EXTENSIONS OF REMARKS

''TIME OUT'' FOR EPA

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Mr. UPTON. Mr. Speaker, I am introducing today legislation to delay full implementation of the Clean Air Act by 2 years. As this program has unfolded, it is clear that it is generating more expense and disruption than was foreseen at enactment.

Most knowledgeable Americans still support the Clean Air Act's goals and most are willing to accept reasonable personal sacrifice to achieve those goals. But, as EPA tightens the program's enforcement screws, I fear a public backlash that could undermine support for the program itself. Americans are simply in no mood for Dracoian regulatory programs, especially when program benefits are so difficult to determine.

We have a situation in western Michigan that illustrates this point. A three county area generally around Grand Rapids and Muskegon is a nonattainment area. Studies by the U.S. Environmental Protection Agency and Michigan's Department of Natural Resources confirm that 80 to 90 percent of the pollution measured in this nonattainment area is not produced locally, but drifts across Lake Michigan from the industrial complexes on her western shore.

EPA is leaning hard on the State and on local agencies to take difficult steps to bring the area into compliance. These steps include a centralized or enhanced inspection and maintenance system for automobiles, a system that will be expensive and inconvenient. Three testing centers have been built in western Michigan at a cost of some $16 million but they have catalyzed great public outcry and their opening has been delayed.

EPA has required development of regional transportation plans to evaluate transportation proposals to insure that traffic generated by those proposals won't push the region over its ozone budget. As described by one local official:

> We have to take into consideration all the variables, including employment centers and traffic patterns, and project those in place in future years. We then have to run that data through the EPA's model and prove that the resulting emissions are less than the base case, which is 1990.

This is a significant and questionable change in the way local governments have operated. Under such a system, it's hard to see what the function of local government will be. If all decisions are driven by Clean Air Act considerations, what is the residual role of State and local agencies? Is EPA to be a national office of planning, zoning and development?

The public has yet to be convinced that such heavyhanded regulation will achieve results worth the costs involved. In the case of enhanced inspection and maintenance, a 1992 study by the General Accounting Office found more than one in four cars that failed the initial emissions test subsequently passed a second emissions test even though no repairs were made to the vehicles.

In areas more severely out of compliance, EPA has advocated an array of programs including mandatory carpooling that will have even heavier impact on the daily lives of working Americans. Small wonder that these planning, inspection, and trip reduction strictures cause many to wonder if job creation and economic development are even possible in areas under EPA's regulatory thumb. Few of the people I represent, viewing EPA data on the steady improvement in air quality, truly believe that the problem demands such solutions.

Earlier today, I wrote to the new chairman of the Commerce Committee's Subcommittee on Health and the Environment urging two actions on him. First, I asked that he schedule informational hearings as soon as feasible to reexamine the Clean Air Act, the assumptions accepted at the time of enactment and the methods proposed for achieving the act's goals. Secondly, I asked him to support a postponement in further enforcement of the act.

I have in mind a time out to reassess the situation and to allow State and local agencies additional time to determine what needs to be done and to do it. The bill I am introducing today simply grants a 2-year delay in further EPA requirements and in the imposition of sanctions against those unable to fulfill them.

Mr. Speaker, a clear message in November's election results is that Americans are weary of big, complicated and burdensome Federal regulatory programs. The public is not convinced that they generate benefits commensurate with their costs. I urge my colleagues to join me in assuring that the Clean Air Act's results justify its costs.

INTRODUCTION OF THE ''HOUSING COUNSELING ENHANCEMENT ACT OF 1995''

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 11, 1995

Mr. TRAFICANT. Mr. Speaker, today I am introducing the ''Housing Counseling Enhancement Act of 1995'' to help veterans stave off foreclosure and keep their homes. I urge my colleagues to cosponsor this important legislation.

My bill contains two major provisions. First, the bill strikes from the notification provision of the Housing and Urban Development Act of 1968 the cause that excepts individuals who receive loans backed by the U.S. Department of Veterans Affairs [VA]. It is common knowledge that housing counseling services have helped dramatically in staving off foreclosures of loans backed by the U.S. Department of Housing and Urban Development [HUD]. After successfully extending the program to those with conventional loans through enactment of the Emergency Homeownership Counseling [EHC] Program. I again attempted to extend the service to those with VA-backed loans during the past Congress. My amendment to H.R. 3838 would have included VA-backed loans in the program by contacting VA borrowers 45 days delinquent in making a mortgage payment and notifying them that there are housing counseling services available to him or her via a 1–800 number. The measure, like the amendment, will not mandate any type of VA involvement. Rather, it will give the borrower additional means to avoid a nightmare.

Although the VA offers its own counseling services, they are far less effective because the borrower is not notified until he or she is 105 days delinquent. As anybody who has faced foreclosure will tell you, 90 days is already too late, let alone 105. Consequently, although the delinquency rate of HUD-backed loans—7.81 percent—was higher than VA-backed loans—6.73 percent—in 1993, the percentage of loans in foreclosure was nearly the same for HUD loans—1.43 percent—as it was for VA loans—1.34 percent. Of course, compare these numbers to those of conventional loans—2.65 percent delinquency, 0.72 percent foreclosure—and we see the positive influence of the EHC Program reflected.

Housing counselors have urged me to help the roughly 3.5 million borrowers with VA-backed loans avoid foreclosure. I believe this provision is a step in that direction. The Mortgage Bankers Association of America has expressed, from a lender perspective, that this provision is economically sound because it helps to prevent costly foreclosures. Congress should heed its input. With each foreclosure costing the Government an average of $28,000, Congress can ill-afford not to adopt the bill.

Second, the bill authorizes $62 and $65 million in funding for fiscal years 1996 and 1997, respectively, for all counseling programs. Half of these amounts, which are identical to what was included in H.R. 3838, are earmarked for the EHC Program.

Mr. Speaker, at times Congress passes spending programs that appear one-way in nature. We spend the money, but never see the benefits. The EHC Program, however, is a preventative service has a proven track record of helping homeowners avoid nightmarish and costly foreclosures.

Again, I urge my colleagues to sign on as a cosponsor to the Housing Counseling Enhancement Act of 1995.

H.R. —

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 ''Housing Counseling Enhancement Act of 1995''.

SEC. 2. EXTENSION OF PROGRAMS.

(a) EMERGENCY HOMEOWNERSHIP COUNSELING.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C.