.

Mr. STEVENS. The other feature of Alaska's wetlands that I hope your initiative will bring into focus and help to account for in a national wetlands policy is the large portion of Government land ownership in my State.

This is really a critical issue for my State. Eighty-seven percent of Alaska is owned by the Federal or State government. Native corporations own 11.5 percent of the Alaska's land area—land given to them to settle their Native claims. That leaves about 1.5 percent of the entire State in private ownership. Much of it is wetlands and owned by individual landowners. This is the only land that Alaska has on which to grow—land where homes, churches, small businesses, medical facilities, and infrastructure will be built.

Although the resolution does not specifically mention the nature of private wetland ownership in Alaska, will the wetland initiative draw this type of unique characteristic out as well?

Mr. JOHNSTON. Yes it will. You have raised an important point. The proportion of land in Alaska owned by the Government is quite high compared to other States. Part of the reason I introduced this resolution designating 1991 as the Year of the Wetlands was to call attention to such circumstances in Alaska and across the country. Only when all of the facts associated with the Nation's varying wetland circumstances are assessed can an intelligent wetlands policy be shaped.

Mr. MURKOWSKI. Mr. President, I congratulate my colleague on his initiative with respect to our Nation's wetlands. I believe a period of national focus on wetlands values and wetlands conservation is very important and timely.

As you may be aware, Mr. President, Alaska has its own set of wetlands related problems that need to be considered. The main problem in Alaska is not a scarcity of wetlands, it is an overabundance of them. Over 74 percent of the nonmountainous area in my State could be classified as wetlands. This amounts to 170 million acres of wetlands in Alaska. In additoin, Mr. President, 99.95 percent of these wetlands are, and will remain intact as the vast majority of these wetlands areas are protected by the Federal and State land management agencies.

I would bring to your attention three of the many unique elements of Alaska's wetlands.

The interior and North Slope of Alaska is tundra and muskeg, underlain by permafrost. This means, Mr. President, that the ground is frozen immediately below the surface forming a dam which prevents soil drainage.

This land does not serve the same habitat functions or values as wetlands that have been lost in the contiguous 48 States. In fact, some studies indicate that dry upland sites which have been created in these vast wetlands are preferred habitat areas for local wildlife.

Many communities in Alaska are completely surrounded by wetlands. This means that any additional development, such as small medical clinic, a house or what have you, would necessarily impact wetlands.

As stewards of their own land, Alaskans have an acute understanding of the delicate relationship that exists

between the wise use of its natural resources and the maintenance of ecological stability. Will the Year of the Wetlands initiative focus on the very unique aspects of Alaska's wetlands resource, help educate all of us on the wide range of values represented in these wetlands areas and the ways in which people may live and work in these vast wetlands areas while preserving the integrity of the wetlands system as a whole?

Mr. JOHNSTON. The answer to the Senator's question is an emphatic yes. I have been fortunate enough to visit the tundra several times, as the Senator knows. One cannot really begin to appreciate the vastness and uniqueness of that wetland area until one makes that visit. Among other issues, the Year of the Wetlands activities will surely focus on the unique tundra wetlands as well as the unique coastal wetlands in my own State of Louisiana.

We in Louisiana are blessed with abundant coastal wetlands that, unfortunately, are perhaps the only eroding and subsiding wetlands in our Nation. We are losing miles of wetlands each year. A permanent solution to this problem will depend in part on the development of a national consensus that can only result from focus and public education efforts like those comtenplated for the Year of the Wetlands.

Mr. MURKOWSKI. Mr. President, I thank the Senator and join him in supporting this important and timely designation of the period from October 1, 1990, to October 1, 1991, as the "Year of the Wetlands."

JEWISH COMMUNITY CENTER MONTH

The joint resolution (S.J. Res. 300) to designate September 1990 as "Jewish Community Center Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 300

Whereas Jewish Community Centers are large and complex cultural, social, and recreational institutions dedicated to preserving the identity and well-being of a vital and vibrant segment of the United States;

Whereas there are than two hundred Jewish Community Centers, branches, and camps serving a clientele of more than one million people across the continent;

Whereas Jewish Community Centers feature programs and services for all age groups, from infants through the elderly, and for people with disabilities and special needs;

Whereas Jewish Community Centers serve as gathering places for Jews of all denominations and offer a rich and varied program of Jewish educational and cultural opportunities;

Whereas the first Jewish Community Centers in North America came into being during the second half of the nineteenth century to provide social, recreational, and intellectural activities for a small and relatively settled Jewish community in the United States;

Whereas these centers, first called Young Men's Hebrew Associations and then Young Men's and Women's Hebrew Associations, primarily offered opportunities for young men and women to meet through reading and athletic clubs;

Whereas, as the nineteenth century progressed into the twentieth and the United States became a haven for hundreds of thousands of Jews fleeing the oppression and pogroms of Eastern Europe, Jewish Community Centers turned their energies and attention to the enormous task of acculturating the new immigrants, teaching them English and the meaning of United States citizenship;

Whereas after the influx diminished and Jews continued to contribute to virtually every segment of society, Jewish Community Centers evolved once again into institutions dedicated to preserving Jewish identity and continuity through educational, cultural, social, and recreational programming; and

Whereas, as Jewish Community Centers enter their second century of providing service, under the continuing leadership of the Jewish Welfare Board, now known as the Jewish Community Centers Association of North America, it is most fitting that we recognize their important contribution to the fabric of life in the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 1990 is designated as "Jewish Community Center Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

NATIONAL BREAST CANCER AWARENESS MONTH

The joint resolution (S.J. Res. 301) designating October 1990 as "National Breast Cancer Awareness Month" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 301

Whereas breast cancer will strike an estimated 150,000 women and 900 men in the United States in 1990;

Whereas one out of every ten women will develop breast cancer at some point in her life;

Whereas the risk of developing breast cancer increases as a woman grows older;

Whereas breast cancer is the second leading cause of cancer death in women, killing an estimated 43,000 women and 300 men in 1989;

Whereas the 5-year survival rate for localized breast cancer has risen from 78 percent in the 1940s to over 90 percent today;

Whereas most breast cancers are detected by the woman herself;

Whereas educating both the public and physicians about the importance of early detection will result in reducing breast cancer mortality;

Whereas appropriate use of screening mammography, in conjunction with clinical examination and breast self-examination, can result in the detection of many breast cancers early in their development and increase the survival rate to nearly 100 percent;

Whereas data from controlled trials clearly demonstrate that deaths from breast cancer are significantly reduced in women over the age of 40 by using mammography as a screening tool;

Whereas women do not have mammograms for a variety of reasons, such as the cost of testing, lack of information, and fear;

Whereas access to screening mammography is directly related to socioeconomic status;

Whereas increased awareness about the importance of screening mammography will result in the procedure being regularly requested by the patient and recommended by the health care provider; and

Whereas it is projected that more women will use this lifesaving test as it becomes increasingly available and affordable: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1990 is designated as "National Breast Cancer Awareness Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs and activities.

NATIONAL DRUG-FREE SCHOOLS AND COMMUNITIES EDUCATIONAL AWARENESS DAY

The joint resolution (S.J. Res. 304) to designate October 17, 1990, as "National Drug-Free Schools and Communities Educational Awareness Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 304

Whereas one in every two high school seniors who graduated in 1989 used an illegal drug before graduating.

Whereas the Congress recognizes that drug abuse exists among people in all geographic areas, of all socioeconomic classes, and of all ethnic and racial groups.

Whereas the Congress recognizes that education and public awareness regarding the dangers of drug abuse are necessary to prevent the children and young people of this National from entering into cycles of drug abuse.

Whereas the Congress recognizes that members of a community must unite and work together to address the drug abuse problem that this Nation confronts: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 17, 1990, is designated as "National Drug-Free Schools and Communities Education and Awareness Day", and the President is requested to issue a proclamation calling upon the people of the United States, depart-

ments and agencies of State and local governments, and interested organizations to observe such day with appropriate ceremonies, activities, and programs.

NATIONAL HUNTINGTON'S DISEASE AWARNESS MONTH

The joint resolution (S.J. Res. 308) to designate the month of June 1990, as "National Huntington's Disease Awarness Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 308

Whereas 25,000 Americans are victims of Huntington's Disease, a fatal, hereditary, neurological disorder;

Whereas an additional 125,000 Americans have a 50 percent chance of inheriting the gene responsible for Huntington's Disease from an affected parent, and are considered to be "at-risk" for the disease;

Whereas tens of thousands of other Americans experience the destructive effects of the disease, including suffering from the social stigma associated with the disease, assuming the difficult role of caring for a loved victim of the disease, witnessing the prolonged, irreversible physical and mental deterioration of a loved one, and agonizing over the death of a loved one;

Whereas at present there is no cure for Huntington's Disease and no means available to retard or reverse the effects of the disease;

Whereas a victim of the later stages of Huntington's Disease invariably requires total personal care, the provision of which often results in devastating financial consequences for the victim and the victim's family;

Whereas recent advances in the field of molecular genetics have enabled scientists to locate approximately the gene-site responsible for Huntington's Disease;

Whereas many of the novel techniques resulting from these advances have also been instrumental in locating the genesites responsible for familial Alzheimer's Disease, manic depression, kidney cancer and other disorders;

Whereas increased Federal funding of medical research could facilitate additional advances and result in the discovery of the cause and chemical processes of Huntington's Disease and the development of strategies to stop and reverse the progress of the disease;

Whereas Huntington's Disease typifies other late-onset, behavoral genetic disorders by presenting the victim and the victim's family with a broad range of biomedical, psychological, social, and economic problems; and

Whereas in the absence of a cure for Huntington's Disease, victims of the disease deserve to live with dignity and be regarded as full and respected family members and members of society; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of June 1990, is designated as "National Huntington's Disease Awarness Month", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such month with appropriate programs, ceremonies, and activities.

NATIONAL CRITICAL CARE AWARENESS WEEK

The joint resolution (S.J. Res. 312) designating the week of November 12, 1990, through November 18, 1990, as "National Critical Care Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 312

Whereas the people of the United States are not sufficiently aware of the special medical needs of the critically ill and injured;

Whereas a family member must often act as the spokesperson for a critically ill or injured patient by providing important information about the patient and often by making decisions regarding the treatment of such patient;

Whereas critical care is a rapidly expanding and challenging area of life-saving medicine which is practiced in such places as intensive care units, trauma centers, burn units, coronary care units, and neonatal and pediatric intensive care units;

Whereas critical care units are often vital to the survival of patients in life-threatening conditions;

Whereas since nurses play an essential role in administering critical care treatment, the current shortage of nurses in the United States could have a devastating impact on the access and quality of care for patients experiencing life-threatening conditions;

Whereas the provision of critical care raises new and complex ethical, social, economic, and legal issues which will require the involvement of health care professionals, public policy makers, and the general public; and

Whereas the Foundation for Critical Care, the Society of Critical Care Medicine, and the American Association of Critical-Care Nurses are dedicated to improving the care of critically ill and injured patients through research and education; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 12, 1990, through November 18, 1990, is designated as "National Critical Care Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs and activities.

NATIONAL CHILDREN'S DAY

The joint resolution (S.J. Res. 316) to designate the Second Sunday in October 1990, as "National Children's Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 316

Whereas the people of the United States should celebrate children as the most valuable asset of the Nation;

Whereas children represent the future, hope, and inspiration of the United States;

Whereas the children of the United States should not be allowed to feel that their ideas and dreams will be stifled because adults in the United States do not take time to listen;

Whereas many children face crises of grave proportions, especially as they enter adolescent years;

Whereas it is important for parents to spend time listening to their children on a daily basis;

Whereas modern societal and economic demands often pull the family apart;

Whereas encouragement should be given to families to set aside a special time for all family members to remain at home;

Whereas adults in the United States should have an opportunity to reminisce on their youth to recapture some of the fresh insight, innocence, and dreams that they may have lost through the year;

Whereas the designation of a day to commemorate the children of the United States will provide an opportunity to emphasize to children the importance of developing an ability to make the choices necessary to distance themselves from impropriety;

Whereas the designation of a day to commemorate the children of the Nation will emphasize to the people of the United States the importance of the role of the child within the family;

Whereas the people of the United States should emphasize to children the importance of family life, education, and spiritual qualities; and

Whereas parents, teachers, and community and religious leaders should celebrate the children of the United States, whose questions, laughter, and tears are important to the existence of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the second Sunday in October of 1990 is designated as "National Children's Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

NATIONAL RADON ACTION WEEK

The joint resolution (S.J. Res. 317) to designate the week of October 14, 1990, through October 20, 1990, as "National Radon Action Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 317

Whereas exposure to radon poses a serious threat to the health of the people of this Nation;

Whereas the Environmental Protection Agency estimates that lung cancer attributable to radon exposure causes approximately twenty thousands deaths a year in the United States;

Whereas the United States has set a long-term national goal of making the air inside buildings as free of radon as the ambient air;

Whereas excessively high levels of radon in homes and schools can be reduced suc-

cessfully and economically with appropriate treatment;

Whereas only about 2 percent of the homes in this Nation have been tested for radon levels;

Whereas the people of this Nation should be educated about the danges of exposure to radon; and

Whereas people should be encouraged to conduct tests for radon in their homes and schools and to make the repairs required to reduce excessive radon levels: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 14, 1990, through October 20, 1990, is designated as "National Radon Action Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activites.

NATIONAL LITERACY DAY

The joint resolution (S.J. Res. 320) designating July 2, 1990, as "National Literacy Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 320

Whereas literacy is a necessary tool for survival in our society;

Whereas thirty-five million Americans today read at a level which is less than necessary for full survival needs;

Whereas there are twenty-seven million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas illiteracy is growing rapidly, as two million three-hundred thousand persons, including one million two-hundred thousand legal and illegal immigrants, one million high school dropouts, and one hundred thousand refugees, are added to the pool of illiterates annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $225,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults unable to perform at the standard necessary for available employment and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterates in proportion to population size is higher for blacks and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the single highest concentration of adult illiteracy;

Whereas one million children in the United States between the ages of twelve and seventeen cannot read above a third grade level, 13 per centum of all seventeen-year-olds are functionally illiterate, and 15 per centum of graduates of urban high schools read at less than a sixth grade level;

Whereas 85 per centum of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 per centum illiteracy rate among black youths is expected to increase;

Whereas one-half of all heads of households cannot read past the eighth grade level and one-third of all mothers on welfare are functionally illiterate;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have only been able to reach 5 per centum of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1990, is designated as "National Literacy Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL AGRICULTURAL RESEARCH WEEK

The joint resolution (S.J. Res. 321) to designate the week of August 19 through 25, 1990, as "National Agricultural Research Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 321

Whereas sections 520 and 526 of the Revised Statutes (7 U.S.C. 2201 and 2204) placed primary responsibility for scientific experimentation in agriculture within the Department of Agriculture and provided the basis for developing the modern nationwide coopertive agricultural research system;

Whereas past public commitments to agricultural research in the United States have provided the scientists and facilities essential to making successful technological advances in agricultural science;

Whereas United States consumers have been the major beneficiaries of agricultural research, which has enabled consumers to obtain a broad array of food, fiber, and forest products unsurpassed in affordability, availability, quality, safety, and convenience; and

Whereas the agricultural production and marketing system of the United States faces urgent challenges, including increased international competition for markets, consumer demands for healthier and safer foods, adjustments posed by the uncertainties of climatic change, appeals to conserve the natural resources and protect the environment of the United States, and the need to improve the economic well-being of rural areas within the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the week of August 19, 1990 through August 25, 1990, is designated as "National Agricultural Research Week"; and

(2) the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities.

RELIGIOUS FREEDOM WEEK

The joint resolution (S.J. Res. 331) to designate the week of September 23 through 29, 1990, as "Religious Freedom Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 331

Whereas the principle of religious liberty was an essential part of the founding of the Nation, and must be safeguarded with eternal vigilance by all men and women of goodwill;

Whereas religious liberty has been endangered througout history by bigotry and indifference;

Whereas the first amendment to the Constitution guarantees the inalienable rights of individuals to worship freely or not be religious, as they choose, without interference from governmental or other agencies;

Whereas the Constitution ensures religious freedom to all of the people of the United States;

Whereas at Touro Synagogue in 1790, President George Washington issued his famous letter declaring "to bigotry no sanction, to persecution no assistance";

Whereas the Touro Synagogue letter advocating the doctrine of mutual respect and understanding was issued more than 1 year before the adoption of the Bill of Rights;

Whereas the letter of President Washington and the Touro Synagogue have become national symbols of the commitment of the United States to religious freedom;

Whereas thoughout the history of the Nation, religion has contributed to the welfare of believers and of society generally, and has been a force for maintaining high standards for morality, ethics, and justice;

Whereas religion is most free when it is observed voluntarily at private initiative, uncontaminated by Government interference and unconstrained by majority preference; and

Whereas religious liberty can be protected only through the efforts of all persons of goodwill in a united commitment: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the week of September 23 through 29, 1990, is designated as "Religious Freedom Week"; and

(2) the President is authorized and requested to issue a proclamation calling on the people of the United States, including members of all faiths or none, to join together in support of religious tolerance and religious liberty for all, and to observe the week with appropriate activities.

NATIONAL JOB SKILLS WEEK

The joint resolution (S.J. Res. 333) to designate the week of September 30, 1990 through October 6, 1990, as "National Job Skills Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 333

Whereas the ability to maintain an internationally competitive and productive economy and a high standard of living depends on the development and utilization of new technologies;

Whereas new technologies required skills that are currently unavailable in the national workforce;

Whereas experts in both public and private sectors predict that a shortage of skilled entry-level workers will exist through the remainder of the twentieth century;

Whereas young people in the United States are experiencing higher than normal unemployment rates due to the lack of skills necessary to perform entry-level jobs that are currently available;

Whereas young people in the United States will continue to experience higher than normal unemployment rates unless such young people develop the skills necessary to perform the entry-level jobs that become available;

Whereas workers in the United States, threatened by dislocation due to plant closures and industrial relocation, need special training and education to prepare for new jobs and new opportunities; and

Whereas a National Job Skills Week would serve to focus attention on present and future workforce needs, to encourage public and private cooperation in job training and educational efforts, and to highlight the technological changes underway in the workplace: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 30, 1990, through October 6, 1990, is designated as "National Job Skills Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

BICENTENNIAL OF CIVIL GOVERNMENT IN THE TERRITORY OF TENNESSEE

The joint resolution (H.J. Res. 555) to commemorate the bicentennial of the enactment of the law which provided civil government for the territory from which the State of Tennessee was formed, was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

RYAN WHITE COMPREHENSIVE AIDS RESOURCES EMERGENCY ACT

Mr. CRANSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2240.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House insist upon its amendments to the bill (S. 2240) entitled "An Act to amend the Public Health Service Act to provide grants to improve the quality and availability of care for individuals and families with HIV disease, and for other purposes," and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. DINGELL, Mr. WAXMAN, Mr. ROWLAND of Georgia, Mr. LENT, and Mr. MADIGAN be the managers of the conference on the part of the House.

Mr. CRANSTON. Mr. President, I move the Senate disagree in the House amendments, agree to a request for a conference; and that the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion. The motion was agreed to, and the Chair appointed Senators KENNEDY, PELL, METZENBAUM, DODD, HATCH, COATS, and JEFFORDS conferees on the part of the Senate.

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

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

ORDERS FOR TUESDAY, JUNE 19, 1990

MORNING BUSINESS; RECESS FROM 12:30 P.M. TO 2:15 P.M.

Mr. CRANSTON. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate complete its business today, it stand in recess until 9:30 a.m., Tuesday, June 19, that following the time for the two leaders there be a period for morning business not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes each; and that the Senate stand in recess from 10:30 p.m. until 2:15 p.m. in order to accommodate the respective party conferences.

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

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. CRANSTON. Mr. President, there being no further business on either side of the aisle and no Senator seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 9:30 a.m., tomorrow.

There being no objection, the Senate, at 6:26 p.m., recessed until June 19, 1990, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 18, 1990:

IN THE AIR FORCE

THE FOLLOWING PERSON FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be lieutenant colonel

CHARLES T. WALLACE, xxx-xx-xxxx

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 593 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 593 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE. (EFFECTIVE DATE FOLLOWS SERIAL NUMBER).

LINE OF THE AIR FORCE

To be lieutenant colonel

MAJ. STEPHEN E. ABSHIER, xxx-xx-xxxx 2/3/90
MAJ. KENNETH E. AMOS, xxx-xx-xxxx 3/11/90
MAJ. JOHN V. ANKENY, xxx-xx-xxxx 2/20/90
MAJ. RALPH H. BASLER JR., xxx-xx-xxxx 3/8/90
MAJ. THOMAS L. BENE JR., xxx-xx-xxxx 3/12/90
MAJ. ROBERT J. BLACHLEY, xxx-xx-xxxx 3/14/90
MAJ. JAMES A. CAMPBELL, xxx-xx-xxxx 3/4/90
MAJ. PAUL E. DAVENPORT, xxx-xx-xxxx 3/9/90
MAJ. DALE A. DULL, xxx-xx-xxxx 3/24/90
MAJ. RICHARD T. DURANT, xxx-xx-xxxx 3/12/90
MAJ. MARK S. FUNAIOLE, xxx-xx-xxxx 3/14/90
MAJ. PAUL E. GAYSO, xxx-xx-xxxx 3/6/90
MAJ. LONNIE C. GOODSON, xxx-xx-xxxx 3/8/90
MAJ. WILLIAM E. HODGE, xxx-xx-xxxx 3/8/90
MAJ. THOMAS C. HRUBY, xxx-xx-xxxx 3/9/90
MAJ. CHARLES G. KECK, xxx-xx-xxxx 3/11/90
MAJ. DENNIS L. LOMBARD, xxx-xx-xxxx 1/29/90
MAJ. STEPHEN G. MCCORMICK, xxx-xx-xxxx 3/3/90
MAJ. MICHAEL L. MCKINNEY, xxx-xx-xxxx 3/16/90
MAJ. DENNIS E. MURRAY, xxx-xx-xxxx 3/16/90
MAJ. KENNETH J. OBRIEN, xxx-xx-xxxx 1/4/90
MAJ. RICHARD V. OSTROGORSKY, xxx-xx-xxxx 3/14/90
MAJ. EDWARD W. REICH, xxx-xx-xxxx 1/27/90
MAJ. JERRY F. RESSA, xxx-xx-xxxx 3/1/90
MAJ. GREGORY J. SALI, xxx-xx-xxxx 3/14/90
MAJ. NOEL C. SIRABELLA, xxx-xx-xxxx 3/8/90
MAJ. STEVEN C. SPEER, xxx-xx-xxxx 3/16/90
MAJ. TERRENCE L. THILMONY, xxx-xx-xxxx 3/9/90
MAJ. GARY W. WALKER, xxx-xx-xxxx 3/12/90
MAJ. RICHARD P. WENGER, xxx-xx-xxxx 2/10/90
MAJ. KIRK T. WESTERVELT, xxx-xx-xxxx 3/20/90
MAJ. CHARLES E. WHITWORTH, xxx-xx-xxxx 3/3/90

MEDICAL CORPS

MAJ. SONJA M. JOHNS, xxx-xx-xxxx 2/10/90
MAJ. DAVID A. PERDZOCK, xxx-xx-xxxx 2/1/90
MAJ. KENNARD B. SPROUL, xxx-xx-xxxx 3/3/90

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE. THE OFFICER IDENTIFIED WITH AN ASTERISK IS ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

MEDICAL CORPS

To be colonel

*DAVID L. MICHAELS, xxx-xx-xxxx

To be major

FRANK P. CIAMPI, xxx-xx-xxxx
GREGORY A. LOGSDON, xxx-xx-xxxx
CORNELIUS C. MAHER, III, xxx-xx-xxxx
DALE B. SMITH, xxx-xx-xxxx
LEO D. TUCKER II, xxx-xx-xxxx
THOMAS R. WALSH, xxx-xx-xxxx

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTIONS 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

DENTAL CORPS

To be colonel

JAMES W. CARTWRIGHT, xxx-xx-xxxx
GEORGE CHRISTENSEN, xxx-xx-xxxx
RALPH H. CIVJAN, xxx-xx-xxxx
DAVID B. CLEM, xxx-xx-xxxx
WILLIAM R. CORBIN, xxx-xx-xxxx
LESTER R. HENDERSON, xxx-xx-xxxx
TIMOTHY J. HOBBS, xxx-xx-xxxx
LOUIS, R. HOLLINGER, xxx-xx-xxxx
DEAN B. KELLER, xxx-xx-xxxx
STEPHEN B. KERN, xxx-xx-xxxx
JAMES D. KOONCE, xxx-xx-xxxx
ROBERT E. OBRIEN, xxx-xx-xxxx
MICHAEL P. RETHMAN, xxx-xx-xxxx
JACK C. STEWART, xxx-xx-xxxx
DOUGLAS R. VERHOFF, xxx-xx-xxxx

CHAPLAIN

To be lieutenant colonel

JACK N. ANDERSON, xxx-xx-xxxx
FRANCISCO BELTRAN, xxx-xx-xxxx
*JAMES K. BLUETT, xxx-xx-xxxx
BRUCE L. BURSLIE, xxx-xx-xxxx
MERLE R. DECH, xxx-xx-xxxx
DAVID M. DEDONATO, xxx-xx-xxxx
WILLIAM J. DELEO, xxx-xx-xxxx
ANDREW J. DEMBICKI, xxx-xx-xxxx
LAWRENCE R. FENTON, xxx-xx-xxxx
MARK E. FENTREES, xxx-xx-xxxx
GEORGE G. GARNER, xxx-xx-xxxx
WILLARD D. GOLDMAN, xxx-xx-xxxx
WILLIAM L. GRAHAM, xxx-xx-xxxx
WILLIAM H. HAMMANN, xxx-xx-xxxx
CARLTON HARPER, xxx-xx-xxxx
*TOMMY H. MARLOWE, xxx-xx-xxxx
GRANT H. MCALLISTER, xxx-xx-xxxx
JAMES B. MCCOY, xxx-xx-xxxx
MYRON A. PICKETTS, xxx-xx-xxxx
DAVID F. ROBERTS, xxx-xx-xxxx
LOWELL G. RODDY, xxx-xx-xxxx
KENNETH M. RUPPAR, xxx-xx-xxxx
LOUIE G. SCALES, xxx-xx-xxxx
KENNETH SCHROEDER, xxx-xx-xxxx
ARTHUR E. SKINNER, xxx-xx-xxxx
DONALD J. SPENCE, xxx-xx-xxxx
LARRY A. WALKER, xxx-xx-xxxx
KARL K. WILLOUGHBY, xxx-xx-xxxx

DEPARTMENT OF COMMERCE

TIMOTHY JOHN MCBRIDE, OF MICHIGAN, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE MICHAEL PHILIP SKARZYNSKI.

OFFICE OF PERSONNEL MANAGEMENT

STEPHEN D. POTTS, OF MARYLAND, TO BE DIRECTOR OF THE OFFICE OF GOVERNMENT ETHICS FOR A TERM OF 5 YEARS, VICE FRANK Q. NEBEKER, RESIGNED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate June 18, 1990:

DEPARTMENT OF JUSTICE

RICHARD J. HANKINSON, OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF JUSTICE.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

ROBERT H. CLELAND, OF MICHIGAN, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MICHIGAN.

DEPARTMENT OF JUSTICE

JIMMY C. CARTER, OF GEORGIA, TO BE U.S. MARSHAL FOR THE SOUTHERN DISTRICT OF GEORGIA FOR THE TERM OF 4 YEARS.

GARY E. SHOVLIN, OF TEXAS, TO BE U.S. MARSHAL FOR THE MIDDLE DISTRICT OF PENNSYLVANIA FOR THE TERM OF 4 YEARS.

EXTENSIONS OF REMARKS

SELECT COMMITTEE TO INVESTIGATE FINANCIAL INSTITUTION FRAUD, MISMANAGEMENT, OVERSIGHT AND SUPERVISION

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. KANJORSKI. Mr. Speaker, I want to share with my colleagues the text of House Resolution 414, a resolution I have introduced to create a Select Committee to Investigate Financial Institution Fraud, Mismanagement, Oversight and Supervision.

After serving on the Banking Committee for the past three terms, the last two of which have been spent investigating the unfolding savings and loan disaster, I have come to the conclusion that this disaster is far greater than any one standing committee can handle.

Banking Committee Chairman HENRY GONZALEZ and subcommittee Chairman FRANK ANNUNZIO have both done an exemplary job of trying to bring to light the myriad details that are associated with the savings and loan crisis. However, competing demands for the attention of any standing committee, constraints in legislative funding, and lack of investigate staff have prevented us from providing a full explanation to our colleagues and to the public.

The American public is crying out for an understanding of what has already become the largest financial disaster in our history, and we as legislators have a responsibility to understand it ourselves and to explain it properly. Before we can ensure the President's statement of "Never again," we need a thorough investigation of what happened, how it happened, and what we need to do to prevent it from happening again.

I am proposing the establishment of a select committee modeled after the Iran-Contra Committee, consisting of 15 members with expertise from several committees with jurisdiction over the issues. The select committee's investigative activities and its hearings would lay out for the public, in an easy to follow manner, the causes and consequences of the savings and loan disaster. This would lead to a report which makes conclusions and issues recommendations for future action.

These are critical questions which demand thorough, comprehensive, and timely answers and solutions. This issue will not go away. We are already seeing the earlier projected costs of this disaster skyrocketing to unbelievable new levels. Nor have we seen the end of the seemingly ever growing list of failed S&L's. For the good of the Nation, we must act now to face this problem.

The text of my resolution, House Resolution 414, follows:

H. RES. 414

Resolved, That (1) There is hereby created a Select Committee to Investigate Financial Institution Fraud, Mismanagement, Oversight and Supervision, to be composed of fifteen Members of the House to be appointed by the Speaker, one of whom he shall designate as chairman, and one of whom he shall designate as vice chairman. Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made. The select committee is authorized and directed to conduct a full and complete investigation and study, and to make such findings and recommendations to the House as the select committee deems appropriate, including those concerning the amendment of existing legislation or the enactment of new legislation regarding the following matters:

(a) The extent to which fraud, mismanagement and conflicts of interest by or among officers, directors, consultants or employees of financial institutions, or any other individuals or entities, have or may contribute to losses to federal or state deposit insurance funds,

(b) The adequacy of federal and state investigation and prosecution of fraud and mismanagement at federally insured and state insured financial institutions.

(c) The adequacy of actions by the Executive Branch to recover the costs to the U.S. Treasury resulting from fraud, mismanagement and violations of federal banking laws and regulations,

(d) The extent to which the ability to recover the cost to the U.S. Treasury resulting from fraud, mismanagement and violations of federal banking laws and regulations is hindered by inadequate resources, or untimely investigations or prosecutions,

(e) The extent of which economic factors have or may contribute to losses to federal or state deposit insurance funds,

(f) The extent to which financial activities permitted by states to state chartered institutions, but not permitted to federally chartered institutions, have or may contribute to losses to federal or state deposit insurance funds,

(g) The extent to which financial activities permitted by the federal government have or may contribute to losses to federal or state deposit insurance funds,

(h) The extent to which changes in federal deposit insurance have or may contribute to losses to federal deposit insurance funds, and whether or not any changes in the scope or nature of federal deposit insurance are warranted,

(i) The extent to which federal or state bankruptcy laws have or may contribute to losses at financial institutions or federal or state deposit insurance funds, or may make it more difficult to recover funds from individuals who are found guilty of violating federal banking law or regulations, and whether or not any changes in federal or state bankruptcy laws are warranted,

(j) The causes and consequences of any inadequate or improper oversight, supervision or examination of state chartered financial institutions by state regulatory agencies, and the extent to which such activities have or may contribute to losses to federal or state deposit insurance funds,

(k) The causes and consequences of any inadequate or improper oversight, supervision or examination of federally chartered or insured financial institutions by federal regulatory agencies, and the extent to which such activities have or may contribute to losses to federal or state deposit insurance funds,

(l)(1) The accuracy and timing of Executive Branch estimates and representations to the Congress of the magnitude and extent of problems at federally insured financial institutions,

(2) The consequences of any inaccurate estimates and representations on the final cost to the U.S. Treasury of resolving these problems, and

(3) The extent to which any inaccurate estimates and representations were willful or intentional,

(m) The final anticipated cost to the U.S. Treasury of resolving problems at, or meeting its obligations to insured depositors at, federally insured financial institutions,

(n) Whether additional public or private resources are necessary to resolve current and anticipated problems at federally insured financial institutions, and if so, the most equitable way to apportion those costs,

(o) The past, present and future disposition of failed financial institutions and their assets,

(p) The direct or indirect ramifications on the U.S. economy of the multi-billion dollar expenditure for resolving problems at our nation's federally insured financial institutions,

(q) The direct or indirect ramifications on the U.S. economy associated with disruptions in the real estate market which have or may result from the failure of federally or state insured financial institutions or the disposition of assets from those institutions,

(r) The direct or indirect ramifications on financial intermediaries associated with disruptions in the economy which have or may result from the failure of federally or state insured financial institutions or the disposition of assets from those institutions, and the health of our remaining financial institutions in general,

(s) In connection with the matters described in this section, the implications for non-insured financial intermediaries of the failure of federally or state insured financial institutions, and the health of our non-insured financial intermediaries in general,

(t) All matters relating directly or indirectly to the foregoing.

(2) One-third of the members of the select committee shall constitute a quorum for the transaction of business other than the reporting of a matter, which shall require a majority of the committee to be actually present, except that the select committee may designate a lesser number, but not less than two, as a quorum for the purpose of holding hearings to take testimony. When a quorum for any particular purpose is present, general proxies may be counted for that purpose. The select committee may sit while the House is reading a measure for

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

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

amendment under the five-minute rule. The rules of the House shall govern the select committee where not inconsistent with this resolution. The select committee shall adopt additional written rules, which shall be public, to govern its procedures, which shall not be inconsistent with this resolution or the rules of the House. Such rules may govern the conduct of the depositions, interviews, and hearings of the select committee, including the persons present.

(3) The select committee is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or in any other country, whether the House is in session, has recessed, or has adjourned; to require, by subpoena or otherwise, the attendance and testimony of such witnesses, the furnishing of information by interrogatory, and the production of such books, records, minutes, correspondence, files, memoranda, paper, documents, calendars, recordings, data compilations from which information can be obtained, tangible objects, and other things and information of any kind as it deems necessary. Unless otherwise determined by the select committee the chairman, upon consultation with the ranking minority member, or the select committee, shall authorize and issue subpoenas. Subpoenas shall be issued under the seal of the House and attested by the Clerk, and may be served by any persons designated by the chairman or any member. Provisions may be included in the rules and process of the select committee to prevent the disclosure of committee demands for information. The select committee may request investigations, reports, and other assistance from any agency of the executive, legislative, and judicial branches of the Federal Government.

(4) The chairman, or in his absence the vice chairman, or in their absence a member designated by the chairman, shall preside at all meetings and hearings of the select committee. All meetings and hearings of the committee shall be conducted in open session, unless a majority of members of the select committee voting, there being in attendance the requisite number required for the purpose of hearings to take testimony, vote to close a meeting or hearing. Pursuant to rule XI(3)(f)(2), coverage of testimony of subpoenaed witnesses will be limited at their request, unless a majority of members of the select committee voting, there being in attendance the requisite number required for the conduct of business, vote otherwise.

(5) The chairman, upon consultation with the ranking minority member, may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out the purposes of this resolution. No more than three such staff may receive compensation corresponding to Executive Level IV. The select committee shall be deemed a committee of the House for all purposes of law, including rule XI(2)(n), and sections 6005, 1505, and 1621 of title 18, section 192 of title 2, 1754(b)(1)(B)(ii) of title 22, and section 734(a) of title 31, United States Code. The select committee may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the select committee, other than expenses in connection with meetings of the select committee held in the District of Columbia. Staff of the House or joint committees, at the direction of their Members, committee chairmen, or the Speaker, as appropriate, and upon request of the select committee, may serve as associate staff to the select committee for designated purposes. Associate staff shall be deemed staff of the select committee to the extent necessary for those designated purposes.

(6) Unless otherwise determined by the select committee the chairman, upon consultation with the ranking minority member, or the select committee, may authorize the taking of affidavits, and of depositions pursuant to notice or subpoena, by a Member or by designated staff, under oath administered by a Member or a person otherwise authorized by law to administer oaths. Deposition and affidavit testimony shall be deemed to have been taken in Washington, DC, before the select committee once filed there with the clerk of the committee for the committee's use. Unless otherwise directed by the committee, all depositions, affidavits, and other materials received in the investigation shall be considered nonpublic until received by the select committee, except that all such material shall, unless otherwise directed by the committee, be available for use by the Members of the select committee in open session.

(7) Pursuant to sections 6103(f)(3) and 6104(a)(2) of title 26, United States Code, for the purpose of investigating the subjects set forth in this resolution and since information necessary for this investigation cannot reasonably be obtained from any other source, the select committee shall be specifically authorized to inspect and receive any tax return, return information, or other tax-related material, held by the Secretary of the Treasury, related to individuals and entities named by the select committee as possible participants, beneficiaries, or intermediaries in the activities or transactions under investigation. As specified by section 6103(f)(3) of title 26, United States Code, such materials and information shall be furnished in closed executive session.

(8) The select committee shall be authorized to respond to any judicial or other process, or to make any applications to court, upon consultation with the Speaker consistent with rule L.

(9) The select committee may submit to any committee of the House specific matters within their jurisdiction, and may request that such committees pursue such matters further. Committees pursuing such requested inquiries may, in turn, receive the continuing assistance, consistent with the select committee's own jurisdiction, of the select committee's legal process, personnel, and records. Committees which pursue or have pursued inquiries, during the previous or current Congress, within the subjects of the select committee investigation shall furnish the select committee with copies of all testimony and documents.

(10) The select committee shall provide other committees and Members of the House with access to its information and proceedings: *Provided,* That the select committee may require that access to particular matters or classes of matter shall be consistent with rule XLVIII(7)(c)(2): *And provided further,* That the select committee may direct that particular matters or classes of matter shall not be made available to any person by its members, staff, or others, or may impose any other restriction. The select committee may require its staff to enter nondisclosure agreements, and its chairman, in consultation with the ranking minority member, may require others, such as counsel for witnesses, to do so. The Committee on Standards of Official Conduct may investigate any unauthorized disclosure of such classified information by a Member, officer, or employee of the House or other covered person upon request of the select committee. If, at the conclusion of its investigation, the Committee on Standards of Official Conduct determines that there has been a significant unauthorized disclosure, it shall report its findings to the House and recommend appropriate sanctions for the Member, officer, employee, or other covered person consistent with rule XLVIII(7)(e) and any committee restriction, including nondisclosure agreements.

(11) Authorized expenses of the select committee for investigations and studies, including for the procurement of the services of individual consultants or organizations, thereof, and for training of staff, shall be paid from the contingent fund of the House upon vouchers signed by the chairman and approved by the Speaker.

(12) The select committee shall report to the House the final results of its investigation and study, together with such recommendatons for legislation or other matters as it deems advisable, unless the House directs otherwise. Following the filing of its final report, it shall have one month before the authority herein shall expire in order to close its affairs, including provision of assistance to committees pursuing remaining inquiries, transmittal of records to other communities, and storage of its remaining records by the Clerk of the House.

TRIBUTE TO REV. RICHARD C. WELSH

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to a dedicated individual. Rev. Richard C. Welsh. Reverend Welsh is celebrating his 30th year as a priest.

Richard Welsh was born October 8, 1934, in Ferndale, MI. He attended St. James school in Ferndale until his senior year of high school. His senior year and his college undergraduate work was done at Sacred Heart Seminary in Detroit. He then obtained his theological training at St. John Provincial in Plymouth, MI. He has a masters degree in psychology from the University of Detroit, as well.

Richard Welsh was ordained a priest on June 4, 1960. Father Welsh offered his first mass at his home parish of St. James in Ferndale. He has served our Lady Queen of Peace in Harper Woods. St. Anthony in Belleville, St. Anne in Warren and St. Kieran in Utica. Father Welsh has also served as chaplain of St. Joseph Hospital in Pontiac as well as Our Lady of the Hills in Troy. He then became director of pastoral care at St. Joseph East and West Hospitals in Mount Clemens. For the past 4 years he has served as pastor of Holy Innocents in Roseville.

I commend Reverend Welsh on his inspirational leadership. He is a touchstone in our community and will long be remembered as a true friend.

AN OPEN LETTER TO THE PRESIDENT AND CONGRESS

HON. RICHARD K. ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. ARMEY. Mr. Speaker, I want to commend this incisive letter addresed to Congress and the President which centers on the elimination of waste, fraud, and abuse within the Federal budget to my colleagues.

[From the Washington Post, May 13, 1990]

AN OPEN LETTER TO THE PRESIDENT AND THE CONGRESS

The only precondition—cut government waste.

Budget negotiations are beginning this week with "no preconditions."

But there should be one precondition on the agenda for the talks—eliminating government waste.

In January 1990, on national television, Charles A. Bowsher, head of the General Accounting Office (Congress' investigative agency) estimated that the federal government squanders $180 billion of the taxpayers' money each year through waste, fraud and mismanagement.

The notion that deficits are caused by low taxes is a complete falsehood. In fiscal 1990, federal revenues will increase by $80 billion as a result of economic growth. We have chronic deficits because, while income tax revenues have grown by 8% a year during the past decade, Congress has increased spending by 11% a year.

Any tax increases you agree to now won't solve the deficit.

Any new taxes will just disappear down the sinkhole of government waste.

Here are just a few examples of government waste that must be cut.

1. IRS Fails to Collect $87 Billion in Delinquent Taxes—Is it really necessary for all Americans to pay more in taxes so some people don't have to pay the back taxes, penalties and interest they already owe?

2. Defense Department Inventory of $29 Billion in Unneeded Spare Parts—There's $13 billion of unrequired aircraft parts in the Air Force and $3.7 billion of unneeded Navy ship and submarine parts. All told, there's $29 billion of such material at DOD. Why should taxpayers pay more in taxes while DOD squanders our money?

3. $22 Billion in Losses From Poor Financial Management. The General Accounting Office reported material weaknesses in 17 major federal agencies in their financial management and internal controls, including $12 billion at the Commodity Credit Corporation, $6 billion at the Export-Import Bank, and $4 billion at the Department of Veterans' Affairs. In the private sector, these agencies would be in serious financial trouble, perhaps, in bankruptcy. Should taxpayers be willing to pay more for such mismanagement?

There are smaller examples as well, including $2 billion wasted each year to keep open obsolete military bases; $830 million in double subsidies to irrigate land which the government is paying farmers not to plant; and $40 million for Forest Service logging road subsidies which help privately-owned companies.

Government waste is now a national scandal. Before we have another savings and loan crisis or another debacle at a federal department like the loss of $8 billion at Housing and Urban Development, it is time to act.

Citizens Against Government Waste has just released a new list showing how you can cut waste without raising taxes—over $280 billion worth of waste in five years.

CAGW's 350,000 members are right now flooding Capitol Hill with letters demanding action to eliminate government waste.

What's more, in town meetings across America, The Action Group to Save America's Economy has found wide-spread grassroots support for cutting the deficit by first cutting government waste.

But despite these reports and others from the General Accounting Office, Inspectors General, Congressional Budget Office and the Office of Management and Budget, the issue of eliminating waste is still not on the national agenda, and it's not on the budget summit table.

It should be.

As a matter of basic fairness to American taxpayers, the elimination of waste must be moved to the top of the agenda during all negotiations on reducing the deficit.

In a recent Wirthlin poll, taxpayers were asked what their priorities would be in reducing the deficit. Eliminating government waste was the top choice of 64% of those polled, with 27% choosing cuts in defense spending, 4% supporting cuts in domestic programs, and only 2% calling for increase taxes.

The American people don't want more taxes. They know there's enough government waste to prevent a tax increase.

We propose the following action plan:

Appoint a bipartisan council of skilled private sector and public investigative leaders to pull out the most critical waste-cutting recommendtions from already identified sources and propose implementing legislation for the FY 1991 budget.

Appoint a Chief Financial Officer to make sure federal agencies carry out the waste-cutting plan and implement uniform government-wide accounting procedures.

Give the President the line-item veto to help prevent billions of dollars in future wasteful spending.

Respectfully,

Action Group to Save America's Economy,
HARRY E. FIGGIE, Jr.,
Chairman.

Citizens Against Government Waste,
J. PETER GRACE,
Co-Chairman,
JACK ANDERSON,
Co-Chairman,
ALAN L. KEYES,
President.

FREEDOM OF EXPRESSION?

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. HUBBARD. Mr. Speaker, the Courier-Journal, a daily newspaper in Louisville, KY, publishes many articles and editorials about freedom of expression and campaign finance reform for Federal elections.

These are two issues important to Members of Congress.

Yesterday, the lead editorial in this Louisville newspaper, defending the rights of those among us who love to burn and desecrate our flag, included this sentence: "For those voters who mindlessly equate the Flag with patriotism, these candidates may prove effective." The candidates referred to are U.S. Senator MITCH MCCONNELL and his 1990 challenger Dr. Harvey Sloane.

I include a portion of my letter to the editor of the Courier-Journal which responds to a very lengthy article by reporter Mike Brown which appeared in the newspaper Sunday, June 10. My letter was received by The Courier-Journal last Thursday. At 4:35 p.m. last Friday, Edward Bennett, editor of the newspaper's Forum section, called to inform me through Joey Lucas, my projects assistant and press secretary, that the letter would not appear this Sunday, June 17, but next Sunday, June 24 in a condensed version. This seems ironic considering that Mike Brown's article contained approximately 600 more words than my letter to the editor.

Incredulously, Ed Bennett told Joey Lucas that he and Mike Brown would like to know from me the names of the Congressmen whose expenditures are listed in my letter to the editor. Surely these two veteran newspapermen are aware that Federal Election Commission reports are available to the public.

If The Courier-Journal editors were more consistant with their policy of freedom of expression, they should run my letter to the editor in its entirety.

HOUSE OF REPRESENTATIVES,
Washington, DC, June 12, 1990.

LETTER TO THE EDITOR,
Readers' Forum, The Courier-Journal,
West Broadway, Louisville, KY.

TO THE EDITOR: There is not a week that goes by without several Kentuckians mentioning to me the long-time animosity of The Courier-Journal toward Carroll Hubbard.

Selective criticism of me while ignoring what other Kentuckians in Congress are doing is nothing new for The C-J writers.

Even during my first term in Congress, The C-J was featuring on the front page my purchase of a home in McLean, VA., which The C-J emphasized cost a lot more than the one I owned in Mayfield, Kentucky. No other member of the Kentucky congressional delegation has ever become newsworthy by borrowing money to buy a home in the Washington area except Carroll Hubbard.

If 100 readers of The C-J were asked which two members of the Kentucky congressional delegation received the most negative press from your newspaper, surely all 100 would answer Carroll Hubbard and Jim Bunning.

Congressman Bunning has protested your unfairness in the past and was quoted in your May 27 Sunday magazine as saying, "My idea of hell would be reading The Courier-Journal every day."

Anyone who reads your newspaper realizes Mike Brown obviously has several in the Kentucky congressional delegation he adores. Mike Brown's contempt for me during the ten years he's been in your Washington office is well-known by readers of your newspaper and many people in Washington.

Through the years I have complained to Barry Bingham, Jr., George Gill, David Hawpe, Keith Runyon, Mark Provano, Hunt Helm and others at The C-J about the ongoing vendetta of Mike Brown. Nothing changes.

I actually don't enjoy writing letters to the editor and it has been a long time since I've written to The C-J.

Last Sunday's lengthy article by Mike Brown, featured on pages one and four of your Forum section, is typical Mike Brown reporting. The article was headlined "Politicians find some interesting uses for campaign funds."

Well, which politicians are Mike Brown's targets this time? No surprise, it's Carroll Hubbard and Jim Bunning again. To try to make readers think his article is balanced, Mike Brown mentions one non-controversial expenditure by each of two others in the Kentucky congressional delegation—U.S. Reps. Harold "Hal" Rogers ($360) and Larry Hopkins ($324).

I'm not seeking to embarrass any of my colleagues in the Kentucky congressional delegation, but I submit to your readers some of the campaign expenditures for 1989 and through May 9 of this year (the time period which was chosen by Mike Brown) which were not reported last Sunday. As you read each of the following, ask why these expenditures by campaign committees of members of the Kentucky congressional delegation were not of interest to Mike Brown.

First, $66,865.94 paid out in campaign expenditures (as "Payroll" and "Fundraising Expenses") to an individual listed in the quarterly Report of the Clerk of the House as a part-time congressional employee.

Second, $29,587.88 in 1989 to Maryland Bank of Wilmington, Delaware, and listed repeatedly as "travel expenses." No itemization is listed.

Third, $5,923.49 ("Payroll") from the campaign committee to the congressman's "legislative director" and another $2,581.26 in salary to a "special assistant" in his Washington office.

Fourth, reimbursements to one Member of Congress of $19,648.25 "for travel, lodging, postage, telephone, stationery, etc." in 1989.

Fifth, payments to one Member of Congress' MasterCard account for a total of $6,455.06 for "Travel and subsistence." No itemization is listed.

Sixth, one Kentuckian's campaign committee paid $710 to Boggs Lane Liquor, Richmond, Kentucky.

The fact is that since none of the above involved Carroll Hubbard or Jim Bunning, in Mike Brown's eyes they were not worth mentioning in his lengthy article last Sunday.

In 1988, Mike Brown made it news that my legislative/press assistant Lawrence Ford went on my campaign payroll ($943) for just the month of May.

Last Sunday marked the third time Mike Brown reported that my campaign committee spent "$3,000 for a portrait of Hubbard's father to hang in the congressman's Washington office." The portrait, honoring the man whose good name in western Kentucky was the No. 1 reason I was first elected to Congress, was paid for in full for more than 16 months ago.

Think about it. If Congressman Carrol Hubbard had paid a federal employee $66,865.94 from Jan. 1, 1989-May 9, 1990, in campaign expenditures, would Mike Brown have reported it?

And, oh, wouldn't Mike Brown have had a field day on your page A-1 with an article if the Carroll Hubbard for Congress Committee had spent $710 at "Boggs Lane Liquor, Richmond, Ky."!

Sincerely,

CARROLL HUBBARD,
U.S. Representative,
First District—Kentucky.

HONORING JANE D. GAWRONSKI, PH.D., SUPERINTENDENT OF THE WEST COVINA UNIFIED SCHOOL DISTRICT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. TORRES. Mr. Speaker, it is my distinct honor to rise today and recognize an outstanding individual, Dr. Jane D. Gawronski, superintendent of the West Covina Unified School District. On Tuesday, June 19, 1990, Dr. Gawronski will be honored at a special reception as she will move on from her current position with the school district.

Dr. Gawronski has been superintendent of the West Covina Unified School District since 1987. During her tenure, she assisted the school district in obtaining an emergency appropriation from the State legislature and developed and implemented a fiscal recovery plan to repay the emergency appropriation. In addition, Dr. Gawronski has been instrumental in implementing school consolidations that improved programs for students. For example, upon surveying staff and community assessments on school effectiveness, a new organizational structure was implemented at a new high school and a new middle school was opened.

Dr. Jane D. Gawronski has had a lifelong relationship with the field of education. She obtained a bachelor of science degree in mathematics from the State College at Boston in 1962. By 1964, she completed her M.Ed. degree at the University of Idaho and by 1971, Dr. Gawronski had completed her Ph.D. in mathematics education at the University of Minnesota. Her teaching experience is extensive and includes the university level, high school, and junior high school.

In West Covina, Dr. Gawronski's community involvement includes active membership and participation in the Lions Club, the chamber of commerce, and the coordinating council. She has also been actively involved with the 2100 Club of the Queen of the Valley Hospital, the San Gabriel Valley YWCA, and a number of other organizations within and around the community of West Covina.

Dr.Gawronski, is a versatile and capable teacher and administrator. She is a truly committed educator of high caliber. To complement her list of outstanding achievements, Dr. Gawronski has also done extensive publishing, presenting, and consulting, in the area of mathematics and computers, as they relate to education.

It is due to her dedication and competence in the field of education that the community of West Covina has truly benefited from her service. The West Covina Unified School District and I wish her well in her future challenges.

Mr. Speaker, at this time I ask that my colleagues join me in saluting an educator, a fine lady, and my good friend, Dr. Jane D. Gawronski, for her invaluable achievements and contributions to the West Covina Unified School District.

COMMEMORATING THE DEDICATION OF THE FRED K. ROBINSON ADMINISTRATIVE CENTER

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. FAZIO. Mr. Speaker, on the eve of the dedication of the Fred K. Robinson Administrative Center, I rise today to pay special tribute to Mr. Robinson, a product of the Sacramento school system who went on to become a distinguished educator and administrator of the Sacramento School District.

In honor of his life-long pursuit of educational excellence, the North Sacramento School District's Board of Trustees recently passed a resolution which I would like to submit to the record at this time.

NORTH SACRAMENTO SCHOOL DISTRICT
RESOLUTION No. 1134

Whereas, Fred K. Robinson's life and career represent a living history of the North Sacramento School District's 75 years in elementary education; and

Whereas, he was the very first 1st grader of the North Sacramento School in 1914 as well as the only student in grade one! Along with 12 other students, Mr. Robinson was educated in a rented garage on Marysville Boulevard while North Sacramento School, now the district office, was being built. He graduated from North Sacramento School District and later Grant Joint Union High School District, going on to CSU, Chico, to study teaching; and

Whereas, Fred K. Robinson returned to the North Sacramento School District as a teacher, moving on to become a principal and finally, superintendent. The first superintendent, Mr. Foster, encouraged Fred to be a teacher after seeing him work with church youth. Taking the advice to heart, Fred became "Mr. Robinson" officially in 1932. Back then, male teachers were employed only for sixth grade. Mr. Robinson was hired as a teacher at Hagginwood. In 1940, he moved into administration as principal at American River School, now Dos Rios. North Sacramento grew up with Fred Robinson, developing through the 1920's and 30's. When the McClellan Air Force Base arrived in the 1940's McClellan School, now Castori, responded with open doors to the influx of families. Mr. Robinson became their first attendance supervisor/principal in 1944; and

Whereas, in 1945 Fred K. Robinson was appointed the fourth superintendent of the North Sacramento School District. He held this position for twenty-two years: Now, therefore, be it

Resolved and ordered, That since Mr. Robinson's life exemplifies the quality education this district has demonstrated since the time our first 1st grade student stepped into our first school, the North Sacramento School District is proud to name the district administration building after the legacy of Mr. Fred K. Robinson; and be it further

Resolved and ordered, That the district administration building shall be called the Fred K. Robinson Administrative Center from this day forth.

In witness of the passage of the foregoing Resolution, in the form and manner prescribed by law, we, the members of said Governing Board present and voting thereon, have hereunto set our hand this 19th day of April, 1990.

TED HEUSEL

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. PURSELL. Mr. Speaker, I wish to take this opportunity to recognize a very special anniversary for someone who has come to be known in my district as "Mr. Ann Arbor." A life-long resident of Ann Arbor, Ted Heusel is celebrating his 40th year as an on-the-air broadcaster.

Born and raised on Ann Arbor's old west side, Ted's family owned the Heusel Bakery which his grandfather founded around 1910. Ted grew up and attended school in Ann Arbor. In 1948, Ted got his start in radio working part-time at WPAG while attending graduate school at the University of Michigan. From that time on, Ted Heusel's voice has been an institution on the local airwaves.

In 1954, Ted married a University of Michigan theater major from Washinton, DC. Ted and Nancy Heusel shared a love for theater, an important part of Ted's life to this day. Together, Ted and Nancy have parented four children.

It was during 1956 that Ted took center stage in radio history. Deciding he wanted to liven up his radio show—working then at the old WOIA station south of Ann Arbor—Ted encouraged local listeners to call in and chat about an upcoming election. And thus, Ted became the father of talk radio.

Ted's radio career eventually took him back to WPAG, where he worked for 16 years delivering the morning news and hosting a talk show called "Community Comment." In 1983, he made the switch to WAAM, where he continues to host his very popular "Ted Heusel Show."

But as I mentioned, radio has not occupied all of Ted's life. He appeared in numerous plays and has directed even more productions of the Ann Arbor Civic Theater. In 1968, Ted became involved in local politics when he was elected to the Ann Arbor School Board. He stayed in that position until 1974, including 1 year as board president.

Ted has become well-known for his easy style on the radio. His vast knowledge of local people and events has contributed to his loyal following in "radioland."

Mr. Speaker, I ask my colleagues to join with me in paying tribute to one of radio's finest—Ted Heusel. Congratulations on 40 years, and best wishes for another 40.

TRIBUTE TO OUR LADY OF MOUNT CARMEL

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to an outstanding institution, Our Lady of Mount Carmel. The church celebrates its 125th anniversary on Sunday, June 17, 1990.

In 1850, Rev. Lawrence Kilroy was appointed to take charge of the missions in St. Clair County, MI. In 1853, a small log cabin church was built under his direction. This parcel of land, two miles east of Emmett, MI, is now Our Lady of Mount Carmel Cemetery.

The same time Father Kilroy was building his log cabin church, Mr. Patrick Kennedy, as supervisor, was organizing Emmett Township. The township was formed February 19, 1850. The village of Emmett, then known as Mount Crowley, was not platted until 1856. The village became Emmett on April 21, 1883 based on an old Irishman's logic, "to justify the prefix 'Mount' would need the eye of faith as the country is extremely level."

In 1865, the parish officially became known as Our Lady of Mount Carmel when a frame church was erected for nearly $2,000. The parish outgrew the log cabin church and the need for a new and larger church became apparent. At first there was a discrepancy as to the location of the new church. Some wanted the church more convenient to the village of Emmett, while others sentimentally wanted the church to be built at the same location. John S. Foley, then bishop of Detroit, settled the matter with a letter to the parish's reverend Peter Loughran. In it, Bishop Foley wrote, "It is decided, therefore, that a new church is to be erected. * * * The location of a church should be such that it may be convenient to the greater majority of the congregation. * * * I have come to the conclusion that the more available site for the new church would be the village of Emmett."

On June 8, 1896, the ground was broken for a new church in the village of Emmett. With Bishop Foley in attendance, the cornerstone was laid for the new church. The church was built with the blood and sweat of volunteers, who were provided meals and free beer in exchange for their services. It is said the Protestant wives did not always approve when the word came: "Men needed at Emmett again," and their husbands would go off to work all day for three square meals and lots of cold beer.

On Saturday afternoon, January 18, 1897, the local 5-o'clock train stopped in Emmett at the Grand Trunk Station to let off Bishop John Foley for the second time. This time it was for the dedication of Our Lady of Mount Carmel's new church, which remained the parish's church until it burned down by a fire on October 16, 1966. The current church was built across the street from where the old one stood. It was dedicated by John Cardinal Dearden on June 12, 1970. Although the church has moved several times, the spirit of those who built that first church in 1865 remains instilled in the hearts and minds of the parish.

A TRIBUTE TO JOHN R. KENNEY

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. HANSEN. Mr. Speaker, I would like to pay tribute this day to a distinguished constituent from my district in Utah, John R. Kenney. Mr. Kenney will be retiring at the end of this month, concluding a successful 44-year military and civil service career.

Born in Loveland, OH, and raised in Ohio and Illinois, Mr. Kenney entered military service at Ft. Sheridan, IL, in March 1956. His civil service career commenced in June 1947 as Chief of the Air Force Overseas Military Assistance Program Office, Far East Air Forces [FEAF] after having served in the U.S. 6th Army in the Pacific area. He served a total of 13 years in military and civilian positions in the Far East countries of Taiwan, Indonesia, Burma, and Okinawa.

February 1959, he returned from overseas to the Middletown Air Materiel Area [MAAMA], Olmsted Air Force Base, PA. In the Directorate of Materiel Management, his key positions were Chief of Requirements Branch and Chief of Plans and Programs, Military Assistance Branch and Logistics Management Division.

August 1965, he was reassigned to Hill Air Force Base, UT, as Deputy Chief, Aerospace Reconnaissance and Photographic Division. Within the Directorate of Materiel Management, Mr. Kenney held several key staff positions, including Deputy Chief of Logistics Management Division, Deputy Chief of Item Management Division (two tours), Deputy Chief of Airmunitions Division, and Deputy Chief of Aircraft Systems Management Division. Additionally, during 1975–77, he was Deputy Director of Plans and Programs.

Since May 1983, Mr. Kenney has served as the Deputy Chief, Aircraft Division, Directorate Contracting and Manufacturing at the Ogden Air Logistics Center, Hill Air Force Base, UT. His assignment has been managing 105 military and civilian personnel with the responsibility for procurement of all aircraft landing gear systems, wheels, brakes, tires, aircraft mods, PDM repair, and engineering services, as well as all F–4, FR–4 and F–16 airframes and structural and airborne spare parts of the United States Air Force.

In June 1982, Secretary of Defense, Casper W. Weinberger, presented Mr. Kenney with the DOD Distinguished Civilian Service Award. Mr. Kenney is the only U.S. Civil Service employee at the Ogden Air Logistics Center who has received this award. Throughout his career, he has also been the recipient of many Outstanding and Sustained Superior Performance Awards.

Mr. Kenney has received the following awards:

1982 "Boss of the Year" Award from the American Business Women's Association."

1980 Air Force Exceptional Civilian Service Award;

1980 Executive Manager of the Year Award—FMA;

1979 Ogden ALC Distinguished EEO Award;

1974 Air Force Meitorious Civilian Service Award.

In addition, he is presently a National Director-at-Large in the Society of Logistics Engineers [SOLE], a member of the National Contract Management Association [NCMA], and a member of the Elks Lodge.

Following high school in Chicago, IL, he completed a nonresident course sponsored by Industrial College of the Armed Forces and courses at Federal Executive Institute, AFIT, and the Brookings Institution for Federal Managers. In addition, he has completed numerous computer courses and has also attended many seminars.

Mr. Kenney and his wife, Paula, reside in Bountiful, UT. They have three sons, John, Robert, and Michael, and two daughters, Margaret and Barbara. All are married with a total of 15 grandchildren amongst them.

Mr. Speaker, I wanted to bring Mr. Kenney's accomplishments to the attention of my colleagues. As his Representative, I am pleased to honor him this day.

TRIBUTE TO CLYDE H. "SKIP" ALLISON, JR.

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to my friend and associate, Clyde H. Allison, Jr. He died at the age of 31 in his home in Manhattan last Wednesday from an apparent stroke.

Skip, as he was known to all of us, was a litigation associate at the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison. Last October, as my staff and I were inundated with the work of our investigation of abuse and mismanagement at the Department of Housing and Urban Development under former HUD Secretary Samuel Pierce, Skip took a leave of absence from his law firm and served as a special counsel on the staff of the Subcommittee on Employment and Housing.

For 5 months, Skip assisted with the important work that our subcommittee was carrying out. Thanks to his conscientious efforts and his careful work, we were able to conduct our investigation more quickly and thoroughly than would have been possible otherwise. The fine words of praise that have been lavished on my staff by many who have observed our investigation are in part a tribute to his excellent work.

His willingness to join my staff was reflective of his dedication to the public interest. In addition to his heavy commercial litigation practice, he counseled and represented numerous death row inmates, and he was involved in a recent battle before the U.S. Supreme Court to secure post-conviction representation for prisoners on death row. He also volunteered his legal services, to tenants under threat of eviction.

Skip Allison was born and grew up in New Jersey. Prior to beginning his legal career, he studied for the ministry at the Bible Baptist College East seminary. He graduated cum laude in History from Rutgers College, and in 1986 he received a J.D. degree, also cum laude, from Harvard Law School.

Mr. Speaker, I invite my colleagues to join me in expressing sincerest condolences to his parents, Clyde H. and Shirley Allison of Neshanic Station, NJ, to his brothers Douglas and Kenneth Allison, and to his financee Ms. Lauren Silverman.

PENNSYLVANIA YOUTH HONORED FOR EAGLE SCOUT

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. GEKAS. Mr. Speaker, I rise today to ask my colleagues to join me in congratulating a young man from the 17th Congressional District of Pennsylvania.

On July 11, Jeffrey Grant Jones will earn the Eagle Scout Award. Jeff joined the Scouts in 1983, and has since earned 25 merit badges and all 12 of the skill awards. In 1986, he received the highest award in the Cub Scouts, the Arrow of Light, for which he earned two gold and four silver arrow points. Jeff earned his ranks of first class in 1987, star in 1988, and became a Life Scout that same year. He was presented the Ad Altare Dei Catholic Church Award by Bishop William H. Keeler at the Camp Bashore Conference, and he earned the World Conservation Award.

Jeff has served in the positions of scribe, assistant patrol leader, patrol leader, and is currently assistant senior patrol leader. In 1988, Jeff was inducted into the Order of the Arrow, and he earned his brotherhood in 1989.

In addition to his Scouting activities, Jeff has maintained an excellent academic record. He is an honor roll student at Lewisburg Area High School, and is a member of the forensics, basketball, soccer, and track teams.

The Award of Eagle Scout represents years of discipline, devotion, leadership, honor, and determination—all of which are characteristics of Jeff and the Boy Scouts of America. For his Eagle Scout project, Jeff held a neighborhood crime watch program, and a child fingerprinting program for the young people of his community. When I see such diligence expressed at an early age I feel assured, knowing that one day these young people will lead this vast Nation or ours.

I am very proud of Jeff for the accomplishments he has made. He has worked hard to achieve this goal, and is well-deserving of it.

FOSTER PARENT PLAN CHANGES NAME TO PLAN INTERNATIONAL USA

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. MACHTLEY. Mr. Speaker, I rise to bring to your attention the fine work of an organization based in my State of Rhode Island.

Today is an historic moment as the organization, which we all know as Foster Parents Plan, officially changes its name to PLAN International USA. This is a most appropriate and opportune occasion to recognize this leading U.S. private voluntary organization for its pioneering work in international development and overseas child sponsorship.

PLAN International USA's mission in behalf of children in need does not stop with its work in the Third World. Here at home, PLAN is a leading proponent of the pending Convention on the Rights of the Child, an international treaty now awaiting ratification by the necessary minimum of 20 countries.

PLAN International USA believes the United States should be among the first countries to endorse the convention on children's rights, and has mobilized the U.S. private voluntary community to seek immediate ratification in Washington. I am proud to say that Rhode Island shares this conviction, and recently became the first State in the country to pass a resolution urging the United States to ratify this convention without delay.

As an extension of its work to improve the well-being of children around the world, PLAN International USA is also committed to improving understanding of the causes and conditions of Third World poverty. The organization's acclaimed See Me, Share My World Program is one of the country's shining examples of real innovation in this relatively new field of global education.

Over 2,000 students from 20 Rhode Island elementary schools have pilot tested See Me, Share My World over the past 18 months. At a juncture where far too many American youngsters are geographically and interculturally illiterate, these fourth and sixth graders have an understanding and appreciation of life in six developing countries that spans the similarities, as well as the differences, to their own.

If more of us in this country shared their perspective the world would be a better place. I am delighted, therefore, to note that PLAN International USA is now making See Me, Share My World available to schools and libraries across the country.

This humanitarian endeavor is not just a dull textbook lesson, but an exciting story of working together for the well-being of the next generation.

It is with great pleasure that I wish PLAN International USA continued success in the future.

THE RETIREMENT OF EVELYN D. MOON FROM THE BRIDGEPORT SCHOOL SYSTEM

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. SHAYS. Mr. Speaker, it is my pleasure to have this opportunity to extend my congratulations to Evelyn D. Moon as she celebrates her retirement from the Bridgeport school system after 32 years of dedicated service.

Evelyn has given her life to the master profession—the profession that teaches all other professions. Through years of devotion to her career she has made a significant, everlasting difference in the lives of so many young people.

She has had the opportunity to see her efforts come to fruition by teaching a generation and the children of that generation. Hundreds of students have grown up to be model members of society through Evelyn's guidance and legendary care. How satisfying it must be for her to know she's given the greatest gifts of all—the gifts of vision, hope, and a full spectrum of dreams for a world that needs dreamers.

In recognition of the retirement of Evelyn D. Moon, it is my honor to bring to my colleagues' attention her wonderful career. May I offer her my warmest wishes for a long and happy retirement.

TRIBUTE TO MR. AND MRS. SAAVEDRA

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. MARTINEZ. Mr. Speaker, I rise today to pay tribute to Zeferino and Mary Saavedra, who are celebrating their golden wedding anniversary. On July 7, 1940, Zeferino and Mary Saavedra wed in Los Angeles, CA. These two individuals were not only blessed with an abundance of happiness and a loving family, but also are pillars of the San Gabriel community.

Zeferino, originally from Mexico, became a naturalized citizen while serving in the Navy during World War II. He met Mary over 60 years ago and was a fixture in the garment industry until his retirement in 1988. Mary had a much harder position in which she raised four daughters, Bertha, Pauline, Rachel, and Rebecca, and three sons, Richard, Andrew, and Gabriel who blessed the couple with 25 grandchildren, and 3 great-grandchildren.

In addition, during the seventies, these two remarkable people were foster parents to 12 children—including Vietnamese refugees. During this period the Saavedra's actively volunteered for the United Farm Workers and were involved in the Catholic Church at St. Anthony's in San Gabriel. As eucharistic ministers Mary and Zeferino still serve the San Gabriel convalescent center on Sundays. Mary somehow finds the time and energy to volunteer in the maternity ward at Garfield Hospital as well.

Mr. Speaker, these two people have given of themselves to their family and community. They deserve to be recognized for their tremendous efforts and all that they have accomplished. I am proud to represent such loving and giving people. Their life is a heartwarming testimonial to the adage by William Bryant that "eternal love doth keep." Please join me in honoring these special people on their 50th anniversary and wishing them all the best in the world.

THE ALABAMA PRIMARY HEALTH CARE ASSOCIATION: OUTSTANDING SERVICE TO THE SECOND DISTRICT OF ALABAMA

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 18, 1990

Mr. DICKINSON. Mr. Speaker, the Alabama Primary Health Care Association is an outstanding organization serving the State of Alabama with 15 community health centers, providing for 52 communities that are medically underserved.

Over 100 physicians, specializing in family practice, obstetrics, and gynecology, internal medicine, and pediatrics provide the necessary medical care for a wide spectrum of patient health problems. Most centers also offer laboratory services, such as-pharmacy, x ray, dental, nutrition counseling, social services, and many others.

Community health centers are the major providers of primary health care services for medically underserved areas of Alabama, and work in concert with the State and county health departments, as well as other service providers—including local hospitals.

In the Second Congressional District of Alabama, there are three outstanding medical centers: Conecuh Medical Center in Evergreen; Lister Hill Health Center in Montgomery, and; Southeast Alabama Rural Health Center in Troy.

The Conecuh Medical Center [CMC] operates clinic sites in the cities of Evergreen—Conecuh County, McKenzie—Butler County, and Red Level—Covington County. Each is a modern rural clinic equipped with an in-house laboratory service for quick diagnosis, with easy access to area hospitals. CMC has three full-time family practitioners, nurses, and other medical support staff serving all clinics, which served a total of 3,893 users for 18,734 medical visits in 1988.

The Lister Hill Health Center operated the largest urban primary health care clinic in Montgomery County, as well as a satellite clinic—Ramer Health Center—in South Montgomery County. Lister Hill provided services to over 22,075 users who generated 64,843 medical and dental visits in 1988.

The Southeast Alabama Rural Health Association—in conjunction with the Charles Henderson Child Health Center—has organized a model rural health consortium in southeast Alabama. This combined program operates six centers in Barbour, Crenshaw, Dale, and Pike Counties, from its central office in Troy.

In closing, members of the Alabama Primary Health Care Association share a common goal of providing quality health care under the leadership of an experienced and professionally respected medical team, and the people of the Second District are thankful for their service and dedication.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, June 19, 1990, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 20

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on S. 1974, to require new televisions to have built in decoder circuitry designed to display closed-captioned television transmissions.

SR-253

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

9:30 a.m.

Armed Services

Manpower and Personnel Subcommittee

To hold hearings on S. 2171, authorizing funds for fiscal year 1991 for military functions of the Department of Defense and to prescribe personnel levels for fiscal year 1991, focusing on involuntary separation pay and other compensation and transition benefit proposals, and S. 2663, to provide increased and special benefits to individuals involuntarily separated from the Armed Forces.

SR-232A

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings to examine health care costs, focusing on revenue recovery firms.

SD-342

Judiciary
To hold hearings on proposed legislation designed to implement existing laws relative to violent crimes, from sexual to domestic offenses, against women.
SD-226

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to examine financial service developments in Europe, Canada, and Japan in relation to consideration of proposed legislation to modernize the financial services industry.
SD-538

Environment and Public Works
Toxic Substances, Environmental Oversight, Research and Development Subcommittee
To hold hearings on environmental issues relating to Avtex Fibers, Inc., in Front Royal, Virginia.
SD-406

Finance
To hold hearings to review the President's decision to renew most-favored-nation trade status to China.
SD-215

1:30 p.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 814, to provide for the minting and circulation of redesigned one dollar coins symbolizing the anniversary of the discovery of the New World.
SD-538

2:00 p.m.
Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To hold hearings on S. 2171, authorizing funds for fiscal year 1991 for military functions of the Department of Defense and to prescribe military personnel levels for fiscal year 1991, focusing on the Strategic Defense Initiative.
SH-216

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Maritime Commission, and the Maritime Administration, Department of Transportation.
SR-253

Select on Intelligence
To resume hearings to review certain proposals to improve the counterintelligence posture of the United States by strengthening U.S. ability to deter, detect, and prosecute persons who turn to espionage.
SD-366

JUNE 21

9:30 a.m.
Environment and Public Works
Superfund, Ocean and Water Protection Subcommittee
To hold oversight hearings on the superfund remedy selection process.
SD-406

Rules and Administration
To hold hearings on S. Con. Res. 122, to establish an Albert Einstein Congressional Fellowship Program.
SR-301

Small Business
To resume hearings to review the Small Business Administration's small business investment companies program.
SR-428A

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to examine whether there is a lack of available credit in certain areas of the United States.
SD-538

Foreign Relations
Business meeting, to mark up Montreal Aviation Protocols (Ex. B, 95th Congress, 1st Session).
SD-419

Joint Economic
To hold hearings to examine how recent developments in Europe will affect the U.S. economy, focusing on how German unification, reform in eastern Europe, and the European community's investment boom will affect U.S. interest rates, the trade deficit, and the dollar.
2226 Rayburn Building

10:30 a.m.
Armed Services
To hold hearings on the nomination of Gilberto Guardia Fabrega, of Panama, to be Administrator of the Panama Canal Commission.
SR-222

Rules and Administration
To hold hearings on S. Res. 206, to establish a point of order against material that earmarks research moneys for designated institutions without competition.
SR-301

1:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold joint hearings with the House Appropriations' Subcommittee on the District of Columbia on proposed budget estimates for fiscal year 1991 for the government of the District of Columbia.
H-301, Capitol

1:30 p.m.
Judiciary
To hold hearings on proposed legislation to amend the U.S. Constitution to protect the American flag.
SD-226

2:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings to examine whether there is a lack of available credit in certain areas of the United States.
SD-538

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 2680, to provide for the relief of certain persons in Stone County, Arkansas deprived of property as a result of a 1973 dependent resurvey by the Bureau of Land Management.
SD-366

Select on Indian Affairs
To hold oversight hearings on S. 2451, to establish in the Department of the Interior a Trust Counsel for Indian Assets.
SR-485

JUNE 22

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1991 for foreign assistance, focusing on U.S. military assistance.
SD-138

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2398 and S. 2399, bills to authorize funds for the United States National Senior Sports Organization of Chesterfield, Missouri, to register "National Senior Olympics" as a trademark.
SR-253

10:00 a.m.
Judiciary
Immigration and Refugee Affairs Subcommittee
To hold hearings on S. 1629, to impose civil liability on anyone who, under the authority of a foreign nation, subjects any alien or United States citizen to torture or extrajudicial killing.
SD-226

JUNE 26

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1991 for foreign assistance programs.
Room to be announced

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 2464, to establish the Red Rock Canyon National Conservation Area in Nevada, S. 2475, to provide for the acquisition and addition of the William Johnson House to the Natchez National Historical Park in Mississippi, S. 2555, to designate a segment of the Lower Merced River in California as a component of the National Wild and Scenic Rivers System, S. 2612, to establish a commission to determine the feasibility of designating the Mississippi River as a national heritage corridor, and S. 2669, to provide for increases in appropriation ceilings for land acquisition and development in certain units of the National Park System.
SD-366

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1772, to prohibit State lotteries from misappropriating professional sports service marks.
SD-430

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1991 for foreign assistance programs.
Room to be announced

Armed Services
Closed briefing, on classified intelligence matters relating to the Soviet Union, and to discuss consideration of S. 2171, the Department of Defense Authorization Act.
SR-222

JUNE 27

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings to examine the Federal Trade Commission's (FTC) international antitrust jurisdiction over foreign companies.
SR-253

Governmental Affairs
To resume hearings on S. 1978, to establish the Department of Industry and Technology as an executive department, to establish the Interagency Export Enhancement Committee within the Office of the President, and to transfer the National Oceanic and Atmospheric Administration to the Environmental Protection Agency.
SD-342

10:00 a.m.
Foreign Relations
European Affairs Subcommittee
To hold hearings to examine conventional arms talks and European security.
SD-419

2:00 p.m.
Finance
Energy and Agricultural Taxation Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on proposed legislation to prevent abuses in determining estate and gift tax values.
SD-215

JUNE 28

9:30 a.m.
Small Business
To hold hearings on the impact of social security payroll taxes on small businesses.
SR-428A

Veterans' Affairs
Business meeting, to consider pending legislation relating to veterans compensation and health-care benefits.
SR-418

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 2273, to encourage economic development of mineral deposits in the Greens Creek area of the Admiralty Island National Monument in Alaska by granting the Sealaska Corporation the subsurface estate.
SD-366

Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
Western Hemisphere and Peace Corps Affairs Subcommittee
To hold joint hearings on proposed U.S. military training for Peru.
SD-419

2:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1991 for the Department of the Interior.
S-128, Capitol

JULY 11

10:00 a.m.
Judiciary
Constitution Subcommittee
To hold joint hearings with the House Committee on the Judiciary's Subcommittee on Courts, Intellectual Property, and the Administration of Justice on S. 2370, to revise Federal copyright law to apply the fair use doctrine to all copyrighted work, whether published or unpublished.
SD-226

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings to review the status of the human genome project of the Department of Energy and the National Institute of Health.
SD-366

JULY 12

9:30 a.m.
Select on Indian Affairs
To hold hearings to examine protective services for Indian children, focusing on alcohol and substance abuse programs.
SR-485

2:00 p.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on the U.S.-Canada open border trade agreement, focusing on meat and poultry.
SR-328A

CANCELLATION

JUNE 19

2:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

POSTPONEMENTS

JUNE 21

9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings to review the effectiveness of the Program Fraud Civil Remedies Act.
SD-342

JUNE 22

2:00 p.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings to review the U.S.-Canada open border agreement, focusing on meat and poultry.
SR-332