The House met at 10 a.m.

PRAYER

The Reverend Monsignor Mark J. Giordani, Cathedral of St. John the Baptist, Paterson, NJ, offered the following prayer:

Let us pray:

Father of all peoples and nations, we come before You to thank You for our Nation. Through our Founding Fathers, You have created the United States of America to be one nation under God.

Give us Your spirit to enlighten and empower us to enact laws that embody Your truth, justice, compassion, and peace. Teach us how to humble ourselves before You that both personally and as public servants we may exemplify Your integrity, honesty, and high moral character.

Father, make us Your beacon of light, not only financially, militarily, and through technology, but spiritually. If our spiritual roots decay, we will die. Let our love for our true freedom, liberty, and justice for all authentically shine in the midst of all peoples and nations.

Father, fulfill in our Nation and in all nations the words of Jesus Christ: “I came that they may have life, and have it abundantly.”

We ask You this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. 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. Will the gentleman from Texas, Mr. PETE GEREN, come forward and lead the House in the Pledge of Allegiance.

Mr. PETE GEREN of Texas 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.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will recognize fifteen 1-minute speeches on each side.

WELCOMING REV. MSGR. MARK J. GIORDANI

(Mr. MARTINI asked and was given permission to address the House for 1 minute.)

Mr. MARTINI. Mr. Speaker, today I welcome to the House of Representatives a good friend of all of the people of the Eighth Congressional District of New Jersey, Monsignor Mark J. Giordani.

Monsignor Giordani is not only a spiritual leader but also a renowned civic activist in the finest sense of the word. He is a man whom I have come to admire and respect.

As a young child, he lost his father to the anger of Italian fascists. Following this tragic incident, his mother turned to the strength of Christianity and instilled this faith in her son. This guiding force led the monsignor to a new and spiritual life in America.

Upon immigrating to the United States, the monsignor received a bachelor of arts degree in philosophy from St. Bonaventure University and a master’s of divinity from Christ the King Seminary in New York.

During his seminary years, the monsignor dedicated endless hours to the poor, cultivating a passion to help the most unfortunate in our community. This passion was fulfilled through his appointment as a copastor of St. Gerard’s parish in New Jersey. He was responsible for the founding of several local charitable organizations.

On November 1, 1987, Monsignor Giordani was appointed rector of St. John’s Cathedral, and serves as spiritual leader day in and day out, offering his overwhelming kindness. No person is ever considered too big or too small to receive the attention of Monsignor Giordani.

Mr. Speaker, Monsignor Giordani is a spiritual pillar in our community. I offer admiration for his past and continued good services. Indeed, the people of the Eighth Congressional District of New Jersey have well become richer through the deeds, efforts, and spiritual guidance of the monsignor.

SENIOR CITIZENS BEWARE

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, the senior citizens of this country better beware again, because the Republicans once again have unveiled their budget resolution for this year, and it cuts Medicare and Medicaid drastically in order to once again provide tax breaks for the wealthiest in this country. Even worse, it actually changes the Medicare and Medicaid programs so much that we would not even recognize them.

Seniors are going to be forced into managed care systems because of balanced billing provisions. We expect that they will also be paying a lot more money out of their own pockets in order to pay for Medicare.

The cuts in the Medicare Part A Program that finances hospitals and health care institutions are even more severe essentially than previously suggested, and what that means is a lot of hospitals not only in urban areas but in rural areas and throughout the country will actually be forced to close because...
they will not be getting the money from the Federal Government that they need in order to continue to operate.

What we are seeing here again is the Republican agenda, which is essentially a government that we know it and create a second-class health care system for senior citizens.

DEMOCRATS WOULD SHUT DOWN GOVERNMENT AGAIN

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

Mr. GUTKNECHT. Mr. Speaker, it is no secret that liberal Democrats want to protect big government and that they are addicted to special interest money. But it is interesting to see the lengths to which they will go in order to protect the status quo here in Washington.

Earlier this week, a Democrat leader said the following: “We are simply going to shut this place down.”

What that means, Mr. Speaker, is that the liberals in the Democratic Party are so extreme that they are willing to put a halt to the business of Congress in order to do the bidding of the union bosses here in Washington.

What is so frightening about this is there may be no gas tax repeal. No Medicare reform. No welfare reform. No tax relief for America’s families. And no balanced budget.

It is sad that a once-proud party has resorted to extremism and blackmail to force their special interest agenda on the American people.

HIGHER GAS PRICES MEAN UNPRECEDENTED OIL COMPANY PROFITS

(Mr. MORAN asked and was given permission to address the House for 1 minute.)

Mr. MORAN. Mr. Speaker, has anyone noticed what has happened to the stocks of oil companies in this country? Their profits have gone up phenomenally. Exxon made $2 billion in the last 3 months. Other companies have shown profits in the range of 40 percent. Unprecedented profits.

Of course, it is all a result of a corporate decision, knowing that we had a very harsh winter, that if they deliberately reduced their reserves and knowing there was going to be strong demand, they would be able to push the price way up. Of course they can all get together and increase the price at the pump so that consumers pay for this increase, and boy, has it paid off. Look at the corporate executive of the six largest oil companies. Their stock options alone in the last 60 days have increased by $33 million. Unbelievable.

But should we really let the consumer pay for these profits? Of course not. To think that the consequences of their decision is going to be paid by consumers is unconscionable.

THE DO-NOTHING DEMOCRATS

(Mr. SCARBOROUGH asked and was given permission to address the House for 1 minute.)

Mr. SCARBOROUGH. Mr. Speaker, 50 years ago Harry Truman attacked the do-nothing Congress, and I think 48 years later Truman would be saying the same thing of the do-nothing Democrats.

Last year we got elected to do some very specific things. We got elected to provide a balanced budget, the first balanced budget in a generation. The do-nothing Democrats fault it. The do-nothing President vetoed it.

Now he is doing the same thing with the gas tax. We want a straight reduction to cut gas taxes. We are providing it. The do-nothing Democrats once again are standing in the way. The do-nothing Democrats once again are threatening a veto.

Talk about tax cuts, we provided tax cuts for middle-class families. The do-nothing Democrats fought it. The President vetoed a $500 per child tax credit in 1993. Only 20 percent of the senior citizens up to 85 percent of their earnings. We offered relief. The do-nothing Democrats vetoed it.

Most importantly, I think, on Medicare, they know Medicare is going broke. We did something about it. The do-nothing Democrats vetoed it and shamelessly demagogued the issue, and are willing to throw the senior citizens out in the cold.

BUDGET RERUNS

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute.)

Mrs. KENNELLY. Mr. Speaker, yesterday the majority presented their budget for the next year. The press release from this body was that. I really could not tell what was in it. It was rhetoric. However, if we looked at the press release from the Senate, the other body, we saw some numbers so we could find out somewhat what was in the budget. What I could understand is, it is a rerun of proposals that were vetoed by the President late last year and have no support by the American people.

One proposal in particular should deeply concern us. This budget proposes reducing the amount that States must spend on medical services for our Nation’s poorest. This will set off a race to the bottom, one where no State wins by behaving responsibly and where the big losers in America are the poorest and the sickest.

We ought to be fighting to protect these people, not abandoning them. I worry about this year’s budget now.

POISON PEN VETOES

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute.)

Mr. WELDON of Florida. Mr. Speaker, Bill Clinton was in high dudgeon yesterday at his press conference. This morning’s Washington Times said it was “An afternoon of flapdoodle and balderdash.” That is probably an understatement.

Yesterday, Bill Clinton accused Republicans of using a poison pill. Well, let’s talk about Bill Clinton’s poison pen.

Bill Clinton’s poison pen vetoed the first balanced budget to a reach President’s desk in a generation. Bill Clinton’s poison pen vetoed Medicare reform. Now, our grandparents risk seeing Medicare go bankrupt because of Bill Clinton wants to demagogue the issue.

Bill Clinton’s poison pen vetoed welfare reform. Not once, but twice. Millions of Americans will suffer this year the dignity of work because Bill Clinton refuses to fix the failed welfare state. Instead of keeping his promises, Bill Clinton would rather use his poison pen to veto the wishes of the American people.

LESSONS NOT LEARNED

(Mr. MILLER of California asked and was given permission to address the House for 1 minute.)

Mr. MILLER of California. Mr. Speaker, last year the American public witnessed the Republicans shutting down the U.S. Federal Government so they could try and force the President of the United States to cut Medicare, to give tax cuts to the wealthy.

Apparently the Republicans have learned nothing from their repudiation by the American people of that budget because they are back again this year. They are back again today cutting over $100 billion out of Medicare, reducing the spending below the rate of inflation for senior citizens, which means that senior citizens will have less money to purchase the health care that they have today in the future.

What will they do with that money? Not repair the Medicare account. They are going to give that money in capital gains tax to some of the wealthiest people in this Nation.

That is what the country repudiated last year when they shut down the Government. That is what the country is going to repudiate this year, and seniors’ citizens ought to understand that the Republicans are back, same old budget, same old ploy, and the same old cuts in Medicare to give tax cuts to the wealthy.

REPEAL THE GAS TAX

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

Mrs. SEAstrand. Mr. Speaker, in 1993 President Clinton imposed the largest tax increase in American history on the citizens of this country. As
Mr. Speaker, I agree that American workers need to take home more of their earnings to their families. Today I will introduce legislation to enable every worker to deduct on their income tax the money that they contribute to Social Security. This bill, the Working Americans Wage Restoration Act, will increase the take-home pay of the average two-earner family by $1,770 per year.

While it does not affect the receipts of the Social Security trust funds in the long run, it will eliminate the unfairness to workers who must now pay tax on the 6.2 percent of their income that they contribute to Social Security.

I urge my colleagues on both sides of the aisle to support this legislation, which will give a much-needed boost to the hard working men and women of our Nation.

SAME OLD STORY

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I simply would like to tell my colleagues the story of ages past. Speaker Gingrich: "I would like to see Medicare wither on the vine." The majority leader in the Senate: "I was there fighting, 1 of 12 to vote against Medicare in 1965."

Now they have a new budget and the budget is the same old song, the same old story. What they want to do is to force hospitals to close by cutting Medicare. They want to make sure that our children who need preventive health care do not have it, and they are looking to close the nursing homes where many of our parents who worked so hard during their lives now need to have this care, the loving care that these homes provide, because of the cuts in Medicaid.

And, yes, what about Mrs. J. Jones, 74 years old? She has been going to the same physician for all of her life. Now the Republicans say, "You cannot do that, Mrs. J. Jones. You are going into managed care." A prison, which will not allow our seniors choice for their medical care. What do we say now to Mrs. J. Jones?

Same old song. Cutting Medicare and cutting Medicaid. Giving the money to the wealthy and not compensating for a revenue loss by cutting the Social Security. Is that what it did to schoolchildren, and they give a smiley face on it. But it is the same old budget.

Mr. Speaker, for months they have tried to undermine the Federal commitment to education. On Sunday, the majority leader of the Republican Party even suggested that we compensate for a revenue loss by cutting education. It is as if Marie Antoinette were telling the peasants let them eat cake, but he says to students in America, let them pump gas.

We need more opportunities in this country, not less. Is it any wonder that a Republican Party that cannot seem to learn its own lessons wants everyone else in America to pay more for learning?

THE GAS TAX

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute.)

Mr. FUNDERBURK. Mr. Speaker, when Bill Clinton ran for President he said "I feel your pain." You know, he has a way with appearing emphatic and compassionate. But now, 3 years into his Presidency, Bill Clinton is now the source of a lot of pain that the American people feel.

In 1996, he and the liberals here in Congress, enacted the largest tax increase in history. Part of that tax increase was the 30-percent increase in the Federal gas tax. Every gallon that
Americans purchased is now 4.3 cents more expensive because of Bill Clinton and the liberal Democrats. Yesterday was tax freedom day. And in honor of tax freedom day, Congress should repeal this regressive gas tax and let the American people keep more of what they earn.

Mr. Speaker, we know the President feels our pain, but the real question is, "does he feel the gas tax pains?"

EDUCATION CUTS
(Ms. Mckinney asked and was given permission to address the House for 1 minute and include extraneous material.)

Ms. MCKINNEY. Mr. Speaker, I am no longer astonished by the lengths to which Republican leaders will go just to cut education funding. Monday's Washington Post reported that the Republican House majority leader favored cutting education in order to pay for a repeal of the gas tax. Now, that's audacious stuff coming from someone who used Government loans to get through school.

Mr. Speaker, the Republican leadership could have easily paid for a repeal of the gas tax by not giving the military $7 billion more than what it asked for in 1996.

In fact, what guarantee do we even have that the oil companies will reduce their prices once the gas tax is repealed?

Once again, Mr. Speaker, the Republican leadership has demonstrated that it is only interested in greasing the rigs of the oil companies, while giving the American middle class a Texas-sized wedgie.

I include for the Record the following article from the Washington Post of Monday, May 6, 1996.

ARMY: FEE FALTS VIA EDUCATION CUTS
(By Serge F. Kovaleski)

House Majority Leader Richard K. Armey (R-Tex.) yesterday suggested that the revenue loss from a repeal of the 1993 gasoline tax could be offset by cutting spending on education.

"Maybe we ought to take another look at the amount of money we are spending on education," Armey said on NBC's "Meet the Press." "There is a place where we're getting a declining value for an increasing dollar. It's in education.

"If in fact we can get some discipline in the use of our education dollar, I think we can make up the difference." Armey added.

The House yesterday that targeting education funds is not acceptable. Reducing the federal 18.3-cents-a-gallon gasoline tax by 4.3 cents, as proposed by Republicans, would save the average motorist about $27 a year in taxes, but would reduce federal revenue by $30 billion to $35 billion over the next seven years, the White House estimates.

Senate Majority Leader and presumptive GOP presidential nominee Robert J. Dole (Kan.), who has made repeal of the 1993 gas tax a focus of his campaign against President Clinton, plans to introduce legislation Tuesday to repeal the 1993 tax temporarily. The increase was part of the deficit reduction package that Clinton pushed through Congress in 1993 without a single Republican vote.

Under the Dole proposal, the tax would be rolled back through Jan. 1, 1997 and a permanent repeal would be considered as part of the budget for the fiscal year starting Oct. 1. Clinton has said he would be willing to consider the tax if Republicans found a fair way to make up the revenue loss.

But in a statement yesterday, White House Chief of Staff John H. Sununu said he would be willing to reconsider the repeal of the gas tax if Republicans found a way to make up the revenue loss.
GAS TAX INCREASE

(Mr. KINGSTON asked and was given permission to address the House for 1 minute.)

Mr. KINGSTON. Mr. Speaker, a lot of people think that the President has lost touch since he has flip-flopped so many times that maybe it has affected his head and his thinking. But it is not true. Bill Clinton still feels your pain.

In fact, Bill Clinton feels your gas pain. He even caused your gas pain, 4 cents a gallon, a 30-percent gas tax increase. That is about the price of a can of beans with every 10 gallons of gas, about 40 cents a gallon difference.

So this summer, Mr. Speaker, what I say to middle-class Americans, when you are on vacation filling up your gas tank, spending that extra 40 cents, go ahead, buy the President a can of beans and send it to the White House. That way, not only will Bill Clinton feel your gas pain, but he can share in it as well.

THE BUDGET

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

Mr. WYNN. Mr. Speaker, perhaps the previous speaker should also keep in mind the Dole dime that actually caused the taxpayers to lose more than a can of beans.

This morning I want to talk about the budget. Despite the headlines, this is in fact the same budget with the same flaws. Extreme deep cuts on the poor and the middle class to finance tax breaks for the wealthy.

What does this mean? It means that senior citizens and the poor are going to have a second class health care system. They are going to march up here in lockstep and try to tell us that we have to make these cuts to maintain the solvency of the Medicare system.

Please do not believe this hoax. The fact of the matter is, we do not need these deep cuts. The President’s budget, the other Democratic budgets give us the same level of solvency by the year 2006 as the Republicans do without making the deep cuts.

What do these cuts mean? They mean a loss of choice for seniors as to the doctors that they would go to. They mean that hospitals will close in rural areas because of deep cuts. And they mean children will go without health care.

As one of my colleagues said, it is basically the same old song.

MINIMUM WAGE

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

Mr. BALLenger, Mr. Speaker, the President is pushing the minimum wage. As a business person who runs a business, I know that business has been eating raw material cost increases for years. Unable to increase prices, business has been needing a reason to raise those prices. Along comes the minimum wage. Watch prices. Inflation can eat the value of a wage increase in nothing flat.

Who are we kidding? The minimum wage increase is straight politics.

GAS PRICES

(Mr. Fazio of California asked and was given permission to address the House for 1 minute.)

Mr. Fazio of California, Mr. Speaker, everybody knows that gas prices are rising, but if you think you have got trouble, you ought to look at what the people in California are facing: in Sacramento, $1.54 a gallon; in San Jose, $1.79; in Santa Barbara, $2.19 a gallon. That is right. Here in the District of Columbia, it is only $1.39 on average; nationally, $1.27.

Clearly, we have a bigger problem in our very isolated gasoline market on the west coast. We have 10 percent of our refineries down and out of commission. We have the added costs of newly reformed gasoline.

Sure, something needs to be done, and we can help by repealing the 4.3 cents gas tax increase, but what are we going to do to guarantee that that money actually finds its way into the pockets of consumers? That is $30 billion the consumers need back.

Our Republican friends have shown no inclination or ability to make that happen. They simply are going to be feathering the nests of the major oil companies in this country.

ROLL BACK THE CLINTON GAS TAX

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

Mr. LEwis of Kentucky, Mr. Speaker, back in 1992, candidate Bill Clinton said, I oppose Federal excise gas tax increase. But in 1993, President Clinton enacted the largest tax increase in our Nation’s history. And buried in that tax package was a $4.8 billion increase in the gas tax.

Mr. Speaker, the American people are realizing the cruel effects of the Clinton gas tax right now. As Americans plan for the busiest travel season of the year, gas prices are soaring all over our Nation. The Clinton crunch is hitting our wallets hard.

Mr. Speaker, Republicans are committed to rolling back the onerous Clinton gas tax. We want to reverse the tide of the Clinton crunch and not only help people earn more but help people keep more of what they earn.

The Clinton tax gas is a regressive tax that hurts all motorists, rich or poor. It is time to repeal the Clinton gas tax.

Housing Authorities Should Be Consulted

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

Mr. GEKAS. Mr. Speaker, Members of the House, fairly shortly now we will be resuming the debate on the housing bill that is before the Congress, and one element of that requires our attention. Whether or not the Brooke amendment of the past will obtain for the future depends on what we do here today.

There is a resource that we have back at home that we ought to take advantage of in making up our minds as to how to finally vote on this measure, and that is the members of the authorities, the housing authorities, that have the responsibility and the initiative to deal with these problems on an everyday basis. They have to consider the tenants, the low-income status of those tenants, the problems of drug dealers on the premises, the costs of overhead, a thousand different problems that we do not consider when we vote on the larger questions that are involved. I believe that we ought to call our authorities’ people and find out how they think on these matters.

Do Not Cut Medicare

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, it is deja vu all over again. Although it is early for summer recess, the Republicans yesterday released their budget, which is a rehash of the document that the American public resoundingly defeated and rejected in 1995. It has the same identical budget priorities, drastically cuts the amount of money spent on health care for seniors, a $168 billion cut in Medicare, the potential for hospitals to close across this country.

The Republicans cut Medicare once again, and they propose tax benefits for the wealthy. The money that they propose to cut does not go into the Medicare trust fund, but it goes to pay for the tax increases; the prescription that caused the cut last year, that caused them to renege from this issue.

But you have to admire their consistency; they are back here again with the same priorities, and that is because their budget is the consequence of their priorities, and their willingness to do harm to the American people, and they are sincere in wanting to do harm to working men and women in this country.

Mr. Speaker, the American people want a government that is on its side, not the side of special interests.
for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, Mother’s Day is almost here, and I have some bad news for my mother and many others. The Republicans have a new budget, and they still cut Medicare. They still want Medicare to wither on the vine.

There they go again, Mr. Speaker. In the Republican Medicare budget, they divide the elderly. They give Federal dollars over to insurance companies for the healthy and the wealthy. Then they want the Federal Government to pay for the sick and the poor.

They offer medical savings accounts to healthy seniors. So, they can use money from the Federal Government not to buy a car or take a vacation. That does not make sense. That will not help the budget or our seniors.

I call on my Republican colleagues to give us a better budget. We should not cut Medicare for tax breaks for the wealthy. We should not destroy Medicare in the name of saving it.

Don’t cut Medicare.

IT IS A MISTAKE TO RAISE THE MINIMUM WAGE

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

Mr. SMITH of Michigan. Mr. Speaker, we have been talking about minimum wage and the desirability for low-income wage earners to earn more money. Of course, it is right. Raising low wages appeals to the sense of decency and compassion of Americans. But it would be a mistake.

We have a system of allocating resources in this country called the free enterprise system. It has worked very well for this country for tax breaks for the wealthy. We should not destroy Medicare in the name of saving it.

Don’t cut Medicare.

RESTRICT PENSIONS FOR CONVICTED FORMER MEMBERS OF CONGRESS

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

Mr. DICKEY. Mr. Speaker, according to the National Taxpayers Union, the citizens of this country will pay out in 1996 over $600,000 in pensions to convicted former Members of Congress. What kind of message is this to send out to the taxpayers, farmers, miners, all the workers, about how our Government operates?

H.R. 3310 would restrict Members and former Members of Congress from receiving congressional retirement benefits if convicted of a felony which occurred while serving in the public trust. The bill would serve to punish Members who have taken advantage of the faith of the people who have placed upon them and Members involved in activities unrelated to official duties. Perhaps no other bill than H.R. 3310 will better indicate that this Congress is willing to change the way we do business.

I urge all of my colleagues to consider the provisions of H.R. 3310.

RESPONSIBLE DEFICIT REDUCTION WITHOUT UNREASONABLE CUTS IN EDUCATION

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

Mr. GENE GREEN of Texas. Mr. Speaker, last year the Republican majority overreached by planning to cut Medicare by $270 billion and offering $245 billion in tax cuts, and when they did not get their way, they shut the Government down. They realized that they were out of step with the American people and the Medicare trustees who said that we only needed $90 billion in cuts or downsizing, that is all that was needed to keep Medicare solvent.

Mr. Speaker, I am pleased to know that they are moving in the right direction now. Their new budget only calls for $180 billion in cuts, but they still are not quite there yet. I still believe we should continue to do the financially responsible thing by reducing the deficit. If we count the capital gains tax cut and the 4.3-cent gas cut that they want to do, then that adds up to $170 billion, which adds up close to the $168 billion they want to cut out of Medicare.

We have reduced the deficit 4 years in a row and will continue to do so, unlike the huge Federal deficits that were run up during the 1980’s. We can continue down the road of responsible deficit reduction without the irresponsible cuts in Medicare and education.

REPUBLICANS COMMITTED TO FUTURE GENERATIONS

(Mr. FOLEY asked and was given permission to address the House for 1 minute.)

Mr. FOLEY. Mr. Speaker, there they go again, distorting the record. This Republican Congress increases the spending on Medicare each and every year for the next 7 years. We increase it over $305 billion. This Congress is committed to the senior citizens of America, but we are also committed to the future generations.

We are $5 trillion in debt, my colleagues, $5 trillion, costing us $300 billion, $300 billion in interest payments and that could go to critically needed programs if we would get our fiscal house in order.

It is easy for the other side to make accusations, but this Republican Congress has been steadfast in its determination to balance the budget. We have done it with real numbers, honest numbers, addressing the American public’s desire for reform of government. We have been in the forefront of that debate, and to be criticized for cutting Medicare once again by the other side is a lie, is a sham, and is distasteful and disgraceful on behalf of the minority party.
May 9, 1996

The Clerk read as follows:

Pursuant to clause 2(I) of rule XI, Mr. ARMEY moves that all committees and subcommittees of the House be permitted to sit for today and the remainder of the week while in session in the Committee of the Whole House under the 5-minute rule.

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARMEY] is recognized for 1 hour.

Mr. Speaker, I yield myself such time as I may assume.

Mr. ARMEY. Mr. Speaker, again we have a good deal of work to be done in the committees as well as some important work here on the floor, and I make this request of the House out of consideration for the committees continuing their work. I appreciate the gentleman's effort.

Mr. Speaker, is the gentleman asking me to yield?

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. I thank the gentleman for yielding the time. This is a general pattern when it comes to minimums, so I appreciate the 5 minutes. It is in keeping with his overall approach.

What we have here is one of the opening phases of the 1996 Presidential campaign, which is not going sufficiently well on its own for the Republicans to conduct it in the normal way. So the House of Representatives is being enlisted into the Republican Presidential campaign. To the aid of a faltering campaign comes now the machinery of the House in a very unfortunate way.

Mr. Speaker, the request is made so the Committee on Government Reform and Oversight can vote an extremely unjustified, unprecedented, unfair, and dangerous contempt citation for the President's counsel.

We have had a number of ongoing investigations which the Republicans are conducting. They are spending enormous amounts of money for very little purpose. Well, I take it back; they have a clear purpose: election of a Republican President. They are going to spend enormous amounts of money for very little purpose.

Mr. Speaker, the request is made so the Committee on Government Reform and Oversight can vote an extremely unjustified, unprecedented, unfair, and dangerous contempt citation for the President's counsel.

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We have had a number of ongoing investigations which the Republicans are conducting. They are spending enormous amounts of money for very little purpose.
Mrs. CLAYTON and Mr. SPRATT changed their vote from "yea" to "nay." Messrs. MANZULLO, WELLER, and HALL of Texas changed their vote from "nay" to "yea." So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

UNITED STATES HOUSING ACT OF 1996

The SPEAKER pro tempore. (Mr. LAHOOD.) Pursuant to House Resolution 426 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2406.

Mr. FRANK of Massachusetts: In the Committee of the Whole

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2406) to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, with Mr. GUINERSON in the chair.

The Clerk read the title of the bill.

Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts, Mr. FRANK.

Chairman, I yield 4 minutes to the gentleman from Massachusetts, Mr. FRANK.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 8, 1996, title II was open for amendment at any point.

Pursuant to the order of the Committee of that day, debate on each amendment, and any amendment thereto, shall be limited to 10 minutes, equally divided and controlled by the proponent and an opponent, with the following exceptions:

Amendment No. 7, as modified, by the gentleman from Massachusetts [Mr. FRANK] for 60 minutes; amendment No. 17 by the gentleman from Massachusetts [Mr. KENNEDY] for 60 minutes; amendments Nos. 33 and 34 by the gentleman from New York [Ms. VELAZQUEZ] which may be considered en bloc for 20 minutes; amendment No. 22 by the gentleman from Indiana [Mr. ROEMER] for 20 minutes; and amendment No. 8 by the gentleman from Arizona [Mr. HAYWORTH] for 20 minutes.

Are there any amendments to title II?

AMENDMENT NO. 7, AS MODIFIED, OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, pursuant to the unanimous-consensus request of the last night, I offer an amendment, as modified, the CHAIRMAN. The Chair will designate the amendment, as modified. The text of the amendment, as modified, is as follows:

Amendment No. 7, as modified, offered by Mr. FRANK of Massachusetts:

Section 229(a) of the bill (as amended by the manager's amendment), strike paragraph (2) of such section and insert the following new paragraph:

(2) LIMITATION.—Notwithstanding any other provision of this subsection, the amount paid by a family for monthly rent for a dwelling unit in public housing may not exceed 30 percent of the family's adjusted monthly income.

Section 322(a) of the bill (as amended by the manager's amendment), strike paragraph (2) of such section and insert the following new paragraph:

(2) LIMITATION.—Except as provided in paragraph (3) and notwithstanding any other provision of this subsection, the amount paid by an assisted family for monthly rent for an assisted dwelling unit may not exceed 30 percent of the family's adjusted monthly income.

Section 352 of the bill (as amended by the manager's amendment), strike subsection (a) and insert the following new subsection:

(2) UNITS HAVING GROSS RENT EXCEEDING PAYMENT STANDARD.—In the case of an assisted family renting a dwelling unit bearing a gross rent that exceeds the payment standard established under section 353 for a dwelling unit of the applicable size and location in the market area in which the assisted dwelling unit is located, the amount of the monthly assistance payment for housing assistance under this title shall be the family's income, and such payment standard exceeds the lesser of (1) the resident contribution determined in accordance with section 353(a)(1), or (2) 30 percent of the family's adjusted monthly income.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Massachusetts [Mr. FRANK] and a Member opposed will each control 30 minutes.

Does the gentleman from New York wish to control the time in opposition? Mr. LAZIO of New York. Mr. Chairman, I will be controlling the time.

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. GUTIERREZ], one of the coauthors of the amendment.

Mr. GUTIERREZ. Mr. Chairman, I rise to strongly urge my colleagues to...
support the amendment that I am offering today with my friends and colleagues, Mr. Frank and Mr. Hinchey.

This amendment is truly very simple. And yet, as simple as this amendment is, I strongly believe that its approval is vital to Americans who depend on public housing.

If this Congress has any interest in preserving its commitment to providing decent, affordable housing to Americans who need it most, passage of this amendment is a critical step.

Our current system places a cap of 30 percent of total income as the amount a public housing resident or family can spend on rent. In addition, our amendment allows local housing authorities the flexibility to allow residents to pay less than 30 percent of their income for rent.

And this flexibility is critical. Because it gives local housing authorities a greater ability to reach a goal that is important to all of us who care about public housing.

The ability to encourage residents of mixed incomes to live in public housing and not create a disincentive to earning more money.

But without this amendment, we do nothing to create a situation where people who need housing most will not be able to afford it.

Under the current language of the bill, families in public housing will have no protection against financially debilitating rent increases.

Let me be clear. This bill does not raise the income cap to 35 percent. It doesn't push the cap all the way up to 40 percent. It doesn't take the extreme step of allowing the cap to skyrocket to 50 percent of your income.

This bill eliminates the cap.

And that is little different from eliminating our commitment to public housing.

We cannot pretend in this House to care about providing quality housing to Americans if we are completely willing to disregard whether that housing is affordable.

Affordability is the heart of America's commitment to public housing.

Unless the Frank-Gutierrez amendment is passed, that heart is cut out. And we abandon our commitment to providing quality public housing that the people who need it most can afford.

Now, I tell my colleagues that they might simply say, "What rent increase? There is nothing in this bill that requires local housing authorities to raise the rent of public housing residents."

Don't be fooled by that argument. This bill allows local housing authorities to charge whatever they feel is necessary to stay within their budgets. And what has this Congress done to the budgets of housing authorities?

Well, we have just cut the operating subsidies by $100 million. By $100 million—$100 million that was essential to keeping rents affordable.

And now my colleagues suggest that we should tell them that the sky is the limit on rent increases.

I do not think it takes a detective to uncover where the extra money is coming from. It is going to come from the people who can least afford it.

I urge my colleagues do not force this economic hardship on Americans who rely on public housing. Paying 30 percent of your income on rent is hardly a giveaway, hardly a free ride.

I strongly believe that 30 percent is a fair and reasonable contribution of a family's income.

Thirty percent is logical; in fact it basically follows the guidelines that lenders use in deciding how much a family can afford to spend on their mortgage.

Most lenders don't want families to spend more than 28 percent of their income on their mortgage. 28 percent—for people who can afford to own their homes. Yet, incredibly, this bill proposes no cap at all for people who can barely afford to make ends meet.

A fundamental goal of public housing is that it gives residents an opportunity to live in safety and dignity—and ease their financial burdens.

If we ask those very people to pay 32, 35, 40 percent of their income just to meet their housing expenses, the government is not easing the burden of public housing residents—it is imposing a burden on public housing residents.

Instead of helping to light a path toward a better future, we are setting hurdles in the way.

Let's be clear. We are talking about a population that will be affected by even a slight increase in out-of-pocket expenses for housing.

Quite simply, most of the people who will be facing a rent affected by this increase do not have the money to pay for their increases.

We are talking about Americans with very, very modest incomes.

How modest?

The average annual income of public housing tenants is $6,400—$6,400. And this bill suggests that they somehow have the ability to pay more for rent.

They do not. And yet we have created a bill that will give them very few alternatives.

They will have some alternatives. Move to the area with the very, very modest incomes. Or have no housing at all.

My colleagues who support this bill are right about one thing—public housing residents deserve better than they are receiving now.

They deserve a commitment to safer, better quality housing.

Congress has not been very good about keeping that commitment. But they also deserve to have decent housing that they can afford.

This Congress should honor that commitment as well.

We can honor that commitment by passing this amendment and protecting the economic security of public housing residents.

I hope my colleagues will say yes to that vital commitment.
amendment does. It is precisely what it does.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. The amendment that I have offered puts an upper limit of 30 percent, but does not at all require any increase.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, but that is exactly what is going to happen. The amendment that the gentleman from Massachusetts is offering, which suggests that housing authorities can set rents at up to 30 percent of income, will create not just a floor, but a ceiling. Housing authorities will continue to set rent based on income. That is the problem.

If we had to pay 30 percent of our income in rent, I guarantee you, this place would not be voting for it. But because we have to live in those places and we do not have to live with this, it becomes very easy rhetorically to say we are so incompassionate, because we are protecting the poor. That is nonsense. It is not serving the very people that these people purport to represent.

Let me just say again, Mr. Chairman, that this has been a work disincentive. We are in fact protecting almost 90 percent of the current population in public housing. We are trying to create an environment wherein people can transition to work, where work ethic is rewarded, where there is mixed income, there is hope, there is opportunity. The Frank amendment would destroy all those things. It would move us back into the past. It would reclaim the situation that we have in State Street of 4.5 miles, where there is 99 percent unemployment for 10,000 Americans. We cannot condemn 10,000 Americans to another 30 years of failed policy.

Mr. Chairman, I yield the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

The gentleman has shown how indefensible his amendment is by absolutely misrepresenting its substance. The amendment I have offered restores the 60 percent limit. It does not require an increase. The gentleman’s argument, be clear, here is: If you can tell housing authorities that they can charge no more than 30 percent, but less if they want to, they will charge more than if you tell them they can charge 40 or 50 percent.

His amendment says the housing authorities can raise the rents on these working people to whatever level you want. Our amendment says set whatever level you want, but in no case above 30 percent. In fact, there is one group of people who get the 30 percent protection, and that is people on welfare under his version.

So he singles out working poor people in housing and he protects them by taking the cap off their rent. There is absolutely nothing in the amendment we are offering that requires, encourages, pushes, urges, an increase in the rent. All we say is a cap.

When a 30-percent limit on what you can charge results in a transformation into raising the rents, as opposed to allowing them to go higher, you see how logically indefensible the gentleman considers the amendment to be.

Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, I rise in support of the amendment to restore the so-called Brooke amendment. Before I discuss the merits of this amendment, let me first address the bill as a whole and the exemplary job my good friend from New York, Mr. LAZIO, and his staff have done on this legislation.

The Department of Housing and Urban Development is perhaps the one segment of the Federal Government that needs reform the most. Most of the current housing policy is based on the U.S. Housing Act of 1937, reflecting the needs of a different era.

Chairman LAZIO of New York. Mr. Chairman, I yield the gentleman yield?

Mr. BAKER of Louisiana. Mr. Chairman, I yield to the gentleman from New York.

Chairman LAZIO of New York. Mr. Chairman, the gentleman has a photograph next to him that I believe is in his neck of the woods. Is this the situation the gentleman is referring to?

Mr. BAKER of Louisiana. Mr. Chairman, referring to the same row, only one among many. But this is the answer to how can this be. When one drives just a short distance from my home, in a bus, goes down to the Desire Street Housing Project, built in the 1950’s, now on a Superfund site, surrounded on all sides, with one way in and out over a railroad track, 1,800 units now occupied by 400 individuals, not aggregated one locale, but spread out throughout 1,800 units, unprotected. The employees do not have housing. This is not the largest slum landlord. If something happens, as it did one week before I went when a 15-year-old child was killed on the doorsplit of his unit over rival drugs wars, over sales territory, I went upstairs and talked to the 80-year-old lady who lived in that building by herself and said, “Ma’am, is there anything I can do to help you?”

She did not know who I was, nor did she care. She said, “Come with me a minute.” Her unit is well kept. It was the only one in 16 units in that building. It was not just rundown, depreciated, and worn out. There were no walls, there were no floors. There were...
dogs and cats running through the bottom area.

She walked up those steps every night by herself, locked herself in the room, and said, “There is one thing I would like you to do for me, if you might.” She led me into the rest room, and showed me the large gap in the wall above the shower stall.

She said, “At night when I try to take a bath, the roaches come down the wall. It bothers me just a bit.” How would you feel if that was your grandmother?

Now, here is the real problem. If that were just the only issue, if it was just the fact there was not a sufficient amount of money in the bank to solve this problem. Desire has, the Housing Authority of New Orleans, this morning has $200 million in their account to spend for renovation.

I called the GAO. I said, “Look, guys, tell me what is going on. I am really worried about this, because not only is it a waste of taxpayer money, look at the conditions in which these people have to exist.”

I got this back, dated May 1996. I know it is a little old, but we will use it anyway. When I flipped through the pages, there is a summary of the history. Secretary Cisneros wrote Leon Panetta a letter 2 years ago saying, “Mr. Panetta, we have to do something about this circumstance. It is dismal. It is not fit for human habitation.”

This report dated May 1996 says the circumstances today are unfit for human habitation.

I have a letter from employees. I have a letter from occupants, saying “Please, get us out of these circumstances. It has got to come to an end.”

What effect does the Brooke amendment have on this circumstance? What effect does one-for-one have on this circumstance? Concentration issues. The Desire Street Housing Project is an example. Ninety percent of the occupants are single, poor, women with children, without education.

□ 1130

Now, if we are going to do something about the problems, we have got to turn that around. We have got to have those kids in an environment where they see dads going to work and where there are children playing in the yard. We have got to turn this around.

It is not just a question of the poorly run disasters like Desire in New Orleans. And, by the way, I intend to ask the Secretary of HUD to seize control and take it away from the city and give those people a chance for real hope and opportunity, because we can do it.

There is more vacant housing in New Orleans than there are people on the waiting lists if you bulldozed Desire. That is one problem. By the way, when I first got involved in this they were going to spend $7,000 per unit to renovate on this Superfund site. The most recent plan, after I objected, calls for them to spend $130,000 per unit. I am really doing a good job. Mr. Chairman, we have got to get a grip.

What about the well-run public housing? I called Baton Rouge. I said, “Guys, what is going on?” We had a big debate about the number of people on the boards that govern public housing. I said, “Tell me how you run it.” They have seven members, two are residents. Tell me who the other bad guys are that are making the terrible public policy. Well, we have a realtor. I am sure that Mr. LaBou, we have a doctor from Southern University. A former Secretary of Health and Human Resources is on the board. We have a volunteer coordinator at a public hospital. We have a Methodist minister. He has got to be the one that is driving these poor people into these poor conditions.

I said, “How much do they make to serve on the public housing boards and do all of this damage to the poor people of America?” Nothing. No reimburse- ment, no per diem, no travel. It is 100 percent volunteer. These people are performing a public service to try to help the poor of Baton Rouge.

Mr. Chairman, these people have asked us to help them govern their housing authorities. Take off the Brooke amendment. Help us govern and help people who want to help themselves. Let us get a population mix in public housing that reflects the problems of America. The only relevance of the Brooke amendment, the already difficult lives of the extremely poor will become a nightmare. Adequate housing must remain affordable for everyone.

In New York City alone, 560,000 housing authority tenants will face higher rents or eviction if Brooke is eliminated. There is not going to be mixed income. You will have people living in luxury. There will be families making $40,000 living in public housing and poor people will be thrown into the streets.

This is a price they simply cannot afford to pay. Faced with higher rents, families will have to scrimp for even their most basic necessities. How much more are we going to bleed out of our poor?

The United States already has the impressive distinction of having the highest poverty rate of the industrialized world. Elimination of rent caps coupled with funding cuts to housing and a 25-percent cut to homeless shelters will force waiting lists for park benches to skyrocket.

Mr. Chairman, I say to my Republican colleagues, you should be ashamed of yourself. Stop trying to balance the budget on the backs of the Americans least able to shoulder that burden. Think of the message you are sending.

Mr. Chairman, clearly, the majority cares more about the have-nots than the have-nots. Instead of investing in the neediest Americans, they give a $7 billion increase to the Department of Defense; they give hefty tax breaks to wealthy corporations and contributors that dwarf our spending to house the poor; and they deny an increase in the minimum Federal wage for working Americans.

We’ve heard that the Contract With America was not a contract with all Americans, only the privileged few. I urge my colleagues to support the Frank amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield such time as he may consume.

Mr. BAKER of Louisiana. Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield to the gentleman from Louisiana, although he would not yield to me.

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Mr. BAKER of Louisiana. Mr. Chairman, I yield to the gentleman from Massachusetts, although he would not yield to me.
Mr. Chairman, I am just sick and tired of people calling compassion State Street, which has been tolerated for the last 30 years by the last majority. It was OK to warehouse people and keep people unemployed, and it is OK to make sure they are affordable on the committee to make sure they do not have access to jobs or access to good education. That is compassion.

But give people a chance to get a job and get a decent education and get income mix, and we lack compassion and we are a country. Mr. Chairman, I yield 4 minutes to the gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Chairman, I want to compliment the gentleman from New York [Mr. LAZIO], chairman of the subcommittee. The gentleman has done an exceptional job in trying to articulate the need for change in the area of public housing. I have to confess that we are asked to be expert on any number of subjects that are frankly far beyond our ability to do so. I am attempting in the long run to visit many of the public housing projects in my district. I visited projects in Portland, Sanford, and Augusta. I have talked to the director of the State Public Housing Authority and I visited a project that they have sponsored. I talked to trustees in south Portland and I have also talked with the director of the Portland Public Housing Authority. The message that I hear over and over and over again is the need for change in Washington. Particularly, I spoke a year ago with the director of the Public Housing Authority in Sanford. He said, “If you would just give us some flexibility, we can manage these projects more efficiently, we can do a better job, and we can do it at less cost.”

Mr. Chairman, I happened to get a letter yesterday from the director of the Portland Housing Authority, Mr. Peter Howe. I want to point out that he said, H.R. 2406 contains, much-needed regulatory relief, that is, repeal of Federal preferences, the one-for-one replacement rule, and the take-one, take-all provision. The provisions contained in this legislation provide local housing authorities the type of administrative relief and authority necessary to operate these programs in a tenacious funding environment. Mr. Chairman, it goes on to say—

I also encourage you to support compromise language that calls for targeting 30 percent of all units for those below 30 percent of median income. This will ensure that the poorest members of our community will not suffer excessive rent burdens. I also encourage you to support compromise language that calls for targeting 30 percent of all units for those below 30 percent of median income. This provision will assure that affordable housing units will be available to the poorest members of our community.

Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. WYNN], a member of the committee. Mr. WYNN. Mr. Chairman, I rise in strong support of the amendment. The Republicans like to moan about us calling them extremists. Well, they are and this is a classic example.

Mr. Chairman, they take a bill that has many laudable points and then they ruin it because they repeal the Brooke Amendment. The Brooke Amendment was designed to cap the rents that are paid by some of the poorest people in this country, people who make $6,400 a year. That is extreme.

The Brooke amendment simply reflects the standards of our financial services industry, the real estate industry, the banking industry, the financial services industry which says that people should only pay a reasonable portion of their income, about 30 percent, for housing. If we do not have the Brooke amendment, what we do is create a cycle of poverty because poor people then have to choose between medicine and rent; between paying bills and rent; between car repairs and rent. The first emergency that happens, they fall further behind. That is the cycle of poverty that is created in the language in this bill.

My Republican colleagues recognize that this is a problem because they know the Brooke amendment for current residents, disabled people, and for seniors. It is good enough for the disabled and seniors, why not new tenants? We need to keep the Brooke amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1 minute and 15 seconds.

Mr. Chairman, I now it is part of the Democratic strategy to try and label, use words. That substitutes for analysis in terms of this. But let me tell my colleagues what is extreme, Mr. Chairman.

Mr. Chairman, what is extreme is allowing people to be concentrated in poverty and not allowing them a chance to get out. What is extreme is a housing authority like in New Orleans with a score 27 out of a possible score of 100, and still receiving taxpayer dollars. Or DC at 33; or Philadelphia at 35; Chicago, 45; Atlanta, 49; Pittsburgh, 47; even Boston, 62.

Mr. Chairman, I would say if our children came home with scores like that, we would make sure they changed schools or went and did their homework. Neither one of them is happening right now. Mr. KENNEDY of Massachusetts, Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have tried to compliment the chairman of the Subcommittee on Housing and Community Opportunity for many of the changes that the gentleman has incorporated into this bill that in fact will allow the Secretary to deal with some of those housing problems.

But, Mr. Chairman, that has nothing to do with what the Brooke amendment does. The Brooke amendment simply caps the rents at 30 percent. As the gentleman knows, he protects all of these very poor. He protects the elderly and the disabled. The only people the gentleman is going to be pushing out of public housing are working poor.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. TORKILDSEN], although this may be a Democratic strategy.

Mr. TORKILDSEN. Mr. Chairman, housing is a key part of the American dream. For some this means owning their own home, and that’s why we must keep the tax deduction for mortgage-interest. For others it means renting an apartment at market rates. And for others it means living in subsidized housing. For some people the Brooke amendment is essential.

As a Republican from Massachusetts, I am proud to support this amendment, which upholds the strong tradition of housing fairness established by a great
I applaud the chairman of the Housing Subcommittee for crafting a bill that skillfully reinvents the Federal Government’s approach to housing policy. I find no reason to alter the Brooke amendment as part of this invention.

In 1969, Ed Brooke proposed his amendment in response to increasingly unaffordable rents charged by public housing authorities struggling to meet expenses. Unfortunately, not much has changed since then. We still need this valuable safety net for families living in public housing.

The Brooke amendment is plain and simple. It says that families in public housing will not pay more than 30 percent of their income in rent. Last week, I met with Senator Brooke and he explained that his amendment was based on a common-sense rule-of-thumb his father told him when he was young man. Brooke’s father said that if he was paying more than 25 percent of his income in rent, he should find another place to live. Unfortunately, for most families in public housing the only alternative is homelessness.

Last year, the Federal Government spent $2.9 billion on public housing agencies. This amount pales in comparison to the $58.3 billion value of the mortgage-interest deduction.

Critics claim that the Brooke amendment discourages work, but this issue is easily resolved. Without a repeal of the Brooke amendment, would force many people out of the only quality home they have access to. The Brooke amendment was authored by a Republican Senator and signed into law by a Republican president. It would be disappointing for this Republican Congress to dismantle such a commonsense policy.

Mr. Chairman, I submit the following for the RECORD:

[From the Boston Globe, May 8, 1996]

**The Brooke Amendment**

**Mr. REED.** Mr. Chairman, I rise in strong support of the Frank amendment. I have heard from hundreds of Rhode Islanders who are concerned about the repeal of the Brooke amendment. While I commend Chairman Laurion’s amendment to improve his original provision regarding rent payments, I believe that we need to do more to protect those Americans who rely on public and assisted housing.

*Our Nation’s low-income residents are already coping with drastic cuts in funding for many important programs. Rhode Island’s seniors, disabled, and low-income families are already forced to make many choices between the bare necessities of life that Members of Congress do not face. The Frank amendment will allow these people to live in decent, affordable housing and still provide for their food, clothing, and medicine. Simply put, increasing rents for our Nation’s most vulnerable will not achieve the savings our lawmakers are seeking.*

*Mr. Chairman, I urge my colleagues to provide real help to our Nation’s elderly, disabled persons, children, and low-income residents. Support the Frank amendment.*

Mr. Chairman, I rise in support of the Frank amendment. I have heard from hundreds of Rhode Islanders who are concerned about the repeal of the Brooke amendment. While I commend Chairman Laurion’s amendment which aims to improve his original provision regarding rent payments, I believe that we need to do more to protect those Americans who rely on public and assisted housing.

*We need to ensure reasonable rents for our Nation’s seniors, disabled persons, and low-income families so that they can live in safe decent and affordable housing. Our Nation’s low-income residents are already coping with drastic cuts in funding for many important programs, and now we are contemplating penalizing those who may find themselves in need of public housing in the future whose incomes fall below 50 percent of the median income level.*

*Rhode Island’s seniors and disabled are already forced to make many choices between the bare necessities of life that Members of Congress do not face. The Brooke amendment has allowed these people to live in decent, affordable housing and still provide for their food, clothing, and medicine. Simply put, increasing rents for our Nation’s most vulnerable will not achieve the goal of “empowering” our citizens. Rather, it could force many of these people deeper into poverty.*

*Mr. REED. Mr. Chairman, I rise in support of the Frank amendment. In Rhode Island, 25,100 households fall under the Brooke amendment, and not all of them live in public housing. The Brooke amendment matters because 11,400 of these households include children that need to be fed, clothed, and educated. The Brooke amendment matters because the Providence housing market lost some 1,100 units of affordable housing from 1988 to 1992. Regrettably, the bill we are now considering will only exacerbate the problems of those struggling and older Rhode Islanders who desperately need the Brooke amendment.*

Mr. Chairman, I urge my colleagues to provide real help to our Nation’s elderly, disabled
Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds to point out, nice speech, wrong subject.

The amendment we are offering on a bipartisan basis does not tie rent to income. It allows the housing authority to consider working people except in one context. It says it cannot go above a certain amount. The only difference between this amendment and the gentleman's proposal, by the way, with regard to welfare recipients we are the same. With regard to elderly people we are the same. But with regard to working people and new elderly residents, there is one difference. We say set the rent however you want and whatever basis you want, but there is an upper limit. Their bill says, set the rent however you want and whatever way you want without an upper limit. Some protection.

Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I want to make two basic points.

First of all, one of the great crises in America today is that millions and millions of low income and working people who face a 40, 50 percent of their limited incomes on housing. Therefore, they just do not have the money available for the food they need, for the transportation they need and maybe to put away a few dollars for educational opportunities for their kids. That is a real crisis.

The second point that I would make is to try to put this discussion in human terms. I called up a housing authority, senior citizen housing authority in Vermont this morning. They told me that many of the seniors in the housing earn $8,000 a year on average from Social Security. Right now they are paying 30 percent of their income for rent, $2,400 a year.

Mr. Chairman, if this proposal that is in the bill goes through, what could very easily happen is that senior citizens bringing in $8,000 a year will now pay 40 percent of their income in housing. That is an additional $800 a year, when you are bringing in $8,000 a year. Ten percent of all of your income more now goes for housing.

Second of all, if their Medicare proposals go into effect and we raise the Medicare premiums for senior citizens, in a few years, but a few years, I might add, talking about those same seniors paying $500 a year more for Medicare premiums; $800 plus $500, $1,300 a year more on a senior citizen earning $8,000 a year on Social Security.

Mr. Chairman, in addition, we are talking about huge tax breaks for the wealthiest people in America. Mr. Chairman, this proposal in the bill is unfair. It constitutes a war against many senior citizens.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 30 seconds.

I will tell my colleagues what is outrageous and unconscionable. My colleagues ought to just quit it.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 30 seconds.

No one goes around and shops for an apartment and finds that this apartment is 25 percent of our income or this is 30 percent of our income, but that is precisely the old model that they want to go back to. That is precisely the model that has led to disastrous results. Do not ask me; go back to the housing authorities that have said this.

Mr. FRANK of Massachusetts. Mr. Chairman, I refer to the gentleman from New Jersey [Mrs. ROUKEMA], my friend and colleague, former ranking member of the Subcommittee on Housing and Community Opportunity. (Mrs. ROUKHEMA asked and was given permission to revise and extend her remarks.)

Mr. LAZIO of New York. Mr. Chairman, I refer to the gentleman from New Jersey [Mrs. ROUKEMA], my friend and colleague, former ranking member of the Subcommittee on Housing and Community Opportunity. (Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)
work. Also, we must face the budget realities and our own outlawing of unclaimed mandates. It is unreasonable to keep Brooke in full force while the compensating operating subsidies will fall almost a billion dollars in fy96 and fy97 from what is needed for the current system. Let us let public housing administrators find ways to become less dependent on federal rents. Let us not presume that they are less sensitive to the needs of the poor than Congress.

I think your bill takes important steps to reform a program that has been laden with federal misdirections over the years. Allowing the limited use of new flat and tiered rents for other than the poorest is a good move. However, in my view, PHAs will still need to imitate more fully the simplest rent methods of the private world, where extra family income doesn’t result in extra rent. It is important in the era of welfare reform that we remove disincentives to work which many feel has often been an unintended consequence of Brooke. By the way, we allow rents in excess of 30% of income in the voucher, tax credit and HOME programs.

I urge the chairman as this statute evolves with the melding of the Senate to consider increasing the minimum percentage of units that a PHA must always afford to those very, very low income households below 30% to something less than 30% to higher percentage. I also urge you to ensure that the current, non-Brooke residents are thoroughly protected from burdensome rent increases by seeing whether the Gonzalez cap is adequate for the purpose. I applaud your undertaking to update this valuable, but overly-federized housing program. Let’s give change a chance.

Mr. LINCOLN of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, I thank my colleague from Massachusetts for yielding time to me.

Let me remind my colleagues, as I told them last night, I was one of the members of the Democratic party who supported this legislation when we reported it from the Committee on Banking and Financial Services. I commend my colleague from New York for his leadership. I believe he moves public housing policy forward in ways which I agree with. In particular, greater involvement at the local level, moving away from project-based assistance to tenant-based assistance through the use of vouchers and promoting home ownership. These are proper goals. But the bill is not perfect.

By removing the Brooke amendment, which places a rent cap of 30 percent, it creates some serious problems. There are two problems with the repeal of Brooke which we should correct by adopting the Frank-Gutierrez-Hinchey amendment.

First, by lowering the funding for assisted housing and removing the rent cap, housing authorities will have no choice but to raise rents to meet existing demand, let alone any growth. It is a simple economic fact which the majority deny but not dispute. The housing authorities will have to maximize revenues to meet need and can only do so by increasing rents.

Second, the bill, through the manager’s amendment, makes the same mistake that we have in Federal welfare policy. By lifting the rent cap for families with incomes over 30 percent of the median, we actually tax work and thus create a disincentive to achieve. I think my colleagues in the majority would agree that an effective tax increase is a disincentive to economic opportunity and growth, let alone work. This bill moves us in the right direction, which should be to help people in need but to try and move them away from housing projects and ultimately into homes which they own. But by repealing the Brooke amendment and not adopting the Frank amendment, we will contradict that goal and ultimately fail.

Adopting the Frank amendment will correct this flaw in an otherwise well-intentioned bill. I would ask my colleagues to remember, when they have gone to the bank to apply for a mortgage, that the banks will often have them fill out a form that tries to see if you can pay the monthly note with 28 to 30 percent of your adjusted gross income.

Adopt the Frank amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1 minute to just outline the fact that the compromise that was struck on the so-called Brooke amendment which allows for protection in our bill, the poorest of the poor, seniors and disabled, is supported by housing authorities throughout the country, including the Massachusetts Chapter of the National Association of Housing and Redevelopment Officials.

Let me just read part of that, if I can:

"We support the compromise language on the Brooke amendment. We do not support the position taken by Congressman Kennedy and Congressman Frank. Both Congressmen know this. Massachusetts Housing Authorities are pleased that your legislation will breathe life into dying housing developments. Keeping your aperture is the local control, flexibility and trust you place in locally elected or appointed officials to lead LHA’s and to do the right thing. Your concept is correct. They are accountable to their communities."

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I just point out that when you are putting money in the back pocket of the housing authorities, it is very easy to get a letter like that.

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, it is not this side of the aisle but your side of the aisle that wants to increase administrative fees that go directly to housing authorities. They simply want the right thing. Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds. I know this is clearly one where the housing authorities are on one side; the tenants are on the other.

No tenant has said to me, “Please let them raise my rent.”

The housing authorities explained this to me: Given the cutbacks that have occurred in the housing budget, they believe they are going to have to raise rents to get money to offset it. One of them said to me, yes, these Massachusetts people will be between a rock and hard place. I do not think that is the case. I think they are between a rock and a rather soft place, the lower income side. I do urge housing authorities are faced with these cuts, are prepared to raise the money from the tenant. I disagree very much with the housing authority.

Mr. LAZIO of New York. Mr. Chairman, I offer an amendment as a substitute for the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. WATTS of Oklahoma as a substitute for the amendment offered by Mr. FRANK of Massachusetts as modified:

Page 157, after line 26, insert the following new subsection:

(b) LIMITATION.—Notwithstanding any other provision of this section, the amount paid by an assisted family that is an elderly family or a disabled family, for monthly rent for an assisted dwelling unit bearing a gross rent that does not exceed the payment standard established under section 333 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located may not exceed 30 percent of the family's adjusted monthly income.

Page 159, line 1, strike “(d)” and insert “(c)”. Page 159, line 9, strike “(c)” and insert “(d)”. Page 159, line 1, strike “(d)” and insert “(e)”. Page 172, line 11, before the period insert the following: except that in the case of an assisted family that is an elderly family or a disabled family, the amount of the monthly assistance payment shall be the amount by which such payment standard exceeds the lesser of the amount of the resident contribution determined in accordance with section 332 or 30 percent of the family’s adjusted monthly income.

Mr. WATTS of Oklahoma (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.
as read. The gentleman from Massachusetts reserves the right to object.

Mr. FRANK of Massachusetts. Indeed, since we have just now been given a copy, I do object but would like to proceed with the reading.

The CHAIRMAN. Does the gentleman withdraw his reservation of objection?

Mr. FRANK of Massachusetts. I object because we need time to read this. We have not been given the courtesy.

The CHAIRMAN. The gentleman objects. The Clerk will continue the reading.

The Clerk completed the reading of the amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. WATTS] is recognized for 2 minutes.

Mr. WATTS of Oklahoma. Mr. Chairman, as we have heard read, this amendment provides for protection of elderly and disabled by providing that their rental payment will not exceed more than 30 percent of the family’s monthly adjusted income.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. Before the gentleman is recognized, the Chair wants to make sure everyone understands that the time utilized to discuss the substitute in front of us is taken from the 1 hour equally divided between the gentleman from Massachusetts and the gentleman from New York so that the gentleman has the opportunity to utilize that time in debating either the substitute or the amendment originally offered by the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask unanimous consent, given the changing aspects of this, that we add another 10 minutes to each side of the debate.

The CHAIRMAN. Is it the intent of the gentleman from Massachusetts [Mr. KENNEDY] that that time be allocated simply to the substitute or to the full 60 minutes allocated earlier?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would offer it to the full 60 minutes, depending on how this works out.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that an additional 10 minutes equally divided between both sides be allocated to the original 60 minutes of debate for consideration of the Frank amendment.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume, and I thank the gentleman from New York [Mr. LAZIO] for his courtesy in this regard.

We have here one more tactical retreat. In the interests of simplicity, they further complicate things. Here is the problem.

The manager’s amendment that the other side was so vehemently defending said for currently disabled and elderly people it would be a 30-percent cap, but for new people it would not be. So now what this does is to apply the 30-percent cap to new elderly people. I like that amendment.

Why is it offered now? It is offered now in a desperate hope to prevent a vote on the underlying amendment because if this substitute is adopted, then there is no vote on the underlying amendment.

As a matter of fact, this was a pre-existing amendment, and intellectual property does not apply in here. It is a substitute amendment offered by the gentleman from Oklahoma [Mr. WATTS] crossing out “Mr. Hinchey of New York.” They took Mr. Hinchey’s amendment, which would have done this subsequently, and they crossed it out and they wrote in “Mr. WATTS.”

Mr. Chairman, that is okay. They can do that.

Mr. FRANK of Massachusetts. Mr. Chairman, I ask unanimous consent that an additional 10 minutes be added to the amendment from Oklahoma is not the Peoples’ Republic of China. He is not held to any standard on intellectual property. He can copyright and counterfeit and pirate; that is OK. But the reason he did it is to prevent us from voting under the underlying amendment.

And I just want to make one point before I yield to my friend from Massachusetts. Understand that the gentleman from New York said the tenant is only eligible to this 30 percent cap. Understand the wholly illogical and inconsistent approach he takes. On the one hand, he says over 30 percent cap has been bad, even if it is not a flaw, it is bad for the tenant, it drives their rents up. So now he says, “I am going to protect the elderly by subjecting them to that 30 percent cap,” that he says is so bad for them. It just shows what a sham this is.

Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have a question of the author of the amendment.

The gentleman has offered this amendment under the section that deals with the vouchers of programs side of this. Does the gentleman intend for this to cover public housing as well?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, this would apply to tenant based, project based and public housing.

Mr. KENNEDY of Massachusetts. Mr. Chairman, it asks the gentleman, are you sure, Mr. LAZIO, it applies to public housing? Because you have offered it in the third section of this bill.

Mr. FRANK of Massachusetts. Reclaim my time, Mr. Chairman, maybe we should find the gentleman from New York [Mr. Hinchey]. They stole the amendment offered by the gentleman from New York [Mr. Hinchey]. Why do we not get the gentleman from New York to explain it to the gentleman?

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman would continue to yield, I am just pointing out to my colleague that had offered this amendment in the third section of the bill, and my understanding from staff is that it raises a serious question as to whether or not it covers public housing.

Mr. FRANK of Massachusetts. Mr. Chairman, in fact what happened was the gentleman from New York [Mr. Hinchey] had two separate amendments, and they only stole one. They forgot to steal them both. So the gentleman only took half of Hinchey; he got a “Hinch” but no “E” here. So that is the problem.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous-consent request to amend this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from New York is recognized for the purpose of a unanimous-consent request.

Mr. LAZIO of New York. I ask unanimous consent, Mr. Chairman, to allow the amendment to apply to seniors, respectively in the future to seniors using section 8 voucher-based program.

Mr. FRANK of Massachusetts. Reserving the right to object, Mr. Chairman, the gentelman from New York [Mr. Hinchey] has these amendments in proper form pending. The appropriate way to do this would be to vote on the amendment that is now pending. If it is defeated, these two amendments would then be in order. This is simply an effort to hijack the amendment of the gentleman from New York [Mr. Hinchey] to preempt a vote, and therefore I object.

The CHAIRMAN. Objection is heard.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we are again going around and around talking about ensuring that working people have the incentive to go to work. We are trying to ensure that the Brooke amendment, which is a tax on work, which will result, even the Frank amendment will result, on more taxes on working people, on higher rents, kills jobs, hurts working poor, hurts working people, hurts mixed income, will be defeated.

What we are saying is that we need to protect the most vulnerable members of our society, and that is not inconsistent. We are saying we need to protect the seniors, we need to protect the disabled, we need to protect the poorest of the poor, and all these people are protected in our manager’s amendment and in our bill.

We are trying to move beyond that. The gentleman has objected to a unanimous-consent request so that we can amend this to seniors using section 8 voucher-based program, but we are going to apply this prospectively in the future to seniors using section 8 voucher-based program.
We will, through the process, hope to amend this even through the objections of the other side so that seniors will be protected who will prospectively live in public housing.

Let me explain for my colleagues what we are doing so that we end up with some people having a decent chance. If we have fixed rents, flat rents, the rents that all of us pay in their own marketplace, if we go out and look for an apartment, someone does not ask us how much we make and we will fix the rent based on how much the person makes, whether it is 20 percent, 25 percent or 30 percent. If the housing authority fixes rent for an apartment at $65 a month and somebody is making $75 a week, under the Frank-Gutierrez amendment, as it currently stands, they would pay $100 as opposed to $65 a month, a disincentive to go to work for even $75 a week.

If someone is offered overtime and the ability to go to work again and take an even greater chance and make $52 a week and again his rent goes up. Instead of paying $65 a month, he goes to $200 a month. Why should somebody go out and do the overtime if he knows it is being eaten up in additional rent? If he goes to $300 a week, his rent goes up to $400 a month as opposed to $65 a month. All these are disincentives to work.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1½ minutes to say I have never heard such misleading nonsense on the House floor. The amendment we offer does not require anybody's rent to go up a penny. In fact, not being subjected to a cap is such a protection, why is he then taking that away from the elderly?

But the central point is the gentleman from New York has just made statements that are so widely at variance with the facts that I am astonished. He says under our amendment the individual's rent would go up. No, only if the housing authorities, whom he is defending here, choose to do it.

His logic is that if we write a housing authority a 30-percent limit, they will set the rate higher than if we tell the housing authority they can set it as high as they want to. The gentleman knows that is a hard argument to make. That is why, just to remind people of the parliamentary situation, the gentleman has taken the Hinchey amendments in an imperfect form and put them in here, because he is desperate to avoid a vote.

There is no way to do this: Under his bill, even with the Hinchey amendments that they have stolen for these purposes, working people will be subject to unlimited rents, people on welfare and elderly will be subjected and protected by the 30-percent cap. That would then be the sole difference, and I believe we ought to have a vote on that and not be preempted by some parliamentary sleight of hand.

Mr. Chairman, I am trying to compromise and move the extra yard to ensure that some of the concerns by the other side of the aisle are met. I tried to make unanimous-consent requests to allow that seniors who will prospectively live in public housing or use section 8 housing will be able to have the protections that the other side claims that they are in favor of. But that is not good enough. They have objected to my unanimous consent.

If the gentleman from Massachusetts [Mr. FRANK] wants an up-and-down vote on his amendment, which I think is a disastrous amendment, which all housing authorities' associations have basically said is a disastrous amendment, I am happy to do that.

Mr. Chairman, I yield to the gentleman from the great State of Oklahoma [Mr. WATTS] for purposes of unanimous-consent request to withdraw the amendment as it exists and to allow the gentleman from Massachusetts [Mr. FRANK] to offer it as.

Mr. WATTS of Oklahoma. Mr. Chairman, I ask unanimous consent to withdraw my substitute amendment and then proceed.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Oklahoma [Mr. WATTS] as a substitute for the amendment offered by the gentleman from Massachusetts [Mr. FRANK] is withdrawn.

Mr. FRANK of Massachusetts. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, may we know how much time is remaining and on what amendment?

The CHAIRMAN. At the present time the original Frank amendment is the only amendment before the House.

The gentleman from Massachusetts [Mr. FRANK] has 10½ minutes remaining, the gentleman from New York [Mr. LAZIO] has 12 minutes remaining.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the great State of Arizona [Mr. HAYWORTH], a great member of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services.

Mr. HAYWORTH. Mr. Chairman, I thank the gentleman from New York for his courtesy in that introduction and, indeed, for his goodwill and incredible patience in trying to deal with what has become a very contentious situation.

My good friend, the gentleman from Massachusetts, to whom I always listen with great interest, a little bit earlier said he had never heard such outrageous nonsense on the floor of this House. Resisting the temptation to bring up some incredible mathematical equations that have been offered by that side with reference to real increases in spending being portrayed as cuts, I would simply say that there has been a great deal of nonsense that has emanated from the other side of the aisle with reference to a myriad of subjects.

But let us move away from nonsense to solving this problem. That is, trying to have housing for the poorest in our society, trying to put them out and empower them to become part of the economic mainstream and to live the American dream.

Mr. Chairman, it is inherent with the proposal from my colleague, the gentleman from Massachusetts, to enact an unintended by-product, an unintended consequence, if you will, even with the modification, is to in essence levy a tax on those who want to work; for even if there is a cap instituted, as the gentleman from Massachusetts is modifying his amendment has done, even if there is a cap, the temptation is always to go to that limit, to that cap and no further.

Indeed, if we focus on what has been our history, if we focus on the parameters set forth, if we have that parameter decreed by Washington, it is a virtual certainty that then the 30 percent cap will in fact take place, you will have a situation where you have a mandatory tax imposed, and that is something we must categorically reject. I stand in opposition to the amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 90 seconds to the gentleman from Minnesota [Mr. VENTO], one of the senior members of the committee, a great housing advocate.

(Mr. VENTO asked and was given permission to revise and extend his remarks.)

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding time to me. Mr. Chairman, the proposition that is proposed here by the majority is that if we have safeguards in terms of limiting rent, that it is somehow going to hurt the tenants. That is what is being suggested. We agree, guess the senior citizens that are in housing and disabled, and on very low income, but not on future senior citizens or low-income residents. We are going to have a disability. They are going to pay more, but not to lead them to be exposed to pay more for rent.

I am not surprised that housing authorities actually want this flexibility.
Let us face it, the administration, housing authorities, want all the money and all the flexibility they can get. That is not surprising—the housing authorities trust themselves. It is our role in Congress to look at whether or not we are going to public housing, and try to provide some protection—some safeguards for those that are in public housing.

I think all we have to ask ourselves is who is for it and who is against it. In other words, the housing authorities, the gentleman from New York, are for the Brooke amendment; they want the flexibility to go this way and to in fact raise rents. The tenants are against it because they get no assurance as to the limit of rent increases—no safeguards out of this proposal.

In other words, this amendment that the gentleman has and the way he has structured the law hurts the working poor. The Frank amendment ceiling cannot hurt them, it can only help. If they have to be better off, if they say they need work incentives, they can disallow income, they can go in all sorts of directions. But the amendment that is before us says you can only go down as long as you are below 30 percent of your income in new taxes. That is before Gramm-Latta, did not have that. Now, if you take the change that exists under Brooke will be in place under the gentleman's amendment, the exact same situation.

Mr. LAZIO of New York. Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, what is this amendment?

Mr. LAZIO of New York. Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to try to reach some agreement here. The point is this: By the gentleman's own chart he is acknowledging, by his choice of a date, that when the Brooke amendment was simply a cap and not a floor, it did not hurt them, it did not have that negative effect. His own chart starts there. I am talking about returning it to what the gentleman regards from his chart as the good old days. The gentleman should read his own chart.

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, our chart begins in 1982 or 1983. I guess we could have gone back 10 years. We are averse to that. We want a chart that goes up to the gentleman from New York.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. LAZIO of New York. Mr. Chairman, I yield to the gentleman from Louisiana.

Mr. BAKER of Louisiana. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, anybody can make charts and draw diagrams. Certainly they can make their own, rather than use ours. The point is, we should turn to those people who administer public housing at the local level and who do a good job.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would like to understand, from a working family's perspective, let us assume the example that the gentleman from Louisiana [Mr. BAKER] gave of a family whose mother goes out and gets this job. Does anybody really think it makes a difference to her whether she is paying a percentage of her income in rent or just an increase in rent? The truth of the matter is that she is paying more in rent.

What is wrong with the first chart, which I would just take a second to go...
Mr. BAKER of Louisiana. Does the gentleman mean these people are telling us if somebody goes to work they want them to be able to keep the money?

Mr. LAZIO of New York. That is exactly what they are saying.

Mr. BAKER of Louisiana. I am shocked.

Mr. LAZIO of New York. Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO of New York. That is exactly what they are saying.

Mr. BAKER of Louisiana. I am shocked.

Mr. LAZIO of New York. Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO of New York. That is exactly what they are saying.

Mr. BAKER of Louisiana. I am shocked.
The theory was in Gramm-Latta that they did not want to appropriate that much more Federal money, so the reason they did that in 1981 was to force the housing authorities to take more money in than they otherwise would, and that was wrong.

The amendment we are offering today restores the original Brooke amendment, the pre-1981 amendment. It says there will be an overall limit, and that is all it says. In fact, no one has shown any negative effect during the period that the Brooke amendment let’s replace it with the Frank amendment to what it was in the 1960’s and the 1970’s. In other words, this argument that the gentleman is making about a work disincentive is dead wrong.

As a matter of fact, under the proposal of the gentleman from New York we get a work disincentive, because under his amendment there is a 30-percent cap on income for people who are on welfare, 30 percent of the median or below, and it is a limit, if a person gets off welfare and goes to work, then their rent can go up by more than their income. He has the disincentive. Why so illogical? Partly to try to get the votes, but partly because again this amendment is illogical. The gentleman wants to say if they do not appropriate the money, we are going to get it out of the tenants.

Do the housing authorities have any strong objection to raising the rents on the tenants? Surprisingly, no. But I do not want to direct our policy. So we would simply return to the days of the Brooke amendment before it had any negative consequences. This is a ceiling. It is not a floor. It had no work disincentives in the 1960’s and 1970’s. It would have none again.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, will the housing authorities have the ability to raise the rents as high as they would like to, above the 30 percent, regardless of ability to pay?

Mr. FRANK of Massachusetts. Yes. And under the amendment of the gentleman from New York, what he says is this. He said it in his argument: If we limit the housing authority to 30 percent, then we must get the residents to work. Without the assistance of, you know, what was the word, the work that they get.

Ms. WATERS. Mr. Chairman, the gentleman from Massachusetts [Mr. FRANK] has stated it and I think it should be understood. But I want to be clear, will the housing authorities have the ability to raise the rents as high as they would like to, above the 30 percent, regardless of ability to pay?

Mr. FRANK of Massachusetts. Mr. Chairman, I yield to the gentlewoman again.

Ms. WATERS. Mr. Chairman, in your opinion and in your recommendations, do you think that housing authorities are wonderful, that they should get more help, that they should be trusted more? But now...
Securing safe, affordable housing for those who remain poor despite hard work, for children or for those who might be unable to make a living on their own due to health or other reasons, is crucial to the positive development of today’s youth and families, the safety and well-being of our elderly, and for our Nation’s whole.

I have many constituents who have contacted me about their fears of what this bill could mean to them. One constituent, who happens to be a quadriplegic, informed me that should the Brooke amendment be repealed, she would be out on the street, and I am further saddened to say that there are many more who would be put in the same situation.

We need to ensure that affordable housing remains available. It is the right thing to do and it is the smart thing to do.

Mr. Chairman, I urge the passage of this very critical amendment in ensuring basic housing protections to thousands of Americans most in need.

Ms. JACKSON of Texas. Mr. Chairman, I rise today to speak in support of this very important amendment, the reinstatement of the Brooke provision.

A cornerstone of this country’s public housing is affordability. The elitist notion that $50 a month is not too much to ask for in rent is the same notion that spurred Marie Antoinette to suggest that France’s poor should eat cake if they had no bread.

When you are the poor of the poor, then you have a perspective that few of us in this chamber have ever known or will know. That would not, however, stop us from having common sense about what is fair or what is right.

Setting a 30-percent public housing or assisted housing maximum rent limit based on income is the fair and right thing to do.

Many of us know, or have heard of the personal finance rule that suggests that it is not common sense about what is fair or what is right to keep the fruits of their labor without penalty.

Mr. NADLER. Mr. Chairman, I rise in strong support of this amendment, which would restore the Brooke amendment to H.R. 2406. H.R. 2406 repeals this very crucial housing protection, a provision in current law that has for the past 25 years, ensured that low-income families would not be required to pay more than 30 percent of their income on rent.

The repeal of the Brooke amendment in this housing bill would have a devastating effect on many Americans, forcing thousands out on the street.

This bill reneges on our Nation’s promise that Americans who are most in need of housing assistance can afford to receive it.

This protection has provided a critical safety net for those in desperate need and have saved so many from homelessness and destitution.

Mr. Chairman, even with the current protections of the Brooke amendment, homelessness and unacceptable living conditions continue to plague America. There are more than 5 million American renter households, not including the homeless, who have ‘worst case’ housing needs, paying more than half of their income for rent, living in substandard housing, or in the most unfortunate cases, both.

This problem afflicts the elderly, working poor families, and others who strive to make ends meet on the minimum wage—a minimum wage, if I might add, which has not kept up with inflation, and has not been raised since 1991, because of staunch Republican opposition.
The Clerk announced the following pair:

On this vote:
Mr. Andrews for, with Mr. Paxon against.
Messrs. LEWIS of California, CHRISTENSEN, KASICH, COOLEY, and CARDIN changed their vote from "aye" to "no."
Mr. BLUTE changed his vote from "no" to "aye.
So the amendment was rejected.
The result of the vote was announced as above recorded.

AMENDMENT NO. 11 OFFERED BY MR. HINCHEN

The CHAIRMAN. Are there further amendments to title II?
Mr. HINCHEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. HINCHEN: Page 76, after line 16, insert the following:

Notwithstanding any other provision of this subsection, the amount paid by an assisted family that is an elderly family or a disabled family for monthly rent that does not exceed the payment standard established under section 353 for a dwelling unit of the size applicable in the market area in which such assisted dwelling unit is located may not exceed 30 percent of the family's adjusted monthly income.

Page 158, line 1, strike "(b)
and insert "(c)."
Page 158, line 9, strike "(c)" and insert "(d)."
Page 159, line 1, strike "(d) and insert "(e)."

Page 172, line 11, before the period insert "NO VOTING--15"

Page 172, line 12, before the period insert "NOT VOTING--15"

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from New York [Mr. HINCHEN] and a Member opposed will control 5 minutes.

Does the gentleman from New York [Mr. LAZIO] seek the time in opposition?
Mr. LAZIO of New York. Mr. Chairman, yes.

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] will control 5 minutes.
The Chair recognizes the gentleman from New York [Mr. HINCHEN].
Mr. HINCHEN. Mr. Chairman, I yield myself such time as I may consume.
Mr. Chairman, this is the case of the purloined amendment. A short time ago I was appalled to see here in the House an attempt by the opposition, the other side, to steal this amendment and to offer it as a substitute for the Frank-Gutierrez amendment which was just before the House a moment ago.
Fortunately, Mr. Chairman, wiser heads prevailed over there and that amendment was withdrawn.
Mr. Chairman, the amendment that I am offering would preserve a narrowly targeted version of the Brooke amendment. It would protect seniors and disabled residents, who are the most vulnerable members of our society, from further rent increases.
Senior citizens currently comprise 42 percent of our Nation's public housing, and over a million seniors and disabled tenants currently reside in public and assisted housing. In the State of New York, for example, senior and disabled citizens reside in about one in two public housing households. In my district in the upstate region that number is significantly higher.
As I have traveled around in recent months, I have heard from many seniors who fear the burden of higher rent payments with the proposed repeal of the Brook amendment as it is proposed in the current bill before us.

The CHAIRMAN. The Chair would point out to the gentleman from New York [Mr. HINCHEN] that the amendment goes into not only title II but...
The Chair would appreciate it if the gentleman would ask unanimous consent that the amendment be considered en bloc so that we could cover both titles.

Mr. HINCHHEY. Mr. Chairman, I ask unanimous consent that the amendment be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. LAZIO of New York. Mr. Chairman, reserving the right to object, I want to note that earlier when this side made an effort to make a unanimous-consent request to take care of this issue, we would have disposed of this issue earlier if we had been afforded the same comity that I now offer to the other side.

Mr. Chairman, I withdraw my reservation of objection.

Mr. HINCHHEY. Mr. Chairman, is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HINCHHEY. Mr. Chairman, I express my appreciation to the gentleman from New York (Mr. LAZIO), the subcommittee chairman, particularly for the agreement that he made with me last night that this amendment would be before the House shortly after the Frank amendment and I appreciate that.

Mr. Chairman, I wanted to mention that a number of seniors around the country, and particularly in my district and elsewhere, are concerned about the bill that is currently before us.

For example, Jean Austin of Liberty, NY, wrote me earlier this year to say the following, and I quote:

I read in the paper that Republicans in the House and Senate want to raise rents for the elderly. Sir, I have an income of $667 per month to live on. There are many people my age that get far less than I do. What is going to happen to them? Will they join the homeless and face the choice of staying in the house we can’t afford to keep our homes? Please, I beg you, help us.

That is what this amendment tries to do, Mr. Chairman. It tries to help people like Jean Austin. Since the Great Depression, the Federal Government has pledged to help provide a decent standard of living for people during their golden years, and to protect them from poverty and homelessness.

This support is symbolized by the Social Security Program, and affordable housing has become another key element of the program.

During the past year the standard of living of seniors has come under very serious attack. The elderly have been told that they must pay substantially more for medical services due to rising health care costs and proposed reductions in the Medicare Program. They have been faced with higher costs of food, utilities, and other basic items due to proposed broad cuts in food stamps, the Low-Income Home Energy Assistance Program, and other essential Federal programs.

Now, Mr. Chairman, with the proposed elimination of the Brooke amendment in H.R. 2406, we are telling them that they have to pay substantially more to keep a roof over their heads. Under H.R. 2406, as amended by the manager’s amendment, about one in three new elderly tenants would potentially be required to pay upwards of more than $400 per year in increased rent.

Mr. Chairman, I include a letter from the American Association of Retired Persons for the RECORD:

AMERICAN ASSOCIATION OF RETIRED PERSONS
Washington, DC, May 7, 1996.
Hon. Maurice D. HINCHHEY,
Longworth House Office Building,
Washington, DC.

DEAR REPRESENTATIVE HINCHHEY: I am writing to express the support of the American Association of Retired Persons (AARP) for your amendment to H.R. 2406 which would restore limits on the amount that low-income seniors and disabled must pay for rent in public and assisted housing.

AARP generally supports enhancing local housing authority discretion and broadening the income mix of tenants housed in public and assisted housing. However, that H.R. 2406 goes too far in removing all income targeting and all limitations on the percentage of income that tenants must spend on rent.

The Association strongly supports your amendment to restore limits on the amount of income paid by the poorest and most vulnerable tenants of public and assisted housing.

We understand the necessity of generating sufficient income to maintain the housing stock in the face of diminishing federal resources. Eliminating the preference rules and broadening the income targeting will provide increased revenues over time that should help bridge that gap. Some have suggested that the current limit on rents is a disincentive to employment for tenants.

Whatever the merits of this argument, it should be obvious that it has little applicability to the elderly and disabled. Eighty percent of the elderly living in public and assisted housing are women living alone whose average age is between 80 and 84.

The federal government should stand by its responsibility to help the poorest tenants by providing adequate operating subsidies, not reducing rental assistance. Older tenants, whose incomes average less than $7,500 per year, will be facing less assistance from food stamps and other essential services. To add major rent increases on top of these other cuts will cause more problems than it will solve for local housing authorities.

AARP appreciates your leadership in offering this amendment. If we can be of assistance on these or other issues, please do not hesitate to have your staff contact Jo Reed of our Federal Affairs staff at 434-3800.

Sincerely,

KEVIN J. DONELLAN,
Acting Director,
Legislative and Public Policy.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. HINCHHEY. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may have.

Mr. Chairman, my amendment would simply preserve a narrowly tailored form of the current rent ceiling named for a Republican Senator, passed by a Republican Senate, and signed into law by the Republican President. It is intended to preserve a minimum standard of living for the most vulnerable members of our society: Our frail elderly and disabled people who are unable to work even part-time to supplement their incomes.

Mr. Chairman, I urge the adoption of this amendment. It is the only reasonable thing to do to correct a serious deficiency in the bill currently before the House.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill that we have currently before us protects seniors in every way that the minority has urged. It protects the disabled population. No senior, no person who happens to be disabled who happens to be in public housing will not have the protection that they previously had.

The sole question over here is whether we will extend protection to people not yet in public housing, not yet using vouchers, to pursue housing options. In the last amendment I offered to support an effort to try and extend this to senior’s prospective, for future seniors to come in, for future people who might have disabilities to come into public and assisted housing.
The bill as it now is already supported by the American Association of Homes and Services for the Aged; American Seniors Housing Association; the National Apartment Association, and various other associations that exclusively deal with housing opportunities.

Mr. Chair, I am supportive of the effort to extend those protections further and I am happy to support this amendment. We could have done this through the last amendment, but through a unanimous consent request we failed to get the opportunity to make that offer. I am happy at this time to support this, and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts. [Mr. HINCHENY].

The amendment was agreed to.

AMENDMENTS NO. 34 AND 18 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer amendments, and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendments No. 14 and 18 offered by Mr. KENNEDY of Massachusetts: Amendment No. 14 Page 107, after line 16, insert the following:

``Notwithstanding any other provision of this subsection, the amount paid by a family whose head (or whose spouse) is a veteran (as such term is defined in section 203(b) of the National Housing Act) for monthly rent for a dwelling unit in public housing may not exceed 30 percent of the family's adjusted monthly income.''

Amendment No. 18 Page 157, after line 26, insert the following new subsection:

(b) LIMITATION.—Notwithstanding any other provision of this section, the amount paid by an assisted family whose head (or whose spouse) is a veteran (as such term is defined in section 203(b) of the National Housing Act) for assisted dwelling unit bearing a gross rent that does not exceed the payment standard established under section 202(a)(2) for a dwelling of the applicable size and located in the market area in which such assisted dwelling unit is located may not exceed 30 percent of the family's adjusted monthly income.

Page 158, line 1, strike ``(b)'' and insert ``(c)''.

Page 158, line 9, strike ``(c)'' and insert ``(d)''.

Page 159, line 1, strike ``(d)'' and insert ``(e)''.

Page 172, line 9, strike ``exceeds'' insert ``(A)''.

Page 172, line 11, after the period insert the following: ``(A)'' or (B) in the case of a family whose head (or whose spouse) is a veteran (as such term is defined in section 203(b) of the National Housing Act), the lesser of the amount of such resident contribution or 30 percent of the family's adjusted monthly income.''

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Massachusetts [Mr. KENNEDY] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chair, this amendment very simply extends the protections to America's veterans. These are two amendments which would continue and extend the Brooke protections to the people that have stood up and fought for this country, that have served in our country's military, that in many cases as the gentleman from Mississippi [Mr. MONTGOMERY] knows all too well, who is going to speak on this amendment—when we visit homeless shelters around America, far too often we see one thing that the homeless have in common, that is that they served in this Nation's military.

What we find is that there are now tens of thousands of veterans that are trying to get themselves back on their feet, that are learning to go back to work, to learning skills to rid themselves of drug and alcohol problems, to deal with some of the psychological and other difficulties that they had faced throughout their lifetime, and they are back on the road to recovery, to becoming part of mainstream America. This amendment as it is currently constituted, the way that the bill currently works, would not provide the Brooke protections to people that have minimum wage jobs.

Mr. Chair, I yield myself such time as I may consume.

Mr. Chair, this amendment very simply extends the protections to America's veterans. These are two amendments which would continue and extend the Brooke protections to the people that have stood up and fought for this country, that have served in our country's military, that in many cases as the gentleman from Mississippi [Mr. MONTGOMERY] knows all too well, who is going to speak on this amendment—when we visit homeless shelters around America, far too often we see one thing that the homeless have in common, that is that they served in this Nation's military.

What we find is that there are now tens of thousands of veterans that are trying to get themselves back on their feet, that are learning to go back to work, to learning skills to rid themselves of drug and alcohol problems, to deal with some of the psychological and other difficulties that they had faced throughout their lifetime, and they are back on the road to recovery, to becoming part of mainstream America. This amendment as it is currently constituted, the way that the bill currently works, would not provide the Brooke protections to people that have minimum wage jobs.

That means our Nation's veterans would go unprotected. I just think that if we are going to protect the very poor, if we are going to protect our senior citizens, if we are going to protect the disabled, I would hope that we would find it in our hearts to protect our Nation's veterans at the same time.

With that, Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY], my good friend and former chairman of the Committee on Veterans' Affairs.

(Mr. MONTGOMERY asked and was given permission to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for yielding time to me.

Really one of the biggest problems we have had with veterans is, again, getting them out of the homeless areas and trying to get them into the housing to improve their lives. We have done everything to try to get them off the streets. About 25 percent of the people homeless today on Washington, DC streets are veterans.

Let us not put a hindrance in front of them. Let us not make it harder for them to get into these housing units. I know some of them make the minimum wage and would probably have their rental paid by the VA or the VA would guarantee it. So I think the gentleman has got a good amendment. I hope the other side would accept it. I certainly support this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chair, I yield myself such time as I may consume.

I wonder if I could engage the gentleman from Massachusetts in a colloquy over this. I certainly support his efforts to protect American veterans. I believe the vast majority of veterans would fall under the protections we have in this bill, because many of our Nation’s veterans are now seniors, having served our country in the Korean War, and World War II. There are even veterans who have served in the Vietnam war and who are now seniors. They would all have the protections under this bill.

What we are talking about is carrying over protection that we have for veterans as opposed to older veterans. I wonder if I could turn to my friend, the gentleman from Massachusetts, if he could give me some information about how many people we might be talking about in terms of this veterans population, if he has any information about the specifics.

Mr. KENNEDY of Massachusetts. Mr. Chair, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts. Mr. KENNEDY of Massachusetts. Mr. Chair, as the chairman is aware, the one area that we do provide a veterans preference in this country is housing. So there are not statistics kept by HUD or local housing authorities in terms of veterans status. But the truth of the matter is that you are right, we are going to protect some veterans, some older veterans in terms of the senior citizen protections. You are going to protect some very, very poor veterans.

But the truth is that I have worked very hard with people on your side of the aisle in the Committee on Veterans’ Affairs to establish a number of programs that work in conjunction with housing authorities and voucher programs to make certain that we transit people out of homelessness and into mainstream society, those individuals. And thousands of veterans participate very much in the very programs that the Brooke amendment would not longer provide protections to.

Mr. LAZIO of New York. Reclaiming my time. Mr. Chair, as the chairman is aware, the one area that we do provide a veterans preference in this country is housing. There are not statistics kept by HUD or local housing authorities in terms of veterans status. But the truth of the matter is that you are right, we are going to protect some veterans, some older veterans in terms of the senior citizen protections. You are going to protect some very, very poor veterans.

But the truth is that I have worked very hard with people on your side of the aisle in the Committee on Veterans’ Affairs to establish a number of programs that work in conjunction with housing authorities and voucher programs to make certain that we transit people out of homelessness and into mainstream society, those individuals. And thousands of veterans participate very much in the very programs that the Brooke amendment would not longer provide protections to.
I would like to work with the gentleman. I think one of the problems that we are going to have is to work through a methodology so that HUD does not have the ability, a current ability, an immediate availability of information that would determine who the veterans are and a particular population to identify that.

I would be happy to work through this with the gentleman in establishing a good database and ensuring that HUD has the information to assess who are the veterans and who are not and who needs to be protected.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will continue to yield, I appreciate the gentleman’s offer for a study. I am not sure that that is what is called for here.

I think what we ought to be doing is trying to make sure that we provide this as a basic protection to our Nation’s veterans. I think that might cost a small amount of money to make sure that those who do not have their rents jacked up just as they are on their way to recovery.

Mr. LAZIO of New York. The issue for me is not the money on this. I am not asking for a study. I am simply saying, I look forward to working with you so that HUD has sufficient information to implement this plan.

Mr. KENNEDY of Massachusetts. I appreciate the gentleman’s offer to go out and gather additional information. I very much hope that this is a basic minimum protection which we can take care of in the next few minutes. I would hope that the rest of the Members of the Congress of the United States would support the amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Massachusetts [Mr. KENNEDY].

The amendments were agreed to.

The CHAIRMAN. Are there other amendments to title II?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask unanimous consent that it now be in order to consider amendment No. 175 without prejudice to other amendments in title II.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDMENT NO. 175 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. Kennedy of Massachusetts: Page 152, after line 2, insert the following new subsection:

(b) Income Targeting.—Of the families initially assisted under this title by a local housing and management authority in any year, not less than 75 percent shall be families whose incomes do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families. The Secretary may establish income ceilings of 110 percent or lower than 30 percent of the area median income on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low local income levels.

Page 152, line 3, strike “(b)” and insert “(c)”.

Page 152, line 18, strike “(c)” and insert “(d)”.

Page 153, line 11, strike “(d)” and insert “(e)”.

Page 153, line 16, strike “(e)” and insert “(f)”.

Page 154, line 11, strike “(f)” and insert “(g)”.

Page 155, line 16, strike “(g)” and insert “(h)”.

Page 156, line 15, strike “(h)” and insert “(i)”.

The CHAIRMAN. Pursuant to the order of the committee of Wednesday, May 8, 1996, the gentleman from Massachusetts [Mr. Kennedy] and a Member of the opposition will each be recognized for 30 minutes.

Does the gentleman from New York [Mr. Lazio] seek to control the time in opposition?

Mr. LAZIO of New York. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from New York [Mr. Lazio] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. Kennedy].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment goes to the heart of how we are going to target the working people and the poor of this country. This amendment goes to the heart of the changes that take place in this bill. We have seen the Congress in the last few minutes repeal the protections of the Brooke amendment. The question becomes whether or not, on top of that, we are going to also repeal the targets of the protections that we provide by virtue of the housing vouchers and public housing units that are given by the people of this country, whether or not those should go to the working people and the poor of America or whether they should go on up the income stream to a point where people whose incomes are 300 or 400 percent above the poverty line will all of a sudden become eligible.

Mr. Chairman, this bill does a perverse thing. We cut the amount of money going into public housing dramatically. We cut the amount of money going into the voucher program dramatically, but we then increase the eligibility of the families that will be qualified for these housing units by a factor of three or four. So three or four times as many people, if this bill is passed unamended, will be eligible for a lesser amount of money.

Now, to add insult to injury, we then are eliminating the basic fundamental protections that say that the majority of those housing units ought to go to the most vulnerable people in this society. This is a concept that an organization as conservative as the Heritage Foundation has endorsed. It is one thing to say, let us not concentrate poor people in these monstrosities that we have seen go to the house floor in the form of these various pictures. But the housing voucher program does not warehouse the poor. The housing voucher program simply gives individuals a housing voucher. That voucher can be used anywhere that individual chooses to live.

Mr. Chairman, the statistics on where they choose to live are rather enlightening. Most voucher holders, nearly all of whom meet the current targeting requirements in the law, live in neighborhoods where less than 25 percent of the households are considered poor. Forty percent of the voucher holders live in neighborhoods where less than 10 percent of the neighborhoods are poor.

So this is not a question of warehousing poor people, as I am sure we are going to hear the opposite side suggest. This is simply a question of whether or not we are going to target the real resources that we put into public housing, that we put into the voucher program, to go to those in greatest need.

We have seen an unbelievable number of very poor people in this country go on up the income line. With the numbers over the last 15 years. The statistics are alarming. The number of homeless Americans, the number of people without any shelter has grown substantially. We have actually cut out almost 500,000 units of housing in the United States of America that goes to very poor people. At the same time, if you go up the income stream a little bit, not that people are well off, but if you go up the income stream just a little bit to people within that 300 or 400 percent of the poverty line, you are going to find that there are over half a million new units of housing for those people’s needs. It is already enough.

But to suggest in this bill that we eliminate the Brooke amendment and then we come back and say that we are no longer going to target this housing to the very poor, I think, is a very dangerous policy which in fact will go out and create homelessness in America.

Chairman, we are on a brave new world where we turn to the people of America, we blame public housing authorities, we blame the voucher program for creating this warehousing of the poor. We then cut the money that goes into trying to assist them and then we go back and say we are going to jack up the eligibility requirements, which means that there is one group of losers. That group of losers happens to be the most vulnerable people in this country.

So, yes, we have seen the housing authorities will like these changes, because, of course, it insulates them from having to take care of the most vulnerable
Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, this is very, very interesting. My friend, the chairman of the committee, has just expanded, would like to expand, rental assistance so that they pull in more people making more money, up to $40,000 that they could make under his proposal. One would be able to earn $40,000 and get rental assistance.

What he does not do is protect those, no, he does not protect those who really need it, who make very little money, 30 percent of median income and this is very interesting. At the same time that he is talking about reducing Government's involvement in peoples' lives, at the same time that they are talking about shrinking Government, he opened it up so that people earning $40,000 could avail themselves of rental assistance. Yet we know that it is those who earn very little money who need it, those who earn very little money that can go out in the market-place and find a home, find a place and find a home, those women and children who desperately need to get assistance. He is squeezing them out of the market.

This is unbelievable. I am surprised that he would take this approach. It is indeed not to be supported.

The gentleman from Massachusetts [Mr. KENNEDY] is saying let us protect the poorest of the poor, let us make sure that 75 percent of those who earn very little money, who are only at 30 percent, will have the ability to go out and get a place and find a place and find a place and find a place to live.

I think, again, the chairman may be a little bit confused about the direction that his legislation is taking. It is very simple. Does the gentleman want to expand it, get more people at higher incomes? Does the gentleman want to protect the poorest of the poor? Does the gentleman want to make sure that families who would have no other place, no way to get assistance, are protected by this legislation? The answer to that, I think most people will conclude, is that we want to protect those who do not have the ability to purchase housing.

Mr. LAZIO of New York. Mr. Chairman, I yield 3 minutes.

Mr. Chairman, once again we are talking about insuring that people who are working who have, possibly, disabilities, people who are seniors, Americans who are seniors, also have the ability to purchase housing.

The gentlewoman said this would potentially go to people making $40,000 a year. There is not a neighborhood, an area of the country, that would be able to get vouchers under this provision at $40,000 a year.

The national median is about $38,000 a year in terms of median income. We are saying at least half of those people, half of the vouchers, must go to Americans at 30 percent, at 20 percent.

If the housing authority wanted to target all of its vouchers to the people at the bottom 10 percent, they have the ability to do that.

What we are saying is that we are going to allow for safe-guard provision in respect to the concern that many have that at least half of all the vouchers must go to the bottom 60 percent of the population.

It is eminently fair.

Mr. KENNEDY of Massachusetts, Mr. Chairman, will the gentlewoman yield?

Mr. LAZIO of New York. I yield to the gentlewoman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, on a factual basis, let me just read to the gentleman from New York [Mr. LAZIO] the fact that Los Angeles, Long Beach, 80 percent of median is $40,000. New York City is $39,200. The gentleman's own district is $40,000.

Mr. LAZIO of New York. Mr. Chairman.

Mr. KENNEDY of Massachusetts. Mr. Chairman, the amendment, the provision, the voucher program will not lose money and does not warehouse the poor. The other side of the aisle continues to argue that every community in the Nation control and continuing to have a voucher program will not lose money and does not warehouse the poor. The voucher program will not lose money for the Federal Government.

We let continue to provide the voucher program, with the targeting that says to make sure that the most vulnerable people in this country get the resources, the meager resources that we have allocated in this bill.

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

Mr. LAZIO of New York. Mr. Chairman, 3 minutes.

Mr. Chairman, again, the argument is between local control and community control and continuing to have a Washington-based, one-size-fits-all solution for every community in the Nation.

The other side of the aisle continues to argue that every community in the Nation ought to live under the same rules, regardless of whether that means moving to the lowest common denominator, regardless of individual characteristics of communities throughout our Nation, regardless of the quality of the neighborhoods and the quality of the life of the people that are impacted.

We are saying in this bill, Mr. Chairman, that 50 percent or half of the vouchers and certificates that are available must go to the poorest of the poor, those below 60 percent of median income. If a housing authority wants to give 100 percent of their vouchers and certificates to people below 30 percent or below 20 percent or with no income at all, they can do it. There is no prohibition to that.

What we are saying is that housing authorities need to have flexibility. Why should a family who is at the point of 32 percent of median income be denied a voucher, which would be the case under the Kennedy amendment? Why should a family who is at 35 percent of median income, as opposed to 30 percent or 29 percent, be denied the ability to have a voucher?

Mr. Chairman, the Kennedy amendment, the gentleman from Massachusetts [Mr. KENNEDY], who I have a great deal of respect for, ties the hands of housing authorities, prohibits local control. We are saying that there may be situations where people who are pursuing work may need more flexibility. They should be able to be retained in public housing without being thrown out or not being able to afford a voucher because they are somehow at 31 or 32 or 35 or 38 percent of median income as opposed to 29 or 30 percent.

Mr. Chairman, once again, we are targeting at levels that protect very-low-income families, people who are seniors, Americans who are seniors, also have the ability to purchase vouchers.

The gentlewoman said this would potentially go to people making $40,000 a year. There is not a neighborhood, an area of the country, that would be able to target all of its vouchers to the people at the bottom 10 percent, they have the ability to do that.

What we are saying is that we are going to allow for safe-guard provision in respect to the concern that many have that at least half of all the vouchers must go to the bottom 60 percent of the population.

It is eminently fair.

Mr. KENNEDY of Massachusetts, Mr. Chairman, will the gentlewoman yield?

Mr. LAZIO of New York. I yield to the gentlewoman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman would yield just so I can understand the amendment, my understanding was that it only limited 50 percent of the units to go to the incomes at 60 percent of median.

Mr. LAZIO of New York. Reclaiming my time, at least 60 percent of the units could be limited to 60 percent of the units at 30 percent, 20 percent, or 10 percent.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself 20 seconds.

The gentleman is correct that he gives the housing authorities the right to take in poor people, but the gentleman has also pointed out time and time again over the course of the last several hours the fact that housing authorities are in need of funds. The only way you can get those funds is by bringing in upper-income people. And so, therefore, none of the housing projects, none of the housing authorities, are going to, in fact, take advantage of this opportunity that the chairman has provided.

Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Massachusetts, Mr. KENNEDY's amendment, which maintains income targeting at levels that protect very low-income families in the section 8
In an effort to try to achieve a healthier income mix, I think we are moving in the right direction in terms of the agreement that I believe we are going to enter into with the gentleman from Massachusetts [Mr. KENNEDY]. Mr. VENTO, Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Minnesota.
Mr. VENTO. First of all, Mr. Chairman, I concur with the gentleman in terms of the concentration of low-income persons in public housing. Earlier, when the gentleman had a chart on the floor in the past amendment, I had some trouble to point out one of the other phenomena was the absolute focusing in the early 1980s in terms of trying to serve the lowest income persons in public housing. That also attributed to that decline in income, because obviously there are various reasons for this decline in income. It may be a cultural problem.

For instance, in the district I represent, I have a big influx of Southeast Asians, the Hmong. They simply have not all been able to afford or gain jobs that pay a lot of income. Their concentration in public housing, incidentally, has in fact contributed to that type of phenomenon.

Then the other issue is, of course, the affordability of owner-occupied housing, as well as all of our responsibilities. But these factors have, in fact, been trying to get a mix. The concern that I had with the gentleman’s amendment was not the issue of trying to get a mix. Indeed, the gentleman is right: the policies could go down to very low-income levels. But the phenomenon was the option was that they may also do what I would characterize as creaming.

Mr. LAZIO of New York. Mr. Chairman, I could reclaim my time, I hope the gentleman will support the agreement and compromise that we are working out together. Also, again, one of the core principles that we are trying to advance here is that it is one of our responsibilities here in this body, this House, to assure that we do not just warehouse the poor, but that we help transform them.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. I appreciate the gentleman from Massachusetts yielding time to me.

Mr. Chairman, I think unfortunately what has happened is that low-income persons have ended up concentrated in the public or assisted housing programs. Frankly, Mr. Chairman, as I said yesterday, the housing with most problems in my district is not the public and assisted housing, but it is the privately owned multifamily dwellings which are overcrowded and which have such severe problems. So it is quite the converse.

As I was saying, there are good housing authorities and there are some that are not so good. We hope that by virtue of this bill, the gentleman, with his insights, will in fact accomplish a miracle and make those not so good housing authorities much improved. The fact is that some are going to improve and some may not. One way they may solve their problem is by just creaming. If we do not have income targeting, housing authorities will take those clients that are most likely to be successful and that have higher incomes. That then leaves others who do not get the housing assistance with the nonprofits, with the Government, and on the street in some cases.

Unfortunately, when we think about it, in 1980, Mr. Chairman, I thank the gentleman for yielding time to me. Mr. Chairman, this is an important portion of the bill. I think it is a good thing to see the chairman of the subcommittee and the ranking member come together with an agreement that I think is much fairer than the original legislation proposed in the committee markup. Clearly, I think there are those who really do not understand, or do understand and really do not give credence to the fact, that many persons who would get vouchers under many of the programs that have been proposed, regardless of whether the voucher indicates they could go to any community and the voucher in question would be at a major disadvantage in that there are communities, there are places, where people would not open their doors readily to them. They would not respond, for instance, to have very little children, because it has been a history that in many instances, those homes would not be able to maintain not only the stand of their value, but also in many instances there would be destruction of those homes.

It seems to me that as we consider the amendment that is now proposed between the gentleman from New York [Mr. LAZIO] and the gentleman from Massachusetts [Mr. KENNEDY], we have moved closer to the direction of assuring there is a possibility of those persons who are at the lowest income level being able to have access to affordable housing, while at the same time creating an opportunity for persons who can move into these houses, who have jobs, to be able to create the necessary kind of environment.

Mr. Chairman, I do not know whether the gentleman remembers, but several years ago my MINKS program, which was a demonstration project which was a success and other places, essentially spoke to the kind of concern that the gentleman raised here. It is not that Democrats do not understand that necessity for trying to have a mixed population base, but we do not want to be in a position where a local housing authority can in fact have so much authority that it puts those persons out who have the greatest needs, while trying to market itself to bring into those developments individuals who can go to the market and get adequate housing and can afford to pay for it.

So I hope that we will all support the agreement that the gentleman from Massachusetts [Mr. KENNEDY] and the gentleman from New York [Mr. LAZIO] are supporting now.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. GONZALEZ], the former chairman of the committee.

Mr. GONZALEZ. Mr. Chairman, historically, public and assisted housing units were available to every applicant whose income was up to 80 percent of median income. That policy was changed by the Gramm-Latta Act of 1981, which restricted eligibility almost entirely to those earning less than 50 percent of median income.

In this amendment we are addressing a separate issue. We are talking about trying to achieve more economic mix in our privately owned affordable housing, a house here and a house there. And we are talking about providing sufficient resources to move people who have little housing choice in decent and affordable housing.

Most of the families below 30 percent of medium income, the poorest of the poor, cannot find affordable housing. They have worst case housing needs. We are talking about providing for mixed population bases. There is a possibility that the choice-based housing assistance should be available to those who most need it. The bill as it now stands would simply discourage the working poor from seeking self-sufficiency, and it would be forced, the doors to those who are in the greatest need. That kind of approach is completely contradictory and cannot work.

I urge adoption of the Kennedy amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would just ask the distinguished ranking member, the gentleman from Massachusetts [Mr. KENNEDY], if he believes that we have the agreement technically perfected.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. If the gentleman would go ahead and read the amendment, we will react to it.

AMENDMENT OFFERED BY MR. LAZIO OF NEW YORK TO AMENDMENT NO. 17 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. LAZIO of New York. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN pro tempore (Mr. GOODLATTE). The Clerk will report the amendment to the amendment. The Clerk reads as follows:

Amendment offered by Mr. LAZIO of New York to Amendment No. 17 offered by Mr. KENNEDY of Massachusetts:

Page 1 of the amendment, line 3, strike “75 percent” and insert “40 percent”.

At the end of the amendment insert the following:

In section 222 of the bill (as amended by the manager’s amendment), strike subsection (c) (relating to income mix) and insert the following new subsection:

(c) Income Mix.

(1) LHAM Income Mix.—Of the public housing dwelling units of a local housing and
Mr. LAZIO of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and reprinted in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, this amendment represents the agreement between myself and the distinguished ranking member, the gentleman from Massachusetts [Mr. KENNEDY], that would effectively target the poorest people.

The original amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] would have targeted 75 percent of the choice-based vouchers and certificate to those below 30 percent of median income. My amendment would amend that and would insert in its place “40 percent of the 30 percent of the 35 percent of the area medium income, which is, of course, the poorest of the poor.”

Mr. Chairman, I do not think we are going to do the en bloc amendment right now.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, my understanding from the parliamentarian was that we could in fact do both the amendments in combination. Maybe we can just ask the Chairman whether or not we can do that.

Mr. KENNEDY of Massachusetts. Mr. Chairman, my understanding is that the amendment was drafted accomplished both: a 40 percent limit on the vouchers to people with incomes under 30 percent of income, and 35 percent of the units of public housing to go to people within 30 percent of median.

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, the gentleman correctly reflects the amendment, the agreement that we entered into and the amendment that is at the desk that in fact does do both. I had just one page in front of me.

The amendment to the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] would actually amend the percentage to read 40 percent of the vouchers and certificates would go to the bottom 30 percent of the population, and in terms of public housing, not less than 35 percent of the units in public housing would go to families whose incomes do not exceed 30 percent of the area medium income, which I believe represents the understanding between the gentleman from Massachusetts and myself and preserves both of our principles of equity, and also flexibility at the same time.

The CHAIRMAN pro tempore. Does the gentleman from New York [Mr. LAZIO] seek to have his amendment adopted as a modification by unanimous consent to the Kennedy amendment?

Mr. LAZIO of New York. I do make that unanimous consent request.

The CHAIRMAN pro tempore. Is there objection to modifying the Kennedy amendment by the amendment offered by the gentleman from New York [Mr. LAZIO]? There was no objection.

The CHAIRMAN pro tempore. The Kennedy amendment is so modified. Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield back the balance of my time.

Mr. LAZIO of New York. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] as modified.

Mr. LAZIO of New York. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The amendment, as modified, was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to Title V at this stage of the reading of the bill?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the last word. Because of the fact that we had anticipated using a full hour on the previous amendment, and then a second amendment that I was going to offer that had been collapsed, the gentlewoman from New York [Ms. VELAZQUEZ] had been contacted to come over from her office to offer her amendment. She is on her way. If we could just discuss, I think, some of the important aspects that are contained in this bill, I want to, as I say, commend the chairman of the subcommittee, the gentleman from New York [Mr. LAZIO], for some of the provisions which are going to allow this bill to make certain that bad public housing will be closed by the Secretary, to get rid of bad public housing projects at the same time. I saw the Secretary last evening and he mentioned to me that he has been able to shut down over 30,000 individual housing units over the course of the last year. For that I think he ought to be commended.

Mr. Chairman, I understand that my good friend, the gentleman from Minnesota [Mr. VENTO], has an amendment which he is now prepared to offer.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. VENTO] for the consideration of an amendment under Title V at this stage of the reading of the bill?

There was no objection.

The CHAIRMAN pro tempore. Without objection, we will go to consideration of the gentleman’s amendment without prejudice to other Title II amendments. There was no objection.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:


Page 239, line 25, after the period insert “‘Sec. 5310 Funding.’”

Page 240, strike lines 1 through 4. Page 240, strike line 17 and the matter following such line and insert the following: “Sec. 5310 Funding.”

The text of the amendment is as follows:

Modification of amendment offered by Mr. VENTO: In the instruction for Page 239, line 11, strike out ‘“1996”’ and all that follows, and insert “and 1998.”

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. VENTO]?

Mr. LAZIO of New York. If the gentleman will yield, Mr. Chairman, the gentleman is correct.

Mr. Chairman, I ask unanimous consent to modify the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. VENTO]?

Mr. VENTO. Mr. Chairman, I ask unanimous consent to modify the amendment.

The CHAIRMAN pro tempore. With- out objection, we will go to consider- ation of the gentleman’s amendment without prejudice to other title II amendments. There was no objection.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:


Page 239, line 25, after the period insert “‘Sec. 5310 Funding.’”

Page 240, strike lines 1 through 4. Page 240, strike line 17 and the matter following such line and insert the following: “Sec. 5310 Funding.”

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. VENTO]?

Mr. LAZIO of New York. If the gentleman will yield, Mr. Chairman, the gentleman is correct.

Mr. Chairman, I ask unanimous con- sent that the Clerk strike out the “‘1999’” as well.

The CHAIRMAN pro tempore. Without objection, that change will be considered as read.

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the modification offered by the gentleman from Minnesota [Mr. VENTO]?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment offered by Mr. VENTO: In the instruction for Page 239, line 11, strike out ‘“1996”’ and all that follows, and insert “and 1998.”

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. VENTO]?

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent to modify the amendment.

The CHAIRMAN pro tempore. With- out objection, we will go to consider- ation of the gentleman’s amendment without prejudice to other title II amendments. There was no objection.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:


Page 239, line 25, after the period insert “‘Sec. 5310 Funding.’”

Page 240, strike lines 1 through 4. Page 240, strike line 17 and the matter following such line and insert the following: “Sec. 5310 Funding.”

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota [Mr. VENTO]?

Mr. LAZIO of New York. If the gentleman will yield, Mr. Chairman, the gentleman is correct.

Mr. Chairman, I ask unanimous con- sent that the Clerk strike out the “‘1999’” as well.
Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Minnesota [Mr. VENTO] will control 5 minutes, and a member opposed will control 5 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, obviously there is an opportunity here with the acceptance of the modified Kennedy amendment I am targeting this, this, the gentleman from New York for his work, and my colleague from Massachusetts.

This is a simple amendment. I think that most Members have come to realize the importance of trying to provide funding for activities that relate to drug and crime prevention in and around or in public housing. Recently we revised that to provide an extension outside of public housing. This amendment would do that.

This COMPAC program is an improved drug elimination program that expires under this bill at the end of this fiscal year, 1996. We had initially thought that the amendment should be for the full authorization of the bill which is years. So I had sought to in fact had found that the authorization for COMPAC. But in consultation with the subcommittee chairman, he felt that a 2-year authorization would be best for this program so that it would be before us in the next Congress, and I concurred with that. That is why I modified the amendment accordingly.

I just wanted to explain that I initially had offered this amendment in the Committee on Banking and Financial Services, and at that point we were not ready to make this particular decision. But this is a very successful program in terms of trying to, in fact, expend some monies in and around public housing, giving the authorities a regularized funding for crime prevention.

Up until this point it has been based on a categorical program. This will put it on a block grant program, which I think is appealing to the new majority. We had actually proposed and passed this last year in the 104th Congress as a block granted program to provide regular funding for this important function.

Under this amendment, 85 percent of the appropriated funds would be allocated to the largest housing authorities, with 10 percent going to smaller facilities but instead must address the conduct of those within and around public housing. COMPAC should continue to be a resource to help communities with crime and drug prevention and to improve the quality of life for public housing residents and their surrounding neighborhoods.

I urge my colleagues to support this amendment.

With that said, and since there is agreement with the amendment, I want to thank my colleagues for their support, and I yield to the chairman of the committee.

Mr. LAZIO of New York. Mr. Chairman, I thank the gentleman from Minnesota. I appreciate his collaboration, cooperation, and the comity in which we have worked to address this program.

Mr. VENTO. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY], the ranking member.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I want to just pay very strong compliments to my good friend from Minnesota, Mr. Vento, who has just done a tremendous job not only on this amendment but on so many housing issues over the year.

He has led the fight in this House of Representatives over the last decade to ensure that we are able to work this out to reflect his interest and mine, as we go forward to the next 2 or 3 years for a program that has funded many important, many worthwhile items that have had the result of protecting people in public and assisted housing.

So it is my pleasure to be able to come to an agreement with the gentleman. I am in support of this amendment and I urge my colleagues to support it, as well.

Mr. VENTO. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY], the ranking member.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I want to just pay very strong compliments to my good friend from Minnesota, Mr. Vento, who has just done a tremendous job not only on this amendment...
modified, offered by the gentleman from Minnesota [Mr. VENTO].

The amendment, as modified, was agreed to.

Amendments No. 33 and 34 offered by Ms. VELAZQUEZ.

Mr. VELAZQUEZ. Mr. Chairman, I offer amendments No. 33 and 34.

The CHAIRMAN pro tempore. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendments No. 33. Page 77, strikes lines 6 through 14 and insert the following:

(A) except as provided in subparagraphs (B) and (C), shall be an amount determined by the authority, which shall not exceed $25;

(B) in cases in which a family demonstrates that payment of the amount determined under subparagraph (A) would create financial hardship on the family, as determined pursuant to guidelines which the Secretary shall establish, shall be an amount less than the amount determined under subparagraph (A); and

(C) in such other circumstances as may be provided by the authority, shall be an amount less than the amount determined under subparagraph (A).

Amendment No. 34. Page 157, line 10, after the semicolon insert "and".

Page 157, strike lines 11 through 18 and insert the following paragraph:

(2)(A) except as provided in subparagraphs (B) and (C), shall be an amount determined by the authority, which shall not exceed $25;

(B) in cases in which a family demonstrates that payment of the amount determined under subparagraph (A) would create financial hardship on the family, as determined pursuant to guidelines which the Secretary shall establish, shall be an amount less than the amount determined under subparagraph (A) (as determined pursuant to such guidelines); and

(C) in such other circumstances as may be provided by the authority, shall be an amount less than the amount determined under subparagraph (A).

The CHAIRMAN pro tempore. Pursuant to the order of the Committee on Wednesday, May 8, 1996, the gentlewoman from New York [Ms. VELAZQUEZ] and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from New York [Ms. VELAZQUEZ].

Ms. VELAZQUEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 2406 is the latest attack on poor families, the elderly and children. This bill includes provisions that will threaten every American's most basic and human need: Access to affordable housing.

Already across this Nation 5 million households spend more than half of their income on rent. This legislation increases that threat by imposing a minimum rent of $25 to $50 a month. Although that may not seem like much, it is a fortune for many residents who have no income.

My amendment ensures that needy Americans are not evicted from their homes by limiting the maximum rent to no more than $25. Additionally, my amendment provides a hardship exemption in cases where poor Americans have no income, protecting children, seniors, and the disabled from being thrown out in the streets. I will urge its adoption.

The faces behind my amendment are the most vulnerable members of our society. More than half are single mothers and children. They are families climbing out of homelessness and people trying to lift themselves out of a life substance abuse. They are teetering on the brink of pulling themselves up. My amendment holds out the hand that would steady them.

In many States a mother and her one child may only receive $30 a month to live off of. Keeping in mind how expensive basic living necessities like diapers, toothpaste or even soap are, a $50 minimum rent is simply too high for many poor families to afford.

The consequences of today's actions will create an underclass of people too poor to even live in public housing. Worse yet, with reduction for homeless shelters, the poorest of the poor will have no place to go. For a Nation that is supposed to be a leader in the industrial world, that is appalling and disgraceful.

Mr. Chairman, we are asking too high a price from the poor. I call on my colleagues on both sides of the aisle to vote for the Velazquez amendment and end this cruel measure.

The CHAIRMAN pro tempore. Mr. LAZIO of New York. Mr. Chairman, H.R. 2406 is the latest attack on poor families, the elderly and children. This bill includes provisions that will threaten every American's most basic and human need: Access to affordable housing.

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The Chair recognizes the gentlewoman from New York [Ms. VELAZQUEZ].

Ms. VELAZQUEZ. Mr. Chairman, I yield myself such time as I may consume.

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She suggested that public housing should pay. My amendment requires the housing authority to grant an exemption. Your amendment does not provide for that, and that is why we need to protect those people who are disabled, who do not have any money, who are coming from homelessness, from being thrown out in the streets.

My amendment requires the housing authority to grant an exemption. Your amendment does not provide for that, and that is why we need to protect those most vulnerable who do not have any money to pay, and we need to protect the people from being thrown out in the streets.

Mr. Chairman, I yield myself 30 seconds.

I do agree with the chairman of the Subcommittee on Housing and Community Opportunity that everybody in public housing should pay. My amendment does not relate to that. My amendment, what it does is to protect those most vulnerable who do not have any money to pay, and we need to protect the people from being thrown out in the streets.

My amendment requires the housing authority to grant an exemption. Your amendment does not provide for that, and that is why we need to protect those people who are disabled, who do not have any money, who are coming from homelessness, from being thrown out in the streets.

Mr. Chairman, I yield 1 1/2 minutes to the gentleman from Illinois [Mr. JACKSON].

Mr. JACKSON of Illinois. Mr. Chairman, I rise in support of the Velázquez amendment, which sets a minimum of zero to $25 and a waiver for our Nation’s most vulnerable who are caught in situations of extreme difficulty or hardship.

We must oppose the idea of minimum rent for those who cannot afford it. HUD Secretary Henry Cisneros has already indicated that the recently implemented $25 rents are already causing great hardship for roughly 175,000 families in public and assisted housing nationwide.

In my State of Illinois, 2,338 families living in public housing, 1,377 households that receive certificates and vouchers, and 749 families living in Section 8 housing, for a total of 4,464 families, have already been negatively affected with the addition of the $25 minimum. These are people who are already suffering to meet their families’ needs and who are already sometimes choosing between food, medicine, and housing, necessities that we obviously take for granted.

The chairman of the subcommittee says that everyone should pay something. Who can argue with that? Ex- pense of one dollar could mean an average yearly rental increase of $569, a 32-percent increase, which would affect 19,100 public housing families. It would mean an average yearly increase of $584, or a 23-percent increase, for 5,100 elderly in Illinois. It would mean an increase of $25 for 19 percent increase for 1,100 disabled people.

Mr. Chairman, the poor in our Nation do not need any more regulations in their minimum rents. They need a livable wage.

Mr. Chairman, I thank the gentlewoman from New York for offering this critical amendment, and I urge Members to support it.

Mr. LAZIO of New York. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Louisiana [Mr. BAKER], a member of the Subcommittee on Housing and Community Opportunity.

Mr. BAKER of Louisiana. Mr. Chairman, I thank the gentleman for his courtesy. I think this amendment really goes to the heart of the debate over how public housing should be managed in America. There is probably nothing more volatile with working families in America than the thought that someone would be in need and not have a helping hand extended. Virtually everybody I talk to says if they are suffering, uneducated and want an education, if they are homeless and want to be safe in the evenings, we should do those things. All we ask is that those individuals extend the courtesy to us of trying to improve their own situation.

But when you have people who live in house trailers, working a construction job, and moms at home trying to educate and care for those children, and you told them well, I tell you what, since you are having a bad month, I am the trailer park operator, I am going to go to that family that works to pay taxes from daylight until dark, who cares for the kids, who pays for the expenses at the grocery stores, who pays the rent on the house trailer, to say to them are we going to tax you at higher rates and put money in government programs so there will be individuals who cannot read, but will not go to school; people without work, who will not get job skills?

This is a revolution. It is a dramatic change in the philosophy of how we are going to try to help people. We are simply going to say you try, we will try. If you make the effort, we will give you the resources. But no longer are we going to say to the government, I am working, I am working, I am working, I am working.

Mr. Chairman, I yield 1 1/4 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentlewoman yielding me time. I stand in strong support of her amendment.

Mr. Chairman, I think it has been interesting to listen to some of the plan- ners who are really coming from the other side of the aisle. The notion that these individuals are somehow desiring to stay in the circumstances that they are in by their
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H4687

own choice represents a complete mis-
understanding of who qualifies for min-
imum rents. We already have, by virtue of
the fact that we have the Brooke amend-
ment, which no longer exists, de-
leted. What happens is all of those in-
centives that are available to citizens so
they can get by on their own, the very
much want to whip the poor into shape
are now in place in the housing bill.

What this says is that if you have
high medical expenses, if you happen to
have a sick child, if you happen to have
some extraordinarily circumstances
where you do not have the funds to be
able to even pay a minimum rent, the
30 percent is not good enough. We are
going to come back in and we are going to
hammer not the very poor, but the
very, very poor.

That is what the heart of this amend-
does. This amendment tries to say that
there is a group of very, very poor people.
I understand that maybe the gentle-
man from Louisiana [Mr. BAKER] does not
know very many of these individuals.
He says that they do not have a right
to get the housing that they need.

Ms. VELÁZQUEZ. Mr. Chairman, I
yield 1 minute to the gentleman from
New York [Mr. OWENS].

(Mr. OWENS asked and was given
permission to revise and extend his
remarks.)

Mr. OWENS. Mr. Chairman, I do not
know whether the gentleman here
comes from a farm State or not, but
the people in my district want to know
how you have a situation where farm-
er’s home loan mortgages are forgiven.
Over a 5-year period, the Depart-
mant of Agriculture forgave $1 billion;
$1 billion were forgiven in farmers’ home
loan mortgages. They want to know
how the government does such things,
and then worry about people who do
not have $25.

I met a lady just last Monday, I have
known her for a long time, I did not
know she was in such hard times, 85
years old she is. She has always been a
tenacious entrepreneur all her life.
She has never worked for anybody else.
She does not have Social Security. She
once owned a home, she lost it. She
once had two children, they are dead
now. Eighty-five year old. She has no
income. She is in a mobile home.

When we say 30 percent of your in-
come, the Brooke amendment we
fought for, 30 percent, 30 percent of
nothing is nothing, of course. But most
of us, nobody in this Congress pays 30
percent of their income for rent. No-
body pays 30 percent of their income
for rent. That is enough of a standard
that is imposed on the poor that no-
body else has to live up to.

Certainly anybody who has come to
the point where they absolutely have
no income, and there are many people
who, for very good reasons, they are
not drunks or dope addicts, there is
nothing wrong with them, they are
hard-working Americans, at the ends of
their lives, down and out, they need
some help.

Mr. Chairman, I rise in opposition to
the United States Housing Act (H.R. 2406).
This bill would divert funds from the
Federal Government’s role in providing
safe, decent, and affordable housing to
its citi-
zens. H.R. 2406 does a good job of cor-
roding what the Republican leadership in the
other chamber has termed the last bastion
of „socialism”—public housing. Agriculture,
which funnels billions of dollars to agri-
busi-
ness, is neve seen as socialism; but now
public housing is bastardized as the last
bas-
tion of socialism. Using such euphemisms
as local flexibility, income diversity, and resi-
dential security, H.R. 2406 would shamefully take
from our poorer and more vulnerable citi-
zens the basic right to sleep comfortably
at night. I support many of the amend-
ments offered today, including the Vala-
záquez amendment.

Those American colleagues need to be
reminded that U.S. public housing policy is
embarrassingly inequitable. Despite the
low-in-
come housing needs of this country, only 20
percent of housing outlays is allocated for
pro-
viding housing subsidies to families in need.
The other 80 percent is tax expenditures
enjoyed by wealthier families who
are able to deduct mortgage interest,
property taxes, capital gains, and other in-
vest-
tor homeowner perks from their tax liabil-
ties. The result of this unjust, inequitable
housing policy: Over 70 percent of the families
who qualify for low-income housing assist-
ance, are not receiving it. This means that
the richest Nation in the world has allowed, and
will con-
tinue to allow, more than 20 million families to
simply dwell in substandard housing condi-
tions with serious building code violations
such as dangerous electrical wiring and inad-
quate plumbing; exorbitant rents; and even home-
lessness.

H.R. 2406 reflects a blatant disregard for
those American who truly need assistance.
Using income diversity as a goal, the man-
ger’s amendment would reserve only 30 per-
cent of public housing units for those earning
30 percent or less of the median income in an
area. Under current law, 85 percent of public
housing units are reserved for low-income
families. In most communities, 30 percent of
the area’s median income is roughly equiva-
 lent to the poverty line. However, the Repub-
lican solution to diversify the public-housing
population is too extreme. To reserve such a
small percentage of public housing to our
poorest families, when they need it the most,
is unforgivable. Again, the affront to the less-
fortunate is evident in this Congress.

H.R. 2406 would further eliminate the
cap on rent reductions for very senior
and working families. The Brooke amend-
ment, which sets a maxi-
 mum percentage that tenants could be
charged for rent, 30 percent of adjusted gross
income, would be abolished. The manager’s
amendment would maintain the 30 percent
percentage for current elderly and disabled ten-
ant, and current residents earning 30 percent
or less of an area’s median income. It is clear-
ly insufficient. Any elderly or disabled person
who is lucky enough to secure public housing
after enactment of this bill, would be forced
to sacrifice food, medicine, and other necessities
for rent.

Furthermore, H.R. 2406 would allow hous-
ing authorities to set minimum rents at $25 to
$50 a month, without any exception for hard-
ship cases. To individuals who make more
than $100,000 per year, a minimum rent of
$25 to $50 may seem reasonable. Such rea-
soning illustrates how far removed from reality
supporters of this bill really are from the peo-
ple they represent. For the State of New York,
a $50 minimum rent would affect 900 house-
holds, and a $25 minimum rent would affect
1,828 households. For homeless families uti-
ilizing special rent assistance, but who have no
income, this minimum rent would be a hard-
ship. For large families in low-
benefit States, this minimum rent would be a
hardship. For families, elderly and disabled
households awaiting determination of eligibility
for public benefits, this minimum would be a
hardship. Yes, many of the people that we
represent have little to no income at all; and
this Congress should be compassionate enough
to grant these families some leeway.

Support the Valázquez amendment to set
a minimum rent of $0 to $25; and to allow for
waivers in cases of extreme hardship.

Last year, some Republicans promised to
mount an aggressive campaign to eliminate
the Department of Housing and Urban Devel-
opment [HUD]. Recognizing that such action
would be politically damaging, this year, the
Republicans have weakened the agency’s re-
sponsibilities, and eliminated numerous federal
controls. Thus, they have defeated the eco-

omy, social, and historical purpose of the
Federal Government’s directive role in develop-
ing affordable housing. You, HUD will still be
around, but 60 years of its work will have
been ignored. H.R. 2406 has little to do with
ensuring housing for the low income. I chal-
lenge my colleagues to vote against this ap-
proach which is neither consistent with American
dream of homeownership, nor consistent with
the Valázquez amendment.

Ms. VALÁZQUEZ. Mr. Chairman, I
yield 1 minute to the gentlewoman from
Florida [Ms. BROWN].

(Ms. BROWN of Florida asked and
was given permission to revise and ex-
tend her remarks.)

Ms. BROWN of Florida. Mr. Chair-
man, I rise in support of the Valázquez
amendment, which sets a minimum
rent of up to $25, and allows for a waiv-
er to be granted in cases of extreme
hardship.

In Florida, a $50 minimum rent will
affect 2,100 households. This would
mean an average annual rent increase
of $340. That may not seem like a lot of
money to some of my wealthy col-
leagues in Congress, but for some of
our Nation’s poor public housing residents,
that could mean the difference between
buying a child a warm winter coat, or
leaving them without a roof over their
heads. This truly is a matter of having
food on the table, clothes on their
backs, and a roof over their heads.

(Ms. BROWN of Florida asked and
was given permission to revise and ex-
tend her remarks.)

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food on the table, clothes on their
backs, and a roof over their heads.
Public housing in our Nation is the last resort for many of our citizens. It is the final safety net for low-income folks who are forced to live in the streets. If we can make some responsible and appropriate changes in the current law, we can make public housing, by all means, let's do it.

Many of the people who reside in public housing are low-income veterans. Forty-one percent of residents in public and assisted housing are seniors or are disabled. The remainder are families with children.

This Congress should be doing everything it can to provide safe, affordable, units for our Nation's low-income citizens. That's the kind thing to do. That's the right thing to do. Support the amendment.

Ms. VALAZQUEZ. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks].

Ms. JACKSON-LEE of Texas. Mr. Chairman, I want to thank the gentlewoman from New York for her wisdom. Mr. Chairman, I heard my colleague on the other side of the aisle say this is a revolution. It is a revolution, and the only wounded and dying are poor people. It is well known and the Texas Low Income Housing Coalition and the Border Low Income Housing Coalition has sent me some very interesting facts. Nationwide public housing residents have extremely low incomes, averaging only 17 percent of the median. The rest are zero. We recognize that it is important to have affordable housing, to have mixed housing units where there are affordable housing units living among those very poor. If you yield to the gentleman that the gentlewoman has offered, in Texas alone you will be affecting 18,200 households. I did not say people, I said 18,200 households. To the least of our brothers and law and the not so sad, if you have zero income, if you work all your life, if all has come down crashing on you, you have the opportunity to have housing?

What is the look on our faces when we see homeless persons? We ask the question, "What have they done wrong? Why don't they get a job?" We do not know their circumstances. And the reason we have homeless persons is because there are 15,000 of them waiting in the shelters and other places around the country to get into public housing. There is a need to ensure that the poorest among us can pay a minimal amount, have a clean house, a clean place to live, and, yes, they will keep it. I yield to support the gentlewoman's amendment.

Mr. Chairman, I rise today in support of this amendment.

Affordable housing fills a void in our society for our less fortunate who would not have homes without subsidies. H.R. 2406 is seriously lacking as it is currently written. It kills off the Brooke Amendment which insured the affordability of public housing.

In my State of Texas, as the bill is currently written, if a minimum rent of $50 was charged it would affect 18,200 households, who would be hit by an average annual rent increase of $261—this is a lot for very poor people. A minimum rent of $25 would affect 15,749 households. The House version was aimed at the provisions of H.R. 2406 which repeal the Brooke Amendment.

H.R. 2406 repeals the Brooke Amendment for all residents of public housing and recipients of Section 8 tenant based rental assistance. This repeal is a dramatic departure from 25 years of housing policy during which time a tenant's rent contribution has been linked to the tenant's income. Since 1981 public housing and rental assistance programs have set 30 percent of the resident's adjusted gross income. The House bill repeals this important protection and puts in its place language which will permit public housing management agencies to set rents as they deem it appropriate.

Nationwide public housing residents have extremely low incomes averaging only 17 percent of the median income of the area where they live. Contrary to what proponents of repeal might suggest, the Brooke Amendment did not cause poverty in public housing. Our organizations strongly oppose the repeal of the Brooke Amendment and the eradication of meaningful income targets because of the harm this would cause to poor Texans.

Changes in the occupancy of public housing occurred long before the enactment of the Brooke Amendment in 1970. Social changes in the 1950s and 1960s caused major alterations in the prevalence of very poor families living in public housing. This was compounded by the tendency of localities to alter their income targeting. The remainder are families living in public housing. If we do not want the poorest of the poor to live in public housing, if we do not want the poorest of the poor to live in poverty, despair, and disillusion.

We are trying to transform our society, Mr. Chairman. We are trying to do that in a compassionate way. We understand this will not happen overnight. We understand this bill will not change the problems that have made these challenges so complex and sometimes overwhelming with the strike of a pen. But it begins the process of progress, of returning local control, of encouraging work and providing work incentives, of providing for mixed-income populations in public and assisted housing so that the working poor will no longer be taxed, will no longer be punished, and they will be permitted to stay in public housing.
Mr. Chairman, we here are saying that it is not the Secretary of the Department of Housing and Urban Development sitting in his office in Washington who will decide what an exemption will be, although we provide for an exemption, and I understand we cannot every family should pay at least a minimum rent of $25 to $50, and that is the current law. There is already a minimum rent in place through the appropriations process. What we are adding to the law, Mr. Chairman, is an escape valve, a hardship exemption so that those Americans who cannot even make the rent of $25 for their family’s apartment will be able to appeal to their local community and be able to receive an exemption, an exception, so that rent can be lowered or completely waived.

We know that there are some Americans out there that will not be able to make the minimum rent. That is why we have the hardship exemption that was worked out with the administration. But we are going well beyond that. We are trying to eliminate the concept of having the minimum rent, and having the minimum rent is as basic as eliminating the work disincentives in the Brooke amendment. I urge a "no" vote.

The CHAIRMAN. All time has expired. The question is on the amendments offered by the gentleman from New York [Ms. VELAZQUEZ].

The question was taken: and the Chairman announced that the ayes appeared to have it.

Mr. BAKER of Louisiana. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendments offered by the gentleman from New York [Ms. VELAZQUEZ] will be suspended.

The point of no quorum is considered withdrawn.

Are there further amendments to title II? If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—CHOICE-BASED RENTAL HOUSING AND HOMEOWNERSHIP ASSISTANCE FOR LOW-INCOME FAMILIES

Subtitle A—Allocation

SEC. 301. AUTHORITY TO PROVIDE HOUSING ASSISTANCE AMOUNTS.

To the extent amounts to carry out this title are made available, the Secretary may enter into contracts with local housing and management authorities for a fiscal year to provide housing assistance under this title.

SEC. 302. CONTRACTS WITH LHA’s.

(a) CONDITION OF ASSISTANCE.—The Secretary may provide amounts under this title to a local housing and management authority for a fiscal year only if the Secretary has entered into a contract under this section with the local housing and management authority, under which the authority or such authority with less the Secretary determines that other areas or communities within the same State (that are eligible for amounts under this title) cannot use the amounts within the same fiscal year.

(b) USE FOR HOUSING ASSISTANCE.—A contract under this section shall require a local housing and management authority to use amounts provided under this title to provide housing assistance in any manner authorized under this title.

(c) ANNUAL OBLIGATION OF AUTHORITY.—A contract under this section shall require that the local housing and management authority administering assistance provided under the contract—

(1) to determine how assistance, under each housing assistance payments contract entered into pursuant to the contract under this section, with the provisions of the housing assistance payments contract included pursuant to section 351(c); and

(2) to establish procedures for assisted families to notify the authority of any noncompliance with such provisions.

SEC. 303. ALLOCATION OF LHA’S FOR ASSISTANCE AMOUNTS.

The Secretary may provide amounts available for housing assistance under this title to a local housing and management authority only if—

(1) the authority has submitted a local housing management plan to the Secretary for such fiscal year and applied to the Secretary for such assistance;

(2) the plan has been determined to comply with the requirements under section 107 and the Secretary has not determined that the plan fails to comply with such requirements;

(3) the authority is accredited under section 433 by the Housing Foundation and Accreditation Board;

(4) no member of the board of directors or other governing body of the authority, or the executive director, has been convicted of a felony; and

(5) the authority has not been disqualified for assistance pursuant to subtitle B of title IV.

SEC. 304. ALLOCATION OF AMOUNTS.

(a) FORMULA ALLOCATION.

(1) IN GENERAL.—When amounts for assistance under this title are first made available for reservation, after reserving amounts in accordance with subsection (c) and section 109, the Secretary shall allocate such amounts, only among local housing and management authorities meeting the requirements under this title to receive such assistance, for fiscal year 1997, in accordance with the formula under this section, with the provisions of the housing assistance payments contract included pursuant to section 351(c).

(2) ADJUSTMENT.—The formula under this section shall be adjusted annually to reflect any change in the relative needs of all areas.

(ii) in the case of an authority that, on an annual basis, is administering a program for more than 600 dwelling units, 6.0 percent of the base amount; and

(b) USE.—The Secretary may reallocate and transfer any amounts deobligated under paragraph (1) to local housing and management authorities in areas that the Secretary determines have received less funding than other areas, based on the relative needs of all areas.

SEC. 305. ADMINISTRATIVE FEES.

(a) FEE FOR ONGOING COSTS OF ADMINISTRATION.

(1) IN GENERAL.—The Secretary shall establish fees for the costs of administering the choice-based housing assistance program under this title.

(2) FISCAL YEAR 1996.—

(A) CALCULATION.—For fiscal year 1996, the fee for each month for which a dwelling unit is covered by a contract for assistance under this title shall be—

(i) in the case of a local housing and management authority that, on an annual basis, is administering a program for more than 600 dwelling units, 6.5 percent of the base amount; and

(ii) in the case of an authority that, on an annual basis, is administering a program for more than 600 dwelling units—

(I) for the first 600 units, 6.5 percent of the base amount; and

(II) for any additional dwelling units under the program, 6.0 percent of the base amount.
(b) Base amount.—For purposes of this paragraph, the base amount shall be the higher of—

(i) the fair market rental established under section 8(c) of the United States Housing Act of 1937 (as in effect before the enactment of this Act) for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the area of the authority, and

(ii) the amount provided under paragraph (2) to the authority issuing such assistance to transfer the amount provided under section 8 of the United States Housing Act of 1937 (as in effect before the enactment of this Act) for fiscal year 1993, such as $9,000,000.

(3) Subsequent fiscal years.—For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for local housing and management authorities administering the program, based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary. The Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

(4) Increase.—The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating in high-cost areas.

(b) Fee for Preliminary Expenses.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

(1) the costs of preliminary expenses, in the amount of $500, for a local housing and management authority, but only in the first year that the authority administers a choice-based housing assistance program under this title, and only if, immediately before the date of enactment of this Act, the authority was not administering a tenant-based rental assistance program under the United States Housing Act of 1937 (as in effect immediately before such date of enactment), in connection with its initial increment of assistance received;

(2) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

(3) extraordinary costs approved by the Secretary.

(c) Transfer of Fees in Cases of Concurrent Geographical Jurisdiction.—(1) Each fiscal year, if any local housing and management authority provides tenant-based rental assistance under section 8 of the United States Housing Act of 1937 or housing assistance under this title on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdiction of such authority but is also within the jurisdiction of another local housing and management authority, the Secretary shall require the authority issuing such assistance to transfer the amount described in paragraph (1) to the local housing and management authority who, upon application of such family but shall treat the application as if it were made because of a verifiable employment opportunity.

(2) In general.—The Secretary shall—

(b) revocations of family incomes.—Each local housing and management authority may (at the discretion of the Secretary) in obtaining appropriate housing under the program, as determined by the Secretary.

(b) Authorization of Appropriations.—There is authorized to be appropriated for—

(1) the costs of preliminary expenses, in the amount of $500, for a local housing and management authority who, upon application of such family but shall treat the application as if it were made because of a verifiable employment opportunity, in obtaining appropriate housing under the program, as determined by the Secretary.

(2) Administrative fee for a family established under such section for such family for the portion of the fiscal year during which such family resides in the dwelling unit described in paragraph (1); and

(b) in the case of housing assistance under this title, an amount of the grant amounts received under section 305 for such fiscal year, as adjusted.

(2) A U THORIZATION OF APPROPRIATIONS.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

(a) the costs of preliminary expenses, in the amount of $500, for a local housing and management authority, but only in the first year that the authority administers a choice-based housing assistance program under this title, and only if, immediately before the date of enactment of this Act, the authority was not administering a tenant-based rental assistance program under the United States Housing Act of 1937 (as in effect immediately before such date of enactment), in connection with its initial increment of assistance received;

(b) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

(c) extraordinary costs approved by the Secretary.

(d) T RANSFER OF FEES IN CASES OF CONCURRENT GEOGRAPHICAL JURISDICTION.—(1) Each fiscal year, if any local housing and management authority provides tenant-based rental assistance under section 8 of the United States Housing Act of 1937 or housing assistance under this title on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdiction of such authority but is also within the jurisdiction of another local housing and management authority, the Secretary shall require the authority issuing such assistance to transfer the amount described in paragraph (1) to the local housing and management authority who, upon application of such family but shall treat the application as if it were made because of a verifiable employment opportunity.
authority may, to the extent such policies are described in the local housing management plan of the authority and included in the lease for a dwelling unit, establish policies providing that an eligible family paying more than $25 in monthly rent contribution for the rented housing unit to be paid by the owner as a result of an increase in the rent contribution for an eligible family in the same market area (as the Secretary shall establish) for various sizes and types of dwelling units.

In any case in which the monthly rent charged for a dwelling unit pursuant to a lease exceeds the amount of the monthly rent contribution otherwise due, the owner or the local housing and management authority shall provide to the family a notice in accordance with section 351 that describes the basis for the increase in the rent contribution for the dwelling unit and includes the amount of the requested rent increase and the amount of the monthly rent contribution.

The owner or the local housing and management authority shall notify the assisted family residing in the unit of the increase in the rent contribution, the amount of the monthly rent contribution otherwise due, and the amount of the monthly rent contribution that will be paid by the family for the dwelling unit.

A lease shall include the many terms required under this section.

(2) Election of the tenant. In the case of any change in the rental contribution otherwise due, the local housing and management authority shall provide to the family a notice in accordance with section 351 that describes the basis for the increase in the rent contribution for the dwelling unit and includes the amount of the requested rent increase and the amount of the monthly rent contribution.

The owner or the local housing and management authority shall notify the assisted family residing in the unit of the increase in the rent contribution, the amount of the monthly rent contribution otherwise due, and the amount of the monthly rent contribution that will be paid by the family for the dwelling unit.

(3) The tenant may elect to vacate the dwelling unit and move to another dwelling unit, which shall be provided by the owner or the local housing and management authority, or elect to continue occupancy of the dwelling unit.

The tenant may elect to vacate the dwelling unit and move to another dwelling unit, which shall be provided by the owner or the local housing and management authority, or elect to continue occupancy of the dwelling unit.

(4) The tenant may elect to vacate the dwelling unit and move to another dwelling unit, which shall be provided by the owner or the local housing and management authority, or elect to continue occupancy of the dwelling unit.

(5) The tenant may elect to vacate the dwelling unit and move to another dwelling unit, which shall be provided by the owner or the local housing and management authority, or elect to continue occupancy of the dwelling unit.

The tenant may elect to vacate the dwelling unit and move to another dwelling unit, which shall be provided by the owner or the local housing and management authority, or elect to continue occupancy of the dwelling unit.

A lease may include any addenda appropriate to reflect changes, based on the most recent available data trended so that the indicators will be current for the year to which they apply, in rents for existing rental dwellings of various sizes and types in the market area suitable for occupancy by families assisted under this title.

SEC. 324. LEASE TERMS.

Rental assistance may be provided for an eligible dwelling unit if the assisted family and the owner of the dwelling unit enter into a lease for the unit that—

(1) provides for a single lease term of 12 months and continued tenancy after such term under a periodic tenancy on a month-to-month basis;

(2) contains terms and conditions specifying that termination of tenancy during the term of the lease shall be subject to the provisions set forth in section 325; and

(3) is set forth in the standard form, which is used in the locality and is available to the tenant in the unit and is a type of lease that is included in the list of forms published in the Federal Register with reasonable notice.

A lease may include any addenda appropriate to set forth the provisions under section 325.

SEC. 325. TERMINATION OF TENANCY.

(a) GENERAL. —Each housing assistance payments contract under section 351 shall provide that the owner of any assisted dwelling unit assisted under this title may terminate the lease or rental agreement of a lease for a unit, terminate the tenancy of any tenant of the unit, but only for—

(1) violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or other good cause; or

(2) any activity, engaged in by the tenant, and any tenant of the unit, or by any guest or other person under the tenant's control, that—

(a) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the owner or manager of the housing;

(b) threatens the health or safety of, or right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises; or

(c) is criminal activity (including drug-related criminal activity).

(b) MANNER OF TERMINATION. —Each housing assistance payments contract shall provide that the owner shall conduct the termination of tenancy of any tenant of an assisted dwelling unit under the contract in accordance with applicable State or local laws, including providing any notice of termination required under such laws.

SEC. 326. ELIGIBLE OWNERS.

(a) OWNERSHIP ENTITY. —Rental assistance under this title may be provided for an eligible dwelling unit for which the owner is any public agency, private person or entity (including a cooperative), nonprofit organization, agency of the Federal Government, or local housing and management authority.

(b) INELIGIBLE OWNERS. —In general. —Notwithstanding subsection (a), a local housing and management authority may not enter into an agreement under an existing payments contract (or renew an existing contract) covering a dwelling unit that is owned by an owner who is debarred, suspended, or subject to limited denial of participation under part 24 of title 24, Code of Federal Regulations.

(2) PROHIBITION OF SALE TO RELATED PARTIES. —The Secretary shall establish guidelines to prevent housing assistance payments for a dwelling unit that is owned by any spouse, child, or other party who allows an owner described in paragraph (1) to maintain control of the unit.

(3) RULE OF CONSTRUCTION. —This subsection may not be construed to prohibit, or authorize the termination or suspension, of payment of housing assistance under a housing assistance payments contract in effect at the time such debarment, suspension, or limited denial of participation took effect.

SEC. 327. SELECTION OF DWELLING UNITS.

(a) FAMILY CHOICE. —The determination of the dwelling unit in which an assisted family shall reside for which assistance is provided under this title shall be made solely by the assisted family, subject to the provisions of this title.

(b) DEED RESTRICTIONS. —Housing assistance may not be used in any manner that abrogates any local deed restriction that applies to any housing consisting of 1 to 4 dwelling units. Nothing in this section shall be construed to affect the provisions or applicability of the Fair Housing Act.

SEC. 328. ELIGIBLE DWELLING UNITS.

(a) IN GENERAL. —A dwelling unit shall be an eligible dwelling unit for purposes of this title only if the local housing and management authority to provide housing assistance for the dwelling unit determines that the dwelling unit—

(1) is an existing dwelling unit that is not located within a nursing home or the grounds of any penal, reformatory, medical, mental, or similar public or private institution; and

(2) complies with applicable State or local laws, regulations, standards, or codes covering aspects of the dwelling unit—

(i) in effect for the jurisdiction in which the dwelling is located; and

(ii) provide protection to residents of the dwellings that is equal to or greater than the
protection provided under the housing quality standards established under subsection (b); and
(iii) that do not severely restrict housing choice or
(ii) the case of a dwelling unit located in a
jurisdiction which does not have in effect laws,
regulations, standards, or codes described in
subparagraph (A), with the housing quality
standards under subsection (b).
Each local housing and management authority
providing housing assistance shall identify, in
the local housing management plan for the au-
thority, whether the authority is utilizing the
standard under subparagraph (A) or (B) of
paragraph (2) and, if the authority utilizes the
standard under subparagraph (A), shall certify in
such plan that the applicable State, local
laws, regulations, standards, or codes comply
with the requirements under such subpara-
graph.
(b) DETERMINATIONS.—
(1) IN GENERAL.—A local housing and man-
agement authority shall make the determina-
tions required under subsection (a) pursuant to
an inspection of the dwelling unit conducted be-
fore any assistance payment is made for the
unit.
(2) FAILURE TO INSPECT.—Notwithstanding
standing provisions of subsection (a), the determina-
tions referred to in paragraph (1) are not
made before the expiration of the 7-day period
beginning upon a request by the resident or
landlord of the local housing and management
authority—
(A) the dwelling unit shall be considered to be
an eligible dwelling unit for purposes of this
title; and
(B) the assisted family may occupy the dwell-
ing unit, and assistance payments for the unit
may be made before necessary repairs are com-
pleted, if the owner agrees to make such repairs
within 15 days.
(c) FEDERAL HOUSING QUALITY STANDARDS.—
The Secretary shall establish housing quality
standards in accordance with the requirements
that assisted dwelling units are safe, clean, and
healthy. Such standards shall include require-
ments relating to habitability, including mainte-
nance, health and sanitation factors, condition,
and construction of dwellings, and shall, to the
greatest extent practicable, be consistent with
the standards established under section 322(b).
The Secretary may determine the existence of
major and minor violations of such standards.
(d) ANNUAL INSPECTIONS.—Each local housing
and management authority providing housing assistance
shall conduct an inspection of each assisted
dwelling unit during the term of the
housing assistance payments contracts for the
unit to determine whether the unit is main-
tained in compliance with the housing quality
standards established under subsection (a)(2). The authority shall
submit the results of such inspections to the Sec-
retary and the Inspector General for the Depart-
ment of Housing and Urban Development and
such results shall be available to the Housing
Foundation and Accreditation Board estab-
lished under section 320. Each auditor conduct-
ing an audit under section 432.
(e) INSPECTION GUIDELINES.—The Secretary
shall establish procedural guidelines and per-
fORMANCE standards to facilitate inspections of
the dwelling units and conform such inspections
with practices utilized in the private housing
market. Such guidelines and standards shall
take into consideration variations in local laws
and practices of local housing and management
authorities and shall provide flexibility to au-
thorities appropriate to facilitate efficient provi-
Sion of housing assistance under this title.
(f) RULE OF CONSTRUCTION.—This section may
not be construed to prevent the provision of
housing assistance in connection with support-
ive services for elderly or disabled families.
SEC. 329. HOMEOWNERSHIP OPTION.
(a) IN GENERAL.—A local housing and man-
agement authority providing housing assistance
under this title may provide homeownership as-
sistance to assist eligible families to purchase a
dwelling unit (including purchase under lease-
purchase homeownership plans).
(b) REQUIREMENTS.—Each local housing and
management authority providing homeownership
assistance under this section shall, as a condi-
tion of an eligible family receiving such as-
sistance, require the family to—
(1) demonstrate that the family has income from
employment or other sources (other than
public assistance), as determined in accordance
with requirements established by the authority,
and
(2) meet any other initial or continuing re-
quirements established by the local housing and
management authority.
(c) DOWNPAYMENT REQUIREMENT.—
(1) IN GENERAL.—A local housing and man-
agement authority may establish minimum
downpayment requirements, if appropriate,
in connection with loans made for the purchase of
dwelling units for which homeownership assist-
ance is provided by such authority. If the au-
thority establishes a minimum downpayment
requirement, except as provided in paragraph (2)
the authority shall permit the family to use
grant amounts, gifts from relatives, contribu-
tions from friends, and other similar funds and
amounts as downpayment amounts in such purchase.
(2) DIRECT FAMILY CONTRIBUTION.—In pur-
chasing housing pursuant to this section, in accor-
dance with the requirements of paragraph (1),
each family shall contribute an amount of the
downpayment from resources of the family other
than gifts or grants, other similar amounts referred to in paragraph (1), that is
not less than 1 percent of the purchase price.
(d) INELIGIBILITY UNDER OTHER PROGRAMS.—A
family may receive homeownership assist-
ance pursuant to this section during any period
when assistance is being provided for the family
under other Federal homeownership assistance
programs, as determined by the Secretary, in-
cluding assistance under the HOME Investment
Partnerships Act, the Homeownership and Op-
portunity Through HOPE Act, title II of the
Housing and Community Development Act of
1987, and section 502 of the Housing Act of
1949.
Subtitle C—Payment of Housing Assistance on
Behalf of Assisted Families
SEC. 331. HOUSING ASSISTANCE PAYMENTS CON-
PARED TO MARKET RENTS.
(a) IN GENERAL.—Each local housing and
management authority that receives amounts
under a contract under section 302 may enter
into an agreement with the owners of existing
dwelling units to make housing assistance
payments to such owners in accordance with
this title.
(b) LHMA ACTING AS OWNER.—A local hous-
ing and management authority may enter into
an agreement with the owners of dwelling units
that are applicable to other owners, except that
the determinations under section 328(a)(1) and
section 354(b) shall be made by a competent party
not affiliated with the authority or the owner, and
the authority shall be responsible for any ex-
spenses of such determinations.
(c) PROVISIONS.—Each housing assistance
payments contract shall—
(1) have a term of not more than 12 months;
(2) require that the assisted dwelling unit may
be rented only pursuant to a lease that complies
with the requirements of section 324;
(3) comply with the requirements of section 325
relating to rent; and
(4) require the owner to maintain the dwelling
unit in accordance with the applicable stand-
ards under section 328(a)(12); and
(5) provide that the income and selection of
eligible families for assisted dwelling units shall
be the function of the owner.
SEC. 332. AMOUNT OF MONTHLY ASSISTANCE
PAYMENT.
(a) IN GENERAL.—The amount of the monthly assistance
payment for housing assistance under this title on behalf of an assisted family
shall be as follows:
(1) UNITS HAVING GROSS RENT LESS THAN PAY-
MENT STANDARD.—In the case of a dwelling unit
bearing a gross rent that does not exceed the
payment standard established under section 335
for a dwelling unit of the applicable size and
located in the market area in which such assisted
dwelling unit is located, the amount of the
monthly assistance payment to be provided on
behalf of such assisted family and the owner of the
dwelling unit is located, the amount by which
such amount exceeds the amount of the resi-
dent contribution determined in accordance with
section 322.
(2) UNITS HAVING GROSS RENT EXCEEDING PAY-
MENT STANDARD.—In the case of a dwelling
unit bearing a gross rent that exceeds the payment standard established under section 335 for a
dwelling unit of the applicable size and located in the market area in which such assisted
dwelling unit is located, the amount by which
such amount exceeds the amount of the resident
contribution determined in accordance with
section 322.
SEC. 333. PAYMENT STANDARDS.
(a) ESTABLISHMENT.—Each local housing and
management authority providing housing assist-
ance under this title shall establish payment
standards under this section for various areas,
and sizes and types of dwelling units, for use in
determining the amount of monthly housing as-
stance payment to be provided on behalf of
assisted families.
(b) USE OF RENTAL INDICATORS.—The payment
standard for each size and type of housing for
each market area shall be an amount that is
not less than 80 percent, and not greater than
120 percent, of the rental indicator established
under section 332 for such size and type for
such area.
(c) REVIEW.—If the Secretary determines, at
any time, that a significant percentage of the
assisted families who are assisted by a large
housing assistance payments under this title to
make housing assistance payments under this title to
the owner of dwelling units, and the author-
yor the authority or the owner, and
the authority shall be responsible for any ex-
spenses of such determinations.
(5) provide that the income and selection of
eligible families for assisted dwelling units shall
be the function of the owner.
SEC. 335. REASONABLE RENTS.
(a) ESTABLISHMENT.—The rent charged for
a dwelling unit for which rental assistance is pro-
vided under this title shall be established pursu-
antly to negotiation and agreement between the
assisted family and the owner of the dwelling
unit.
(b) REASONABLENESS.—A local housing and
management authority providing rental assist-
ance under this title for a dwelling unit shall,
before commencing assistance payments for
such unit, determine whether the rent charged for
such unit exceeds the rents charged for compara-
able assisted units in the applicable private unassisted mar-
ket.
(2) UNREASONABLE RENTS.—If the authority
determines that the rent charged for a dwelling
unit exceeds such comparable rents, the auth-
ority shall—
(1) determine whether the rent charged for a dwelling
unit exceeds the rents charged for comparable unassisted
units in the market area; and
(8) refuse to provide housing assistance payments for such unit.

SEC. 355. PROHIBITION OF ASSISTANCE FOR VACANT RENTAL UNITS.

If an assisted family resides in an eligible dwelling unit for which rental assistance is provided under a housing assistance payments contract before the expiration of the term of the lease for the unit, the rental assistant to such contract may not be provided for the unit after the month during which the unit was vacated.

Subtitle D—General and Miscellaneous Provisions

SEC. 371. DEFINITIONS.

For purposes of this title:

(1) ASSISTED DWELLING UNIT.—The term "assisted dwelling unit" means a dwelling unit in which an assisted family resides and for which housing assistance payments are made under this title.

(2) ASSISTED FAMILY.—The term "assisted family" means an eligible family on whose behalf housing assistance payments are made under this title or who has been selected and approved for housing assistance.

(3) CHOICE-BASED.—The term "choice-based" means, with respect to housing assistance, that the assistance is not attached to a dwelling unit but can be used for any eligible dwelling unit selected by the eligible family.

(4) ELIGIBLE DWELLING UNIT.—The term "eligible dwelling unit" means a dwelling unit that complies with the requirements under section 328 for continuing eligibility.

(5) ELIGIBLE FAMILY.—The term "eligible family" means a family that meets the requirements under section 322(a) for assistance under this title.

(6) HOMEOWNERSHIP ASSISTANCE.—The term "homeownership assistance" means housing assistance provided under section 329 for the ownership of a dwelling unit.

(7) HOUSING ASSISTANCE.—The term "housing assistance" means assistance provided under this title on behalf of low-income families for the rental of a dwelling unit.

(8) HOUSING ASSISTANCE PAYMENTS CONTRACT.—The term "housing assistance payments contract" means a contract under section 351 between a local housing and management authority (or the Secretary) and an owner to make housing assistance payments under this title to the owner on behalf of an assisted family.

(9) LOCAL HOUSING AND MANAGEMENT AUTHORITY.—The term "local housing and management authority" and "authority" have the meaning given such terms in section 103, except that such terms include:

(A) a consortia of local housing and management authorities that the Secretary determines has the capacity and capability to administer a program for housing assistance under this title in an efficient manner;

(B) any other entity that, upon the date of the enactment of this Act, was administering any program for tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) or a public housing agency; and

(C) with respect to any area in which no local housing and management authority has been organized, the Secretary determines that a local housing and management authority is unwilling or unable to implement this title, or is not performing effectively.

(10) OWNER.—The term "owner" means the person or entity having the legal right to lease the housing unit.

(11) RENT.—The terms "rent" and "rental" include, with respect to members of a cooperative, the charges or payments contracts with owners and persons with whom the Secretary to administer a program for housing assistance under this title, without regard to any otherwise applicable limitations on its area of operation.

(12) RENTAL ASSISTANCE.—The term "rental assistance" means housing assistance provided under this title for the rental of a dwelling unit.

SEC. 372. RENTAL ASSISTANCE FRAUD RECOVERY.

(a) AUTHORITY TO RETAIN RECOVERED AMOUNTS.—The Secretary shall permit local housing and management authorities administering housing assistance under this title to retain, out of amounts obtained by the authorities from tenants that are due as a result of fraud and abuse, an amount (determined in accordance with regulations issued by the Secretary) equal to the greater of—

(1) 50 percent of the amount actually collected; or

(2) the actual, reasonable, and necessary expenses related to the collection, including costs of investigation, legal fees, and collection agency fees.

(b) USE.—Amounts retained by an authority shall be made available for use in support of the affected program or project, in accordance with regulations issued by the Secretary. If the Secretary is the principal party initiating or sustaining an action to recover amounts from families or owners, the provisions of this section shall not apply.

(c) RECOVERY.—Amounts may be recovered under this section—

(1) by an authority through a lawsuit (including settlement of the lawsuit) brought by the authority or through court-ordered restitution pursuant to a criminal proceeding resulting from an investigation, regulation, or order issued by the Secretary; or

(2) through administrative procedures pursuant to regulations issued by the Secretary.

SEC. 373. STUDY REGARDING GEOGRAPHIC CONCENTRATION OF ASSISTED FAMILIES.

(a) IN GENERAL.—The Secretary shall conduct a study of the geographic areas in the State of Vermont served by the Housing Authority of Cook County and the Chicago Housing Authority and submit to the Congress a report and a specific proposal, which addresses and resolves the issues of—

(1) the adverse impact on local communities due to geographic concentration of assisted households under the tenant-based housing programs under section 8 of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) and under this title;

(2) facilitating the deconcentration of such assisted households by providing broader housing choices to such households.

The study shall be completed, and the report shall be submitted, not later than 90 days after the date of the enactment of this Act.

(b) CONCENTRATION.—For purposes of this section, the term "concentration" means, with respect to any area within a census tract, that at least 15 percent of the households residing within such area have incomes which do not exceed the poverty level; or

(1) 15 percent or more of the households residing within such area are assisted families.

In California alone, that cut amounts to almost $30 million; in New York, over $21 million; and in New Jersey, over $7 million. In my small State of Vermont, we would lose $318,000.

Mr. Chairman, the simple fact of the matter is that this cut goes far too deep. If we believe in section 8 housing, then we must allocate enough money for the program to be administered effectively. Otherwise, we are killing this program through a backdoor method and I do not think that is...
Mr. Chairman, this is a huge cut from the fiscal year 1995 and fiscal year 1996, when fees were based on 8.2 percent of fair market value. HUD estimates that over 90 percent of the agencies that administer Section 8 housing will lose more than 15 percent of their administrative funds. On average, it will be an estimated 23-percent cut per agency.

Mr. Chairman, I am offering a compromise amendment that puts the fee level about halfway in between where the funds are today and where they would be under the provisions of the bill. The two-tiered formula would remain, but the 6 percent number would be raised to 7 percent and the 6.5 percent number would be raised to 7.65. It is a compromise between the 8 percent formula used today and the 6 and 6.5 percent levels recommended in the bill.

Mr. Chairman, I should point out that that is the formula recommended by HUD and HUD supports this amendment. The National Association of Housing and Redevelopment Officials are also strong supporters of this amendment.

Frankly, Mr. Chairman, many of us had believed that this amendment was going to be accepted as part of the manager’s amendment and we were surprised that it was not. If it is adopted, fees would still be cut an estimated 10.5 percent. That is a big cut. That is a major cut. But it would not devastate the administration of the program as the provisions stated in this bill. This is a compromise position, and my hope is that it would be supported by all Members.

Mr. Chairman, let me conclude by stating that every State in the country is severely affected by the provisions stated in this bill. It provides for an estimated 23 percent cut in Section 8 administrative fees. That is much too high.

Mr. Chairman, I urge my colleagues to please support the compromise position and vote ‘yes.’

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

Mrs. ROUKEMA. Mr. Chairman, I want to commend Chairman LAZIO for his hard work on this thoughtful and forward thinking proposal to reform our public housing system, and ask the chairman to consider accepting the amendment offered by Congressman SANDERS.

H.R. 2406 significantly reforms the public housing programs and requires our public housing authorities to take on significant new responsibilities. At a time when we are making such monumental changes in the public housing assistance program, we should be careful not to reduce the fees to a level that could seriously undermine the ability of the authorities to do their job in an efficient and effective manner.

As the bill currently stands, my State would be forced to absorb a 23-percent reduction in administrative fees, and your own State New York will take a 17-percent reduction. Everyone that administers section 8 would be hurt—over 90 percent of the 2,300 agencies administering section 8 programs would lose more than 15 percent of their fees.

While I strongly support spending reductions and believe we have to reach the goal of a balanced budget, I am concerned about the impact of such a large reduction on the agencies that administer section 8 tenant-based rental housing assistance programs.

The Sanders amendment would still require a reduction in spending. However, while the current proposal included in H.R. 2406 would require an overall reduction of 23.6 percent in fiscal year 1996; the Sanders amendment would require only a 10.5-percent reduction in administrative fees. This puts the fee level halfway between where the funds are today and where they would be under the provisions of the bill. The two-tiered formula would remain, but instead of 6.5 percent for the first 600 units, and 6 percent for additional units, the fee would be 7.65 percent and 7 percent respectfully.

This amendment preserves the support of the chairman, and I urge your support.

Mr. LAZIO of New York. Mr. Chairman, I yield back the balance of my time.

Mr. SANDERS. Mr. Chairman, I urge the passage of this amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. SANDERS].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title III?

AMENDMENT NO. 16 OFFERED BY MR. KENNEDY OF MASSACHUSETTS.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. Kennedy of Massachusetts: Page 150, strike line 3 and all that follows through line 25, insert the following:

(b) ADDITIONAL ASSISTANCE.—

(i) Welfare and homeless families. — The Secretary shall provide amounts made available under paragraph (1)(B) to local housing and management authorities only for use to provide assistance to families described in subparagraph (A). (ii) Other eligible families. — The Secretary shall provide amounts made available under paragraph (1)(B) to local housing and management authorities only for use to provide assistance to families described in subparagraph (A).

This amendment would provide for choice-based housing assistance under this title—

(A) to be used in accordance with paragraph (2)(A), $50,000,000 for fiscal year 1997, and such sums as may be necessary for each subsequent fiscal year; and

(B) to be used in accordance with paragraph (2)(B), $195,000,000 for fiscal year 1997, and such sums as may be necessary for each subsequent fiscal year.

(2) USE.—

(A) Nondisabled families. — The Secretary shall provide amounts made available under paragraph (1)(A) to local housing and management authorities only for use to provide assistance under this title for nondisabled families (including such families relocating pursuant to designation of a public housing development under section 8(a)(17) of the Consolidated Housing and Urban Development Appropriations Act, 1989 and 1990, for which the Secretary shall provide funds in accordance with such Act).

(b) Welfare and homeless families.—The Secretary shall provide amounts made available under paragraph (1)(B) to local housing and management authorities only for use to provide assistance to families described in subparagraph (A) and (B) and such other relevant factors as the Secretary deems appropriate.
American society in the sense of being able to participate and being able to go out and make some money and have a self-sustaining home and family life.

So, Mr. Chairman, I would hope that we could have an agreement. I fully recognize that trying to get an additional authorization of appropriations of $50 million for locating the elderly and the nonelderly and tenants displaced because of project changes that we have talked about that might occur as a result of the over 30,000 units that are going to be destroyed because of the flexibilities that we are building into this bill, it would be very difficult to actually obtain given the make up of the House of Representatives and the fact that we have seen the housing budget of the country cut by 25 percent.

So, trying to actually get more money in this bill is probably a very difficult thing. If we offered an amendment and called for a vote, the truth of the matter is we would probably lose it. But I would like to enter into a dialogue with my good friend and chairman, the gentleman from New York [Mr. LAZIO], with the hopes that he would commit himself in the conference that will be generated between this body and the other body to make certain that we try to leverage as many new Section 8 vouchers as we possibly can.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York. Mr. LAZIO of New York. Mr. Chairman, as the gentleman has suggested, we have actually in our bill allowed for the issuance or the authorization for the issuance of new vouchers over and above those that currently exist and those that got turned in. We authorize the issuance of further vouchers.

Mr. Chairman, as we go through the conference process, I would assure the gentleman that continue to support strongly the authority for new incremental vouchers, and I will also support that through the budget process wherever possible.

Mr. KENNEDY of Massachusetts. Mr. Chairman, in claiming my time, I appreciate the gentleman’s offer. I point out that we are holding out the promise of being able to transition from welfare to work. If all we do is give the promise without the necessary dollars to actually allow people to get out of public housing and get back on track, then it is a false hope and we end up destroying lives rather than helping to improve them.

So, Mr. Chairman, I look forward to working with the gentleman from New York.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there other amendments to title III?

AMENDMENT NO. 3 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent that it now be in order to consider amendment No. 32, without prejudice to other amendments in title III.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 32 offered by Mr. TRAFICANT: At the end of title V of the bill, insert the following new section:

SEC. 304. USE OF AMERICAN PRODUCTS.

(a) PURCHASE OF AMERICAN MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

The CHAIRMAN. Pursuant to the unanimous-consent agreement of May 8, 1996, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 5 minutes, and a Member in opposition will be recognized for 5 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

This is a straightforward amendment, buy American amendment. If we are going to get people off welfare and into work, there is only one way to do it. That is to create a few jobs. If the products are made in America by American workers who get a paycheck, who pay taxes, that is a pretty good way and a pretty good start to doing it. This is not a fancy amendment, but in our housing programs they buy sinks, they buy toilet seats, they buy plumbing materials. They buy electrical supplies. There is an awful lot of procurement.

And for the Members of the House to understand something, it came to my attention just this week, that certain legislative offices here at the Capitol got brand new televisions that were made in Malaysia. The question I have is, how many people in Malaysia pay taxes on this television? How many people in Malaysia provide such assurances to the American worker who makes such products?

I am for all of this internationalism. I am hoping that we will pass H.R. 447, the 1,800 buy America program that whenever any citizen is going to make a purchase over $250, they could call that buy American number and say, what product is made in America? Hopefully there will be some products made in America. There will be some jobs. I appreciate the fact no one objected to this being taken out of order. I would ask that it be included in the bill and saved for another day.

I yield to the gentleman from New York [Mr. LAZIO], a good friend doing a good job on this tough bill.
ensure that amounts from the housing assistance payments are used for rental of the real property; and
(4) the rental of the real property otherwise eligible with the requirements for assistance under this title.

A contract pursuant to this subsection shall be subject to the provisions of section 351 and applicable to housing assistance payments contracts under this title, except that the Secretary may provide such exceptions as the Secretary considers appropriate at times for the provision of assistance under this subsection.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from California [Mr. Filner] and a Member opposed will each control 5 minutes.

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

Mr. Filner. Mr. Chairman, I yield myself such time as I may consume.

My amendment could be called the mobile homeowners protection amendment, because it calls for fairness and equity for thousands of our citizens who live in mobile homes. Currently, as you know, housing assistance payments are made to landlords of rental property, not to the tenants. And in most cases, this makes sense. For example, an apartment renter having received a housing assistance payment could move without using the money for rent. But we have a unique situation with residents of mobile homes. Most own their own home and rent the land on which it sits.

Contrary to the name, mobile home, they are really not free to move quickly. It is both laborious and expensive to do so. For example, in San Diego County, where my many of constituents live in mobile homes, it costs a minimum of $10,000 to move a mobile home.

In fact, in San Diego County, they can barely move at all because there are very few empty spaces and they are held captive to the whims of the park owners from whom they rent a space to park their homes.

Mr. Chairman, when park owners decide they will not accept housing assistance payments, the mobile home residents are stuck because the law says their participation is voluntary and there is nothing that the department of HUD can do to force owners to accept payments for residents.

In fact, recently HUD told a couple of my constituents who had section 8 eligibility whose park owner would not accept it, just move. Well, as I have said before, they cannot move.

So my amendment will fix that. It is a simple change in the law which will allow housing assistance payments to go to the tenants of mobile home parks. The people who must rent their land upon which to put their mobile home. This amendment will not increase costs. It will not force mobile home park residents to accept new residents because mobile home residents who qualify for rental assistance do so because they have either grown older or become disabled. They are already residents of these mobile home parks by my amendment.

This amendment will provide fairness to our citizens who need housing assistance and who live in mobile home parks.

Mr. Chairman, that explains the amendment. If there are any questions or comments, the wonderful chairperson, I would be happy to answer them. Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. Filner. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I know the gentleman refers to what is referred to as a mobile home, but this amendment is far broader than just mobile home. In fact, manufactured homes these days, a combination of prefabricated components in a number of different styles, are increasingly attractive, and I know the gentleman from Indiana, my friend, Mr. ROEMER, would be quick to suggest to me that manufactured homes are not just mobile homes as well as other Members. I think this is a good amendment. I appreciate the gentleman’s cooperation, working with both me personally and our staff. I am happy to accept and support this amendment.

Mr. Filner. Mr. Chairman, I thank the gentleman. I appreciate the correct terminology here and certainly that is what my amendment uses.

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

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

If not, the question is on the amendment offered by the gentleman from California [Mr. Filner].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

**TITLE IV—ACCREDITATION AND OVERSIGHT OF LOCAL HOUSING AND MANAGEMENT AUTHORITIES**

Subtitle A—Housing Foundation and Accreditation Board

**SEC. 401. ESTABLISHMENT.**

There is established an independent agency in the executive branch of the Government to be known as the Housing Foundation and Accreditation Board (in this title referred to as the “Board”).

**SEC. 402. MEMBERSHIP.**

(a) IN GENERAL. The Board shall be composed of 12 members appointed by the President not later than 180 days after the date of enactment of this Act, as follows:

(1) 4 members shall be appointed from among 10 individuals recommended by the Secretary of Housing and Urban Development.

(2) 4 members shall be appointed from among 10 individuals recommended by the Chairman and Ranking Minority Member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(3) 4 members appointed from among 10 individuals recommended by the Chairman and Ranking Minority Member of the Committee on Banking and Financial Services of the House of Representatives.

(b) QUALIFICATIONS.

(1) REQUIRED REPRESENTATION. The Board shall be of the following:

(A) 2 members who are residents of public housing or dwelling units assisted under title III of this Act or the provisions of title V of the Housing Act of 1937 (as in effect before the enactment of this Act).

(B) 2 members who are executive directors of local housing and management authorities.

(C) 1 member who is a member of the Institute of Real Estate Managers.

(D) 1 member who is the owner of a multifamily housing project or authorized program administered by the Secretary of Housing and Urban Development.

(2) REQUIRED EXPERIENCE. The Board shall meet in person at least twice a year and has members individuals with the following experience:

(A) At least 1 individual who has extensive experience in the management of a community development corporation.

(B) At least 1 individual who has extensive experience in construction of multifamily housing.

(C) At least 1 individual who has extensive experience in the management of a nonprofit organization.

(D) At least 1 individual who has extensive experience in the management of a community development corporation.

A single member of the board with the appropriate experience may satisfy the requirements of more than 1 subparagraph of this paragraph.

(3) TERMS OF INITIAL APPOINTEES. As designated by the President at the time of appointment of the members, the members appointed first—

(A) 3 shall be appointed for terms of 4 years;

(B) 3 shall be appointed for terms of 3 years;

(C) 3 shall be appointed for terms of 2 years;

(D) 3 shall be appointed for terms of 1 year;

(E) At least 1 shall be appointed for terms of 1 year.

(4) VACANCIES. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member’s predecessor was appointed shall be appointed only for the remainder of that term. A member may not serve after the expiration of that member’s term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(f) CHAIRPERSON. The Board shall elect a chairperson from among members of the Board.

(g) QUORUM. A majority of the members of the Board shall constitute a quorum for the transaction of business.

(h) VOTING. Each member of the Board shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Board.

(i) PROHIBITION ON ADDITIONAL PAY. Members of the Board shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board.

**SEC. 403. FUNCTIONS.**

The purpose of this subtitle is to establish the Board as a nonpolitical entity to carry out the following functions:

(1) EVALUATION OF DEEP SUBSIDY PROGRAMS. Measuring the performance and efficiency of all “deep subsidy” programs for housing assistance administered by the Secretary of Housing and Urban Development, including the public housing program under title I, and the programs for tenant- and project-based rental assistance under title III and section 8 of the United States Housing Act of 1937 (as in effect before the enactment of this Act).

(2) ESTABLISHMENT OF LHMA PERFORMANCE BENCHMARKS. Establishing standards and
guidelines under section 431 for use by the Secretary in measuring the performance and efficiency of local housing and management authorities and other owners and providers of federally supported housing in carrying out operational and financial functions.

(3) ACCREDITATION OF LHMA'S.—Establishing a procedure under section 431(b) for accrediting local housing and management authorities to receive grant contracts under title II and block grant contracts under title III or a new block grant contract under title II or an initial grant agreement under title III; and

(b) RULES AND REGULATIONS.—The Board may adopt regulations as necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(2) RULES AND REGULATIONS. The Board may adopt regulations as necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(c) AUTHORITY. The Board may, to such extent and in such amounts as are provided in appropriation Acts, enter into contracts with private firms, institutions, and individuals for the purpose of carrying out, for the performance necessary to enable the Board to discharge its functions under this subtitle.

(f) STAFF. The Board shall appoint an executive director of the Board, who shall be compensated at a rate fixed by the Board, but which shall not exceed the rate established for level V of the Executive Schedule under title V, United States Code.

(i) INFORMATION. The Board may secure direct information, or agency shall furnish such information.

(1) INFORMATION.—The Board may acquire information directly from any department or agency of the Federal Government such information as the Board considers necessary, in accordance with the provisions of title 5, United States Code, governing appointments to the competitive service, and the provisions of chapter 51 and subchapter III of chapter 33 of such title, relating to classification and General Schedule pay rates. Such personnel may include personnel for assessment teams under section 431(b).

(3) FEES. Any fees collected under this section shall be deposited in an operations fund for the Board, which is hereby established in the Treasury of the United States. Amounts in such fund shall be available, to the extent provided in appropriation Acts, for the expenses of the Board in carrying out its functions under this subtitle.

(5) FEES. Any fees collected under this section shall be deposited in an operations fund for the Board, which is hereby established in the Treasury of the United States. Amounts in such fund shall be available, to the extent provided in appropriation Acts, for the expenses of the Board in carrying out its functions under this subtitle.

(6) ACCREDITATION PROCEDURE. The Accreditation Board shall establish procedures for—

(a) PERFORMANCE BENCHMARKS. The Housing Foundation and Accreditation Board established under section 401 in this subtitle referred to as the 'Board' shall establish standards and guidelines, for use under section 401, to measure the performance of local housing and management authorities in all aspects relating to—

(2) PERFORMANCE CATEGORIES. In establishing standards and guidelines under this section, the Board shall define various levels of performance, which shall include the following levels:

(A) EXCEPTIONALLY WELL-MANAGED. A minimum acceptable level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as exceptionally well-managed, which shall indicate that the authority functions exceptionally well.

(B) WELL-MANAGED. A minimum acceptable level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as well-managed, which shall indicate that the authority functions satisfactorily.

(C) AT RISK OF BECOMING TROUBL. A minimum acceptable level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as at risk of becoming troubled, which shall indicate that there are elements in the operations, management, or functioning of the authority that may result in serious and complicated deficiencies.

(D) TROUBLE. A minimum level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as a troubled authority, which shall indicate that the authority functions unsatisfactorily with respect to certain areas under paragraph (1), but such deficiencies are not irreparable.

(E) DYSFUNCTIONAL. A maximum level of performance in the areas specified in paragraph (1) for classification of a local housing and management authority as dysfunctional, which shall indicate that the authority suffers such deficiencies that the authority should not be allowed to continue to manage low-income housing or administer housing assistance.

(3) ACCREDITATION STANDARD.—In establishing standards and guidelines under this section, the Board shall establish a minimum acceptable level of performance for accrediting a local housing and management authority for purposes of authorizing the authority to enter into a new block grant contract under title II or a new grant agreement under title III.

(b) ACCREDITATION PROCEDURE.—The Accreditation Board shall establish procedures for—

(1) reviewing the performance of a local housing and management authority over the term of the expiring accreditation, which review shall be conducted during the 12-month period that ends upon the conclusion of the term of the expiring accreditation;

(2) evaluating the capability of a local housing and management authority that proposes to enter into an initial block grant contract under title II or an initial grant agreement under title III;

(3) determining whether the authority complies with the standards and guidelines for accreditation established under subsection (a)(3).

The procedures for a review or evaluation under this subsection shall provide for the review or evaluation to be conducted by an assessment team established by the Board, which shall review annual financial and performance audits conducted under section 402 and obtain such information as the Board may require.

(c) IDENTIFICATION OF POTENTIAL PROBLEMS.—The standards and guidelines under subsection (a) and the procedure under subsection (b) shall be established in a manner designed to identify potential problems in the operations, management, functioning of local...
SEC. 432. ANNUAL FINANCIAL AND PERFORMANCE AUDIT. 

(a) Requirement.—The Secretary shall require each local housing and management authority that receives grant amounts under this Act in a fiscal year to have a financial and performance audit of the authority conducted for the fiscal year and to submit the results of the audit to the Secretary, the Board, and the local housing and management authority at a time the Secretary determines that such action is necessary to prevent the authority from becoming a troubled authority, the Secretary shall seek to enter into an agreement with the authority providing for improving the management performance of the authority.

(b) Contents.—An agreement under this section between the Secretary and a local housing and management authority shall set forth—

(1) targets for improving performance, as measured by the guidelines and standards established under section 431(c)(4) and other requirements within a specified period of time, which shall include targets to be met upon the expiration of the 12-month period beginning upon entering into the agreement;

(2) strategies for meeting such targets; and

(3) sanctions for failure to implement such strategies.

(c) Default under performance agreement.—Upon the expiration of the 12-month period beginning upon entering into an agreement under this section between the Secretary and a local housing and management authority, the Secretary shall review the performance of the authority in relation to the performance targets and strategies set forth in an agreement under this section.

SEC. 433. ACCREDITATION. 

(a) Review upon expiration of previous accreditation.—The Accreditation Board shall perform a comprehensive review of the performance of a local housing and management authority, in accordance with the procedures established under section 432(b), before the expiration of the term for which a previous accreditation was granted under this subtitle.

(b) Initial evaluation.—(1) In entering into an initial block grant contract under title II or an initial contract pursuant to section 302 for assistance under title III with any local housing and management authority, the Board shall conduct a comprehensive evaluation of the capabilities of the local housing and management authority.

(2) Exception.—Paragraph (1) shall not apply to an initial block grant contract or grant agreement entered into during the period beginning upon the date of the enactment of this Act and ending upon the date of the effectiveness of final regulations establishing the standards, guidelines, and procedures required under section 431 with any public housing agency that received amounts under the United States Housing Act of 1937 during fiscal year 1996.

(c) Determination and report.—Pursuant to a review or evaluation under this section, the Board shall determine whether the authority meets the requirements for accreditation under section 431(a)(3), shall accredit the authority if it meets such requirements, and shall submit a report on the results of the review or evaluation and such determination to the Secretary and the authority.

(d) Accreditation.—An accreditation under this section shall expire at the end the term established by the Secretary for the accreditation, which may not exceed 5 years. The Board may qualify an accreditation placing conditions on the accreditation based on the future performance of the authority.

SEC. 434. CLASSIFICATION BY PERFORMANCE CATEGORY.

Upon completing the accreditation process under section 433, the Board shall classify each local housing and management authority, the Housing Finance and Accreditation Board shall designate the authority according to the performance categories under section 433(c). In determining the classification of an authority, the Board shall consider the most recent financial and performance audit under section 432 of the authority and any other reports under section 433(c) for the authority.

SEC. 435. PERFORMANCE AGREEMENTS FOR AUTHORITIES AT RISK OF BECOMING TRoubLED.

(a) In general.—Upon designation of a local housing and management authority as at risk of becoming troubled under section 432(a)(2)(D), the Secretary shall seek to enter into an agreement with the authority providing for improving the management performance of the authority.

(b) Contents.—An agreement under this section between the Secretary and a local housing and management authority that is at risk of becoming troubled under section 431(a)(2)(D) as a troubled authority, the Secretary may—

(1) solicit competitive proposals from other local housing and management authorities and private entities with experience in construction management, to prepare for any case in which such authorities or firms may be needed to oversee the housing and management authority for a period not to exceed 5 years. Such special contract or agreement shall be subject to the conditions resulting in the authority being designated under section 431(a)(2)(D) as a troubled authority, the Secretary may designate such contract or agreement for such unit under section 106 of such Act.

SEC. 437. OPTION TO DEMAND CONVEYANCE OF TITLE TO OR POSSESSION OF PUBLIC HOUSING.

(a) Authority for conveyance.—A contract under section 201 for block grants under title II (including contracts which amend or supersede contracts previously made (including contracts for contributions)) may provide that upon the occurrence of a substantial default with respect to the covenants or conditions to which the contract, block grant, and management authority is subject (as such substantial default shall be defined in such contract) or upon designation of the authority as dysfunctional pursuant to section 302, the local housing and management authority shall be obligated, at the option of the Secretary, to—

(1) solicit competitive proposals from other local housing and management authorities and private entities with experience in construction management, to prepare for any case in which such authorities or firms may be needed to oversee the housing and management authority for a period not to exceed 5 years. Such special contract or agreement shall be subject to the conditions resulting in the authority being designated under section 431(a)(2)(D) as a troubled authority, the Secretary may designate such contract or agreement for such unit under section 106 of such Act.

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(a) In general.—Upon designation of a local housing and management authority as at risk of becoming troubled under section 432(a)(2)(D), the Secretary shall seek to enter into an agreement with the authority providing for improving the management performance of the authority.

(b) Contents.—An agreement under this section between the Secretary and a local housing and management authority that is at risk of becoming troubled under section 431(a)(2)(D) as a troubled authority, the Secretary may—

(1) solicit competitive proposals from other local housing and management authorities and private entities with experience in construction management, to prepare for any case in which such authorities or firms may be needed to oversee the housing and management authority for a period not to exceed 5 years. Such special contract or agreement shall be subject to the conditions resulting in the authority being designated under section 431(a)(2)(D) as a troubled authority, the Secretary may designate such contract or agreement for such unit under section 106 of such Act.

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(1) solicit competitive proposals from other local housing and management authorities and private entities with experience in construction management, to prepare for any case in which such authorities or firms may be needed to oversee the housing and management authority for a period not to exceed 5 years. Such special contract or agreement shall be subject to the conditions resulting in the authority being designated under section 431(a)(2)(D) as a troubled authority, the Secretary may designate such contract or agreement for such unit under section 106 of such Act.
(1) convey title in any case where, in the determination of the Secretary (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act;

(2) deliver to the Secretary possession of the development, as then constituted, to which such contract relates;

(b) ACTION TO RECONVEY.—Any block grant contract under title II containing the provisions authorized in subsection (a) shall also provide that the Secretary shall be obligated to reconvey possession of the development, as constituted at the time of reconveyance or redelivery, to such local housing and management authority or to its successor (if such local housing and management authority or its successor exists) upon such terms as shall be prescribed in such contract, and as soon as practicable after:

(1) the Secretary is satisfied that all defaults with respect to the development have been cured, and that the development will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or

(2) the termination of the obligation to make annual block grant payments to the authority, unless there are any obligations or covenants of the authority to the Secretary which are then in default.

Any prior conveyances and reconveyances or deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the development to the Secretary pursuant to subsection (a) upon the subsequent occurrence of a substantial default.

(c) CONTINUED GRANTS FOR REPAYMENT OF BONDS AND NOTES UNDER 1937 ACT.—If—

(1) a contract for block grants under title II for an authority includes provisions that expressly state that the provisions are included pursuant to this subsection, and

(2) the portion of the block grant payable for debt service requirements pursuant to the contract has been pledged by the local housing and management authority as security for the payment of the principal and interest on any of its obligations, then—

(A) the Secretary shall (notwithstanding any other provisions of this Act), continue to make the block grant payments for the authority so long as any of such obligations remain outstanding; and

(B) the Secretary may covenant in such a contract that in any event such block grant amounts shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the development, will enable the local housing and management authority to meet its debt service requirements.

(d) TERMINATION OF CONTRACT.—If such a contract is not in effect, block grant payments made under this Act, or under any other provision of law, shall, for purposes of this Act, be considered payments to the local housing and management authority to the extent permitted by State and local law; and

(e) FURTHER PROVISIONS.—In addition to the powers accorded by the court appointing a receiver, the court may—

(1) require the establishment of one or more new local housing and management authorities in accordance with subtitle E;

(2) take possession of the local housing and management authority to confer under like circumstances upon the Secretary's responsibility under this paragraph for the administration of a local housing and management authority. The Secretary may delegate to a local housing and management authority or all of the powers of the Secretary under this subsection. Regardless of any delegation under this subsection, an administrative receiver may not require the establishment of one or more new local housing and management authorities in accordance with paragraph (3) unless the Secretary first approves such establishment. For purposes of this subsection, the term "local housing and management authority" includes any developments or functions of a local housing and management authority under any section of this title.

(f) RECEIVER.—

(1) REQUIRED APPOINTMENT.—In any proceeding under subsection (b)(5), 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 local housing and management authority in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another local housing and management authority, a private housing management agent, the Secretary, or any other appropriate entity. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

(2) POWERS OF RECEIVER.—If a receiver is appointed for a local housing and management authority pursuant to subsection (b)(5), in addition to the powers accorded by the court appointing the receiver—

(A) may abrogate contracts that substantially impede correction of the substantial default or improvement of the classification;

(B) may demolish and dispose of assets of the authority in accordance with subtitle E;

(C) where determined appropriate by the Secretary, may require the establishment of one or more new local housing and management authorities, to the extent permitted by State and local law; and

(D) except as provided in subparagraph (C), shall not be subject to any State or local laws that, in the determination of the receiver, substantially impede correction of the substantial default or improvement of the classification.

For purposes of this paragraph, the term "local housing and management authority" includes any developments or functions of a local housing and management authority under any section of this title.

(3) TERMINATION.—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 or the local housing and management authority will be able to make the same amount of the block grant payments in correcting the management of the housing as the receiver.

(F) LIABILITY.—If the Secretary takes possession of an authority pursuant to subsection (b)(5) for a local housing and management authority, the Secretary or the receiver shall be deemed to be acting in the capacity of a local housing and management authority (and not in the official capacity as Secretary or other official) and any liability incurred shall be a liability of the local housing and management authority.

SEC. 439. MANDATORY TAKEOVER OF CRONICALLY TROUBLED PHA'S.

(a) REMOVAL OF AGENCY.—Notwithstanding any other provision of law, on or before the expiration of the 180-day period beginning on the date of the enactment of this Act, the Secretary may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the Secretary's responsibility under this paragraph for the administration of a local housing and management authority. The Secretary may delegate to the administrative receiver, the authority, or all of the powers of the Secretary under this subsection. The Secretary shall have such additional authority as a district court of the United States has the authority to confer under like circumstances upon a receiver to achieve the purposes of the receivership.

The Secretary may, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the Secretary's responsibility under this paragraph for the administration of a local housing and management authority. The Secretary may delegate to the administrative receiver, the authority, or all of the powers of the Secretary under this subsection. Regardless of any delegation under this subsection, an administrative receiver may not require the establishment of one or more new local housing and management authorities in accordance with paragraph (3) unless the Secretary first approves such establishment. For purposes of this subsection, the term "local housing and management authority" includes any developments or functions of a local housing and management authority under any section of this title.

(e) RECEIVER.—

(1) REQUIRED APPOINTMENT.—In any proceeding under subsection (b)(5), 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 local housing and management authority in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another local housing and management authority, a private housing management agent, the Secretary, or any other appropriate entity. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

(2) POWERS OF RECEIVER.—If a receiver is appointed for a local housing and management authority pursuant to subsection (b)(5), in addition to the powers accorded by the court appointing the receiver—

(A) may abrogate contracts that substantially impede correction of the substantial default or improvement of the classification;

(B) may demolish and dispose of assets of the authority in accordance with subtitle E;

(C) where determined appropriate by the Secretary, may require the establishment of one or more new local housing and management authorities, to the extent permitted by State and local law; and

(D) except as provided in subparagraph (C), shall not be subject to any State or local laws that, in the determination of the receiver, substantially impede correction of the substantial default or improvement of the classification.

For purposes of this paragraph, the term "local housing and management authority" includes any developments or functions of a local housing and management authority under any section of this title.

(3) TERMINATION.—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 or the local housing and management authority will be able to make the same amount of the block grant payments in correcting the management of the housing as the receiver.

(F) LIABILITY.—If the Secretary takes possession of an authority pursuant to subsection (b)(5) for a local housing and management authority, the Secretary or the receiver shall be deemed to be acting in the capacity of a local housing and management authority (and not in the official capacity as Secretary or other official) and any liability incurred shall be a liability of the local housing and management authority.

SEC. 439. MANDATORY TAKEOVER OF CRONICALLY TROUBLED PHA'S.

(a) REMOVAL OF AGENCY.—Notwithstanding any other provision of law, on or before the expiration of the 180-day period beginning on the date of the enactment of this Act, the
Secretary shall take one of the following actions with respect to each chronically troubled public housing agency:

(1) **Contracting for Management.**—Solicit competitive proposals for the management of the agency pursuant to section 437(b)(1) and replace the management of the agency pursuant to section 437(b)(2) of such Act.

(2) **Termination of Agency.**—If the Secretary determines that the housing authority of the proceeds of assistance received from the Housing and Urban Development Act of 1937 (as in effect immediately before the enactment of this Act) has failed to use such funds in accordance with sections 433, 434, 435, and 436, and 437(a), and 442 shall not apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

The CHAIRMAN. Are there amendments to title V? If not, the Clerk will designate title V.

The text of title V is as follows:

**TITLE V—REPEALS AND CONFORMING AMENDMENTS**

SEC. 501. REPEALS.

(a) **In General.**—The following provisions of law are hereby repealed:

(1) **United States Housing Act of 1937.**—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

(2) **Assisted Housing Allocation.**—Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439).

(3) **Public Housing Waiver for Police.**—Section 519 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437a-1).

(4) **Occupancy Preferences and Income Mix for New Construction and Substantial Rehabilitation Projects.**—Subsection (c) of section 545, and section 555, of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f).

(b) **Definition.**—For purposes of this section, the term "chronically troubled public housing agency means a public housing agency that—

(1) **criterion for Troubled Status on CHAs.**—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the first year beginning after the date of enactment of this Act, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the date of enactment of this Act, as a troubled public housing agency and has been so designated continuously for the 3-year period ending upon such date of enactment; except that such term does not include any agency that owns or operates less than 1250 public housing dwelling units and that the Secretary determines can, with a reasonable amount of effort, make such improvements or remedies as may be necessary to remove its designation as troubled within 12 months.

SEC. 440. TREATMENT OF TROUBLED PHAS.

(a) **Effect of Troubled Status on CHAs.**—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the first year beginning after the date of enactment of this Act, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the date of enactment of this Act) as a troubled public housing agency and has been so designated continuously for the 3-year period ending upon such date of enactment; except that such term does not include any agency that owns or operates less than 1250 public housing dwelling units and that the Secretary determines can, with a reasonable amount of effort, make such improvements or remedies as may be necessary to remove its designation as troubled within 12 months.

(b) **Access to Documents.**—The Secretary, as such term is defined in section 438(b) of this Act,

(1) keeps each record and information as may be reasonably necessary to disclose the amount and the disposition by the authority of the proceeds of assistance received pursuant to this Act as a troubled public housing agency; and

(2) is not a chronically troubled public housing agency, as such term is defined in section 438(b) of this Act.

SEC. 441. MAINTENANCE OF AND ACCESS TO RECORDS.

(a) **Keeping of Records.**—Each local housing and management agency shall keep such records as may be reasonably necessary to disclose the amount and the disposition by the authority of the proceeds of assistance received pursuant to this Act as a troubled public housing agency.

(b) **Access to Documents.**—The Secretary shall apply the provisions of this subtitle to resident management corporations.

The Secretary shall apply the provisions of this subtitle to resident management corporations in the same manner as applied to local housing and management authorities.

SEC. 442. APPLICABILITY TO RESIDENT MANAGEMENT CORPORATIONS.

The Secretary shall apply the provisions of this subtitle to resident management corporations in the same manner as applied to local housing and management authorities.

SEC. 443. INAPPLICABILITY TO INDIAN HOUSING.

The provisions of sections 431, 432, 433, 434, 435, 436, and 442 shall not apply to public housing operated or developed by Indian housing authorities.

The CHAIRMAN. Are there amendments to title V? If not, the Clerk will designate title V.

The text of title V is as follows:

**TITLE V—REPEALS AND CONFORMING AMENDMENTS**

SEC. 501. REPEALS.

(a) **In General.**—The following provisions of law are hereby repealed:

(1) **United States Housing Act of 1937.**—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

(2) **Assisted Housing Allocation.**—Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439).

(3) **Public Housing Waiver for Police.**—Section 519 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437a-1).

(4) **Occupancy Preferences and Income Mix for New Construction and Substantial Rehabilitation Projects.**—Subsection (c) of section 545, and section 555, of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f).

(b) **Definition.**—For purposes of this section, the term "chronically troubled public housing agency" means a public housing agency that—

(1) **criterion for Troubled Status on CHAs.**—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the first year beginning after the date of enactment of this Act, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the date of enactment of this Act) as a troubled public housing agency and has been so designated continuously for the 3-year period ending upon such date of enactment; except that such term does not include any agency that owns or operates less than 1250 public housing dwelling units and that the Secretary determines can, with a reasonable amount of effort, make such improvements or remedies as may be necessary to remove its designation as troubled within 12 months.

SEC. 440. TREATMENT OF TROUBLED PHAS.

(a) **Effect of Troubled Status on CHAs.**—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the first year beginning after the date of enactment of this Act, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the date of enactment of this Act) as a troubled public housing agency and has been so designated continuously for the 3-year period ending upon such date of enactment; except that such term does not include any agency that owns or operates less than 1250 public housing dwelling units and that the Secretary determines can, with a reasonable amount of effort, make such improvements or remedies as may be necessary to remove its designation as troubled within 12 months.

(b) **Access to Documents.**—The Secretary, as such term is defined in section 438(b) of this Act,
occupancy of any person who is a resident in assisted housing on the date of enactment of this Act.


(d) REVIEW OF DRUG ELIMINATION PROGRAM CONTRACTS.—(1) REQUIREMENT.—Notwithstanding the rule under section 501(a)(26), the Secretary of Housing and Urban Development shall investigate all contracts awarded by grantees under the Public and Assisted Housing Drug Elimination Act of 1990 (42 U.S.C. 11901 et seq.) that are public housing agencies that own or operate more than 4,500 public housing dwelling units—

(A) to determine whether the contractors under such contracts have complied with all laws and regulations regarding prohibition of discrimination in hiring practices;

(B) to determine whether such contracts were awarded in accordance with the applicable laws and regulations regarding the award of such contracts;

(C) to determine how many such contracts were awarded under emergency contracting procedures;

(D) to evaluate the effectiveness of the contracts; and

(E) to provide a full accounting of all expenses under the contracts.

(2) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the investigation required under paragraph (1) and submit a report to the Congress regarding the findings under the investigation. With respect to each such contract, the report shall state whether the contract was made and is operating, or was not made or is not operating, in full compliance with applicable laws and regulations, and (B) for each contract that the Secretary determines is in such compliance in a personal certification of such compliance by the Secretary of Housing and Urban Development.

Sec. 5123. AUTHORITY TO MAKE GRANTS.—The Secretary of Housing and Urban Development may make grants in accordance with the provisions of this chapter in and around public housing and other federally assisted low-income housing projects to—

(1) local housing and management authorities, and

(2) public housing agencies that own or operate 250 or more public housing dwelling units and have—

(a) LHMA’S WITH 250 OR MORE UNITS.—In each fiscal year, the Secretary shall make a grant under this chapter for funds amounts available under section 513(b)(1) for the fiscal year to each of the following local housing and management authorities—

(A) new applicants—each local housing and management authority that owns or operates 250 or more public housing dwelling units and has—

(i) submitted an application to the Secretary for a grant for such fiscal year, which includes a 5-year crime deterrence and reduction plan under paragraph (2); and

(ii) had such application and plan approved by the Secretary.

(B) RENEWALS—Each local housing and management authority that owns or operates 250 or more public housing dwelling units and for which—

(i) a grant was made under this chapter for the preceding fiscal year; and

(ii) the term of the 5-year crime deterrence and reduction plan applicable to such grant includes the fiscal year for which the grant under this subsection is to be made; and

(C) in paragraph (3), by inserting before the semicolon the following: ``, including fencing, lighting, locking, and surveillance systems’’;

(2) IN GENERAL.—Section 5124(a) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903(a)) is amended—

(A) in the matter preceding paragraph (1), by inserting ``,and around public or other federally assisted low-income housing projects’’;

(B) in paragraph (1), by inserting the following after the semicolon: ``,including fencing, lighting, locking, and surveillance systems’’;

(C) in paragraph (4), by striking subparagraph (A) and inserting the following new subparagraph:

``(A) to investigate crime; and’’;

(D) in paragraph (6)—

(i) by striking ``,and around public or other federally assisted low-income housing projects’’;

(ii) by striking ``,and’’ after the semicolon; and

(E) by striking ``,and’’ after the semicolon.

Sec. 5125. GRANT PROCEDURES.—Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended to read as follows:
and the 5-year crime deterrence and reduction plan are inconsistent with the purposes of this chapter or any requirements established by the Secretary or the information in the application or plans. Upon completing or disapproving or determining not to approve an application and plan submitted under this subsection, the Secretary shall notify the local housing and management authority submitting the application and plan of such approval or disapproval.

(7) DISAPPROVAL OF APPLICATIONS.—If the Secretary notifies an authority that the application and plan of the authority is not approved, not later than the expiration of the 15-day period beginning upon such notice of disapproval, the Secretary shall notify the authority in writing of the reasons for the disapproval, the actions that the authority could take to comply with the criteria for approval, and the deadlines for such actions.

(8) FAILURE TO APPROVE OR DISAPPROVE.—If the Secretary fails to notify an authority of approval or disapproval of an application and plan submitted under this subsection before the expiration of the 60-day period beginning upon the submittal of the application and plan, the authority shall be considered to have been approved for purposes of this section.

(2) LHMA'S WITH FEWER THAN 250 UNITS AND OWNERS OF FEDERA LLY ASSISTED LOW-INCOME HOUSING.—

(1) APPLICATIONS AND PLANS.—To be eligible to receive a grant under this chapter, a local housing and management authority that owns or operates fewer than 250 public housing dwelling units or an owner of federally assisted low-income housing shall submit an application to the Secretary at such time and in such manner, and accompanied by such additional information as the Secretary may require. The application shall include a plan for addressing the problem of crime in and around the housing for which the application is submitted, describing in detail activities to be conducted during the fiscal year for which the grant is requested.

(2) GRANTS FOR LHMA'S WITH FEWER THAN 250 UNITS.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(3), make grants under this chapter to local housing and management authorities that own or operate fewer than 250 public housing dwelling units and have submitted applications under paragraph (1) that the Secretary has approved pursuant to the criteria under paragraph (4).

(3) GRANTS FOR FEDERA LLY ASSISTED LOW-INCOME HOUSING.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(3), make grants under this chapter to owners of federally assisted low-income housing that have submitted applications under paragraph (1) that the Secretary has approved pursuant to the criteria under paragraphs (4) and (5).

(4) CRITERIA FOR APPROVAL OF APPLICATIONS.—The Secretary shall determine whether to approve each application under this chapter to carry out activities to be conducted during the fiscal year for which the grant is requested.

(5) LOCAL HOUSING AND MANAGEMENT AUTHORITY.—The term "local housing and management authority" has the meaning given the term in title I of the United States Housing Act of 1996.

(6) IMPLEMENTATION.—Section 5127 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11906) is amended by inserting the following new sub-sec- tion at the end of such section:

(7) ADDITIONAL CRITERIA FOR FEDERA LLY ASSISTED LOW-INCOME HOUSING.—In addition to the criteria under paragraph (4), the Secretary may establish other criteria for evaluating applications submitted by owners of federally assisted low-income housing, except that such additional criteria shall be designed only to refer to: (A) relevant differences between the financial resources and other characteristics of local housing and management authorities and owners of federal low-income housing; and (B) relevant differences between the problem of crime in public housing administered by such authorities and the problem of crime in federally assisted low-income housing.
have economic development programs
that would increase the job opportuni-
ties, that would support businesses,
that would basically direct some atten-
tion toward commercial development.

One of the things I have been very
concerned about is that we have put an emphasis oftentimes on de-
veloping housing and low-income hous-
ing, but the problem is precisely what
we have created in public housing projects. We have provided some hous-
ing opportunities and basically placed poor people on top of each other with-
out any businesses and without any services.

So I thought that the use of these
section 108 loan guarantee funds would have well served our cities if we had an
opportunity to support business and commerce so that we do not continue to
have housing and low-income hous-
ing without businesses in those com-
munities that would provide goods and
services and job opportunities.

Section 108 loan guarantee funds I was able to expand to the tune of about
$2 billion over 5 years. All of the cities
have been applying for these funds. Many of the cities welcome the oppor-
tunity to have some funds by which they could create projects working with the business community to ex-
and job opportunities, to expand en-
trepreneurship. But some of the cities
have begun to use this money in ways
other than economic development that
was anticipated.

I recognized that some of the cities
have a need to be very creative in the
way that they use these section 108
loan guarantee funds and they put a
little bit off maybe into some infra-
structure, maybe a little bit off into
some housing. But my appeal here is
to say let us put a cap on how much of
this money can be taken and further
used maybe for housing or anything else.

Let us really pay attention to how we
can empower communities and develop
real economic development so that in
fact the people that we say that we want to make independent, we create some opportunities for them to be inde-
pendent.

We hope, we know that small busi-
inesses, for example, create more job
opportunities than any other entities in
America. We know that, to the de-
gree that we are able to develop small
businesses, we expand job opportuni-
ties.

I do not have oftentimes the oppor-
unity to come to this floor and to
really tell Members what I understand
about business and economic develop-
ment. There are those who would like
to say all she and those others care about is welfare, all they care about is
low-income housing, all they care about are government expenditures for
the poor.

That absolutely is not true. Many of
us understand a lot more about busi-
ness and business development and how
to really support commerce and entre-
preneurs in these communities than we
often have an opportunity to dem-
strate.

I am here today because section 108
loan guarantee funds in HUD is a real
opportunity to create economic devel-
opment projects. This loan guarantee
program is given to those cities and the CDBG moneys are kind of used as a
guarantee working with HUD. They get
with local business persons, and they
think about utilizing the resources of
local government. Maybe there are
some land opportunities. Maybe there are some small businesses and small com-
panies that they can match with some invest-
ment by the local entrepreneurs and this loan guarantee opportunity, and they come up with projects that they
can locate in these communities and not only support business, small busi-
ness and entrepreneurship but do job
creation.

Mr. Chairman, my colleagues must
pay more attention to what the Gov-
ernment can do to help create jobs in
America. We have an opportunity to
take these projects working with HUD
and the local community and to create
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creation.
The relationship between economic development and housing, especially affordable housing, is a strong one. As I say, no community has just an affordable housing program. If people had the capability to have jobs, it would enable them to have homes. Somehow they can make their own choices, and we would not have those same needs for affordable housing. Unfortunately, we do not have the same relationship and targeting that is necessary. Those are mostly locally based solutions in the end. Organizations like List and Enterprise are doing that throughout the country, creating a synergy where commercial enterprise and housing is built together, planned together. Local communities are involved in the outcome and the strategies in getting there, and that is exactly the right model that we ought to be following because that is the successful model.

The first year and a half of my chairmanship, one of the things I did was to back up and to say let us find out what is going on right out there. One of the things that is right, one of the successes that is happening throughout our country, is self-help housing, is an integrated commercial and residential development, mostly by entities like List and Enterprise.

Let me suggest that if we can work out a compromise on this to allow for both economic development and home ownership opportunities through this section 108 program, I think we will preserve both of our principles of flexibility and also providing for the initiative to have more economic development.

MODIFICATION OF AMENDMENT OFFERED BY MS. WATERS.

Ms. WATERS. Mr. Chairman, I ask unanimous consent to modify my amendment to accommodate the concerns of the chairman.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Modification of amendment offered by Ms. WATERS: in the proposed new subsection (i) of section 108 program, I think we will preserve both of our principles of flexibility and also providing for the initiative to have more economic development.

Mr. CHAIRMAN. The Chair recognizes the gentleman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I ask unanimous consent to modify my amendment to accommodate the concerns of the chairman.

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The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. Pursuant to the Order of the Committee of Wednesday, May 8, 1996, the gentleman from Illinois [Mr. DURBIN] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I hope this amendment will receive bipartisan support. What we are trying to address in this amendment is a very serious life-and-death problem in public housing across America.

Several weeks ago I was taken on a tour of the Chicago housing projects. The people who took me on the tour pointed out buildings in the projects, fully occupied, on the third, fourth, fifth, sixth floors, nine stories high. We are dealing with these problems in public housing in the city of Chicago. It is an incredible story.

Mr. Chairman, the worst part of the story is the violence that takes place in public housing today.

This amendment addresses clearly and plainly the question of possessing firearms in public housing, and it attempts to establish a national standard which says very simply that we prohibit the possession of illegal, illegal firearms in public housing and public housing zones, that we prohibit the possession of illegal firearms in public housing zones.

Anyone who wants this documented should read the story entitled "There Are No Children Here," by Alex Kotlowitz, a Wall Street Journal correspondent who followed the lives of one boy and his friends in public housing in the city of Chicago. It is an incredible story.

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Mr. LAZIO of New York. Mr. Chair-
man, I yield 1 minute to the dis-
inguished gentleman from Missouri 
[Mr. VOLKMER].
Mr. VOLKMER. Mr. Chairman, I ask 
unanimous consent that each side be 
given an additional 10 minutes for de-
bate on the amendment.

Mr. BEREUTER. Mr. Chairman, I ob-
ject.

The CHAIRMAN. Objection is heard.

PREFERENTIAL MOTION OFFERED BY 
MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer 
a preferential motion.

The Clerk read as follows:

Mr. VOLKMER moves that the Committee 
do now rise and report the bill back to 
the House with the recommendation that 
the enacting clause be stricken.

The CHAIRMAN. The gentleman from 
Missouri [Mr. VOLKMER] is recog-
nized for 5 minutes in support of his 
the amendment.

Mr. VOLKMER. Mr. Chairman, I think 
it would be wise for all Members of 
this body to read this amendment,
especially page 3, as I did about a half an hour ago over in my office. I had asked my staff this morning to get a copy of this amendment, because the way it was reported in the digest that we received this morning, I had some reservations, I wanted to see the amendment.

Lo and behold, when I read the amendment, on page 3, under the heading, subparagraph 2, it says: "Discharge. In general, it shall be unlawful for any person in or affecting interstate or foreign commerce to discharge or attempt to discharge a firearm knowingly, or with reckless disregard for the safety of another, at a place that the person knows is in a public housing zone." that may sound harmless, but let us put it in actual conditions of what may happen.

I am residing in a public housing project. I have an apartment. I also am a hunter. I have some guns. That is not illegal in my housing project. Now, about 1 block at night, a drug addict needing money busts through my door, holding a gun aimed at me. I grab my gun. He fires and misses. I fire and hit him. I only wound him. Guess what, Mr. Chairman? He gets charged for armed robbery, get charged under this, and I could get 5 years because I have discharged a firearm in a public housing zone, knowingly and with reckless disregard for safety, because I was not worried about his safety, I guarantee you.

I am sure the gentleman did not mean that, Mr. Chairman, but that is they way the amendment reads.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, the gentleman, I am sure, is familiar with the defense of self-defense.

Mr. VOLKMER. Yes, but that is no defense for this.

Mr. DURBIN. It is a common-law defense.

Mr. VOLKMER. Not to this offense.

No, it is not.

Mr. DURBIN. Yes, sir.

Mr. VOLKMER. Mr. Chairman, if the gentleman wants to put it in there, an exception for self-defense, then I would say yes. But the gentleman does not have that in here. He just says anybody who knowingly and with intent, with reckless disregard for the safety of another.

Mr. DURBIN. If the gentleman will yield one more time, Mr. Chairman, I will accept the gentleman's amendment. I would add the language "except in cases of self-defense".

Mr. VOLKMER. Mr. Chairman, I would ask the gentleman, why does he want to upgrade a local ordinance involving guns to a Federal offense?

Mr. DURBIN. If the gentleman will further explain, I think the gentleman is aware of the fact that we have more than a casual interest in public housing in America. Federal taxpayers have a massive investment in public housing. What we are attempting to do, I say to my friend, the gentleman from Missouri, is to remove illegal firearms from public housing, firearms which are being used to terrorize.

Mr. VOLKMER. That is not necessary.

Mr. DURBIN. Some State laws cover it, some do not. We are trying to establish a national uniform standard that illegal firearms in public housing and the illegal discharge of those firearms is against the law.

Mr. VOLKMER. They are not federally illegal. What you are telling me is if a local city body decides that there are not going to be any guns, as the gentleman has in Illinois, there are not going to be any guns in this community, none whatsoever, and I have a gun in that community and it is in a public housing project, I have a Federal offense of 5 years, not just a violation of a local ordinance.

That is the other objection I have to it. I do believe we should make every local ordinance a Federal offense if it involves guns in a public housing project. No, I do not believe that.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I am trying to understand, is the gentleman's objection.

Mr. VOLKMER. Two objections. We cleared up one.

Mr. KENNEDY of Massachusetts. If it is the one objection, that if you are possessing an illegal firearm and you use that illegal firearm.

Mr. VOLKMER. Illegal because of what? Because of a local zoning ordinance that says you cannot have a gun in this town?

Mr. KENNEDY of Massachusetts. Let us go back to what the proposal says. It says in possession of a firearm violation of any State law or any local law."

Mr. VOLKMER. Any local law. That is my objection, any local law. Mr. KENNEDY of Massachusetts. What you are saying is, if you are possessing a gun illegally and you use that in defense of yourself—

Mr. VOLKMER. No, that has nothing to do with this. One has nothing to do with the other.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would ask the gentleman, what is his objection?

Mr. VOLKMER. I am saying, you are elevating a local ordinance to a 5-year Federal offense. We do not do it in anything else. We do not make a DWI, a DWI which could kill people, we do not make that a Federal offense.

Mr. BEREUTER. Mr. Chairman, I claim 5 minutes in opposition.

Mr. KENNEDY of Massachusetts. Mr. Chairman, was that not a point of personal privilege?

The CHAIRMAN. The gentleman had a preferential motion that the enacting clause be stricken. He is recognized under that motion for 5 minutes. Someone in opposition to that motion is also recognized for 5 minutes. The gentleman from Nebraska [Mr. BEREUTER] has claimed that.

Mr. BEREUTER. Mr. Chairman, I yield to the distinguished gentleman from Illinois [Mr. HASTERT], the distinguished deputy whip.

(Mr. HASTERT asked and was given permission to revise and extend his remarks.)

Mr. HASTERT. Mr. Chairman, I thank the chairman for yielding to me. First of all, Mr. Chairman, we have a housing bill before us. There is a motion to change this whole system by the gentleman from Missouri, [Mr. VOLKMER].

Mr. Chairman, when I started to look at it, if I did not know my colleague, the gentleman from Illinois, [Mr. DURBIN], I do not think I would figure out how to tally smacks of maybe even senatorial politics, but I am sure that that is not the case.

On the other hand, when we start to look at the situation, I believe that the order here for the day is that prohibits any type of firearm or weapon, possession and use. The State of Illinois prohibits certain types of weapons and use. We also have a requirement of an FOID card, possession, and almost a 6-week waiting period before any type of possession of a firearm.

Also, there are various countries in Illinois that have, whether it is valid or not, county restrictions. I am not sure which law that my friend, the gentleman from Illinois, is going to ascribe and make that a Federal Law. Is it the State Law? Is it the municipal ordinances? Is it the county statutes?

Mr. Chairman, I think certainly the aim is trying to figure out how to sort out for local and State and county officials, whether you are from the sheriff's office and you have that jurisdiction, or if you are from the Chicago city police, from that jurisdiction, or the Illinois State police. It jursdiction, certainly they have conflicting jurisdictions, and really it makes a mess of the system that is before us, I would think probably we ought to take this amendment for what it is, trying to get a little plus up in an area that some people are not well known in, and let it go at that. I ask that you vote against this.

Mr. BEREUTER. Mr. Chairman, I yield to the gentleman from Florida, [Mr. McCOLLUM], the distinguished chairman of the Subcommittee on Crime.

Mr. McCOLLUM. Mr. Chairman, I thank the gentleman, for I want to explain what we are thinking about this. First of all, I do not think we ought to rise, but we ought to understand that under the underlying amendment that is here, it is not the possession of an illegal firearm that is the problem. It is the illegal possession. That is the language that says we are going to federalize all local ordinances that make it illegal to possess a firearm in public housing.
I do not think we have any business doing that. The firearms could be perfectly legal. They could be lawful. They do not have to be assault weapons or something. As long as you possess a firearm in many communities, the very possession of an ordinary gun is illegal or unlawful in that community. Now we are going to make it a Federal crime if that is the case. I think that is wrong.

Second, the fact of the matter is that under the provisions of this, whatever we are going to do with self-defense really is irrelevant. I think under the Lopez decision, which we saw last year come down, it is unconstitutional for the Federal Government to be involved in saying that we are going to make it a crime in every public housing unit in this country to discharge a firearm. We already knew under the Supreme Court ruling you cannot do that with respect to a school.

Mr. BEREUTER. Mr. Chairman, I yield to the gentleman from Georgia [Mr. BARR].

Mr. BARR of Georgia. Mr. Chairman, I think this particular provision is a wolf in sheep’s clothing. As the distinguished chairman of the Subcommittee on Crime has already pointed out, its reach would be vast. It would be vast, indeed, because what it does by its very terms and its implication would be to federalize a huge category of potential crimes, in addition to creating a new substantive crime, in and of itself.

I would urge Members to look very carefully at this, to put aside the self-defense language that we have heard of, because it does not go to the root, the heart of the problem, with this amendment. That is its vast scope and the federalism problems that we have, in addition to those other problems that the distinguished chairman of the Subcommittee on Crime has already pointed out that relate to its underlying constitutional infirmities that appear on the face of this particular provision.

The CHAIRMAN. All time on the motion has been used.

Does the gentleman from Missouri [Mr. VOLKMER] wish to withdraw his motion?

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MODIFICATION OF AMENDMENT OFFERED BY MR. DURBIN

Mr. DURBIN. Mr. Chairman, I ask unanimous consent to offer a modification to the amendment.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment offered by Mr. DURBIN:

On page 3 line 11 of the amendment, add after the word “zone”, the following “, except in cases of self-defense.”

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. BARR of Georgia. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. Mr. DURBIN. Mr. Chairman, would the Chair please advise me of the remaining time on the amendment?

The CHAIRMAN. The gentleman from Illinois [Mr. DURBIN] and the gentleman from New York [Mr. LAZIO] each have nine minutes remaining on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, would the Chair advise me of who has the right to close?

The CHAIRMAN. The time in opposition is controlled by the gentleman from New York [Mr. LAZIO]. He would have the right to close.

Mr. DURBIN. Mr. Chairman, I yield myself my 1 remaining minute.

Mr. Chairman, the Members and those watching this debate are paying close attention. I introduced an amendment which said that it is a Federal crime to possess illegal firearms in public housing projects, or to discharge firearms of self-defense. Did Members notice the opposition that came to the floor? What family in America would argue against the proposition that you should keep illegal firearms out of your home and not use them to protect yourself from a Federal crime? Yet the amendment which said that it is a Federal crime to possess illegal firearms in public housing projects, or to discharge firearms of self-defense is not mentioned.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Illinois [Mr. DURBIN] will be postponed.

The point of no quorum is considered withdrawn.

Are there further amendments to title V?

AMENDMENT OFFERED BY MR. NEY

Mr. NEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NEY: At the end of title V of the bill, insert the following:

SEC. 515. ELIGIBILITY FOR PARTICIPATION IN FEDERAL FLOOD INSURANCE PROGRAM.

The placement of any manufactured or mobile home on any site, shall not affect the eligibility of any community to participate in the Federal flood insurance program under the National Flood Insurance Act of 1968 or the National Flood Insurance Act of 1973 (notwithstanding that such placement may fail to comply with any elevation or flood damage mitigation requirements), if—

(1) such manufactured or mobile home was previously located on such site;

(2) such manufactured or mobile home was relocated from such site because of flooding that threatened or affected such site; and

(3) such replacement is conducted not later than the expiration of the 180-day period
Mr. NEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. KENNEDY of Massachusetts. Mr. Chairman, reserving the right to object, I reserve a point of order against the amendment. I had tried to raise a point of order against the amendment. The CHAIRMAN. Is the gentleman reserving a point of order?

Mr. KENNEDY of Massachusetts. Yes, I want to reserve the point of order.

The CHAIRMAN. Does the gentleman want to insist on the point of order at this point?

Mr. KENNEDY of Massachusetts. I do not want to insist on it at this point. I want to enter into a dialogue with the gentleman that is offering the amendment to clarify my understanding of what the intent of the amendment is.

The CHAIRMAN. The gentleman from Massachusetts has the option to insist on or reserve the point of order at this point. If he wants to reserve the point of order, the Chair will then recognize the gentleman from Ohio (Mr. Ney) for the purposes of explaining his amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, how much time do I have to do that? Does he have the time or do I have the time?

The CHAIRMAN. The gentleman can reserve the point now, but at a later time during the consideration of the amendment he may make his point of order.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I am asking how long is he allowed? Am I allowed to speak and then to provide him the time?

The CHAIRMAN. The gentleman can raise the point of order at this point or he can reserve the point of order. If he reserves the point of order, he can allow the gentleman from Ohio his 5 minutes in support of his amendment. The gentleman from Massachusetts could insist on a point of order at that point. At the Chair's discretion he could speak against the amendment and at the conclusion of that insist on the point of order. Remember, there is a 10-minute allocation for any amendment under the agreement of May 8.

Mr. KENNEDY of Massachusetts. Mr. Chairman, in that case, I will reserve the point of order.

The CHAIRMAN. The gentleman from Massachusetts, (Mr. KENNEDY) reserves a point of order on the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will complete the reading of the amendment.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Ohio (Mr. Ney) will be recognized for 5 minutes in support of his amendment, and a Member opposed will be recognized for 5 minutes.

The CHAIRMAN. The amendment simply states that the amendment be considered as read and printed in the RECORD. The gentleman from Massachusetts, Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on January 20, 1996, eastern Ohio and the northern panhandle of West Virginia were struck with a disastrous flood. In many cases, residents were forced to tell people, "You cannot move your trailers back onto your land." If the mayor does not do that, aid is going to be cut to that municipality.

So the intent is to let people come back onto their land. The problem we have got is that FEMA, however, is saying they have got to build a 12-foot foundation, bring their mobile home back, put it on top of that 12-foot foundation, which is ridiculous. If another flood occurs, they can move the mobile home and then they can bring the mobile home back once the flood waters have receded.

So there are a lot of people, Mr. Chairman, that are simply in a very bad position as a result of this rule. The gentleman is trying to get accomplished here, what he is saying is that there are people that live in mobile homes that live in flood plains that can anticipate floods are coming; that then hook their trailers up to cars or whatever, drive them out of the flood plains when the flood comes, and then when flood goes away, they take their mobile homes and drive them back into the flood plain. Is that correct?

Mr. NEY. That is correct.

Mr. KENNEDY of Massachusetts. Does this cover those homes that do not move?

Mr. NEY. It does not.

Mr. KENNEDY of Massachusetts. These are for the homes, this is word-specific, that were moved out and moved back. Right now the mayor has to tell the people, for example, "You cannot bring them back because the aid is going to be cut off to the entire community." If they took the home out, they brought the home back after the flood; this applies to those individuals.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman would continue to yield, I am just trying to understand it here now. If these people are all so mobile and they can anticipate the floods, then why do they need the flood insurance? Does the gentleman know what I mean? They can just move to another spot.

I would like to have a further understanding as to how we distinguish between the guy who could not quite get hooked up in time, and he ends up getting flooded out and then we pay for the insurance to rebuild his mobile home.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Ney) has expired.
Mr. KENNEDY of Massachusetts. I now have my own time, is that correct, Mr. Chairman?

The CHAIRMAN. That is correct. The gentleman has 5 minutes in opposition to the amendment if he so chooses.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I am maintaining the point of order, preserving the point of order on gemaneness until we have this understanding.

The CHAIRMAN. The gentleman is recognized on his own time for 5 minutes.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to make it clear to the offerer, the individual offering the amendment, that I have been to West Virginia and I understand that there are some families that are forced to live in flood plains simply because in many cases the mining companies or the Federal Government owns all the land outside of the flood plain, and these individuals are forced to live there. So I want to be sensitive to those needs but I do not want to be irresponsible with Federal tax dollars and reward individuals that stay in flood plains knowing that they are going to be reimbursed by the Federal Government, and abuse the system.

I want to make certain that until it is clear to me, and know that the gentleman from Illinois [Mr. Durbin], to chair the disaster task force last year, is concerned about this as well, we want to make very clear that we are not going to be supportive of this amendment until we understand what the details are.

Mr. NEY. Mr. Chairman will the gentleman yield?

Mr. KENNEDY of Massachusetts. I am happy to yield to the gentleman from Ohio.

Mr. NEY. Mr. Chairman, at issue here is not a matter of the insurance or anybody trying to scam the system. What has happened here, the Federal agency—by the way, I want to say FEMA did a good job in representing people when the President declared a disaster—but what has happened is someone in FEMA said, “Okay, you bring the trailers back.” This has nothing to do with an insurance measure. “You bring them back, take the piece of ground and build a 12-foot cinder block foundation, put it up on top of there and you can come back.”

So if they do not do that, the entire city of Wheeling, WV, the entire city of Powhatan, OH, lose all their aid unless they make people do that. It is not a matter of insurance or whether they had it or not. It is a matter of whether they took the trailer out, away from harm’s way, and took it back. They cannot physically place it on their own land unless a 12-foot cinder block foundation is built.

Mr. KENNEDY of Massachusetts. Reclaiming my time, the problem is that we asked FEMA in the legislation, the reform of the flood insurance program last year, we asked FEMA to draw up plans to make certain that we were not sending people back into the flood plain. If that flood plain is in fact 12 feet high where people are locating these homes, then it seems to me that FEMA was only doing its job by requiring that we do not in fact allow people to rebuild.

Mr. Chairman, I yield to my friend the gentleman from Illinois [Mr. Durbin].

Mr. DURBIN. Mr. Chairman, I say to the gentleman from Ohio [Mr. NEY], when our task force looked into Federal disaster policy, we learned that in the 1950’s the Federal Government assumed responsibility for 5 percent of the cost of natural disasters. We now assume responsibility for 95 percent of the cost and it adds to our deficit every time.

The policy which the gentleman is trying to subvert would allow people to move back in the flood plain and leave the Federal Government liable and vulnerable again in the event of disaster. I think that is a mistake.

Mr. Chairman, I would say to the gentleman I know what his intent is, to help these families, but bringing them back to harm’s way merely increases the exposure of the Federal Treasury and the Federal taxpayers. Mr. NEY. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I would be happy to yield. Let me check how much time we have left.

The CHAIRMAN. The gentleman has 2 minutes remaining.

Mr. KENNEDY of Massachusetts. I am happy to yield to the gentleman from Ohio.

Mr. NEY. Mr. Chairman, I will make it real quick.

In all due respect, it does not do that. This does not cost the taxpayers. They have to have insurance. People are stuck, and the amendment expands their ability to live. Senior citizens are having to live with their families right now. They cannot go back.

To put a good foot forward on this, I will work with the gentleman in the conference committee. They can be required to have insurance when they go back. They just simply cannot move. One day they had their mobile home there, there was a huge flood, and now they cannot put it back. They are stuck. They have to do live.

Mr. KENNEDY of Massachusetts. Reclaiming my time, I very much appreciate and am very sensitive to the concerns that the gentleman from Ohio [Mr. NEY] has described, and my good friend from West Virginia [Mr. Mollohan] has also spoken to me about it, although very briefly.

Mr. Chairman, I would pledge to work with the gentleman, and I am sure that if we ask Chairman Lazio, that we can find a mechanism in another bill coming up if we have an opportunity to delve into this. If what the gentleman is suggesting is the case, where we are simply providing protections for mobile homeowners that are having burdensome requirements placed on them by FEMA that have no bearing on living in the flood zone and are unprecedented and unworkable, then I would pledge to working with the gentleman to making certain that they get the flood insurance that they need.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield, we obviously have a great deal of work to do in terms of reauthorizing the flood insurance program. We have had various amendments over the last Congress. I am particularly sensitive to it, representing a coastal area, but I know that the gentleman from Ohio [Mr. NEY] feels strongly about offering this amendment. I think it is an acceptable amendment from an amendment to support the amendment. I hope we can address your concerns as we go forward through the process conference. POINT OF ORDER

Mr. KENNEDY of Massachusetts. Mr. Chairman, the rules of the House provide an amendment may be offered to the subject matter of the bill under consideration. The subject matter of H.R. 2406 is the deregulation of public and tenant-based housing. Although the manager’s amendment expands the scope of the bill, it still does not affect flood control matters. Therefore, I insist on my point of order.

The CHAIRMAN. The gentleman from Massachusetts [Mr. Kennedy] raises a point of order against the amendment. Does the gentleman from Ohio wish to be heard on the point of order?

Mr. NEY. Mr. Chairman, I do. Obviously I am not pleased. I feel very sorry for the people.

Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained. Therefore, the amendment is not in order.

Are there other amendments to title IV?

Ms. WATERS. Mr. Chairman, I move to strike the word last.

The CHAIRMAN. The Chair would like to point out that the Chair incorrectly prevented the gentleman from California [Ms. Waters] from speaking previously, because there is a very distinct, minute, but very important difference between obtaining unanimous consent that a motion striking the enacting clause be withdrawn, and such a motion being defeated. If such a motion is defeated, there be a change in the bill by adoption of an amendment before that motion can be made again on the same day.
Because the gentleman from Missouri [Mr. VOLKMER] asked unanimous consent to have his motion withdrawn, it was as if it did not happen. So the Chair made a mistake in preventing the gentleman from California from being recognized. I apologize to the gentleman for that, and clarifies to the committee the situation, and now invites the gentleman to be recognized for 5 minutes.

Ms. WATERS. Mr. Chairman, thank you very much. I appreciate that. I know it was inadvertent. I appreciate the opportunity to at least express my views on the Durbin amendment.

Mr. Chairman, I first would like to share with this House that I have the highest respect for Congressman Durbin. I consider him a friend and I consider him a leader, and I consider him to have been the author of some of the best legislation that has ever been presented before this august body.

I would also like to disagree with the amendment that the gentleman is offering for this legislation. I know that his intentions are good, and I know that he is concerned about violence and gunfire and other kinds of things happening in the local communities.

I also would like to say, I have absolutely nothing in common with the NRA. I do not like guns, I wish there were none in our society. However, I have a passion for fairness. This passion for fairness drives me not to allow there to be law created for certain segments of our society, even though we are trying very desperately to solve problems.

It is illegal to have an illegal weapon. Whether you live in housing projects, whether you live in condominiums, whether you live in cities, whether you live in rural communities, on farms, it does not matter. You are in violation of the law if you possess an illegal firearm, and that is for everybody, and we should not change that.

We should not create law again for special segments of our society. There is absolutely no reason why we should move our concerns to housing projects of America and say “Oh, but you are different. You are different because you live in public housing. We are going to create an additional law for you.”

Somehow it is not enough for your gun to be your gun in illegal, illegal, illegal, and we are going to create a whole new Federal crime, because you happen to live in a housing project. I suppose I could submit to this body a number of reasons why someone may find themselves in that position, but I choose not to try and make that argument, and I think there are some legitimate reasons why someone may find themselves in that unfortunate position of trying to defend themselves with a firearm. But the House, rather, to just simply deal with what I think we responsible public policymakers should be about. We should be about creating law for everybody. We should be about making sure that we do not use our power and our influence to single out any segment of our society and say somehow your crime is a worse crime than somebody else’s.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Ms. WATERS. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I greatly respect the gentleman from California and his passionate admiration for her legislative record as she does for mine.

Having said that, though, we make a point of saying, for example, we are going to have drug-free school zones, gun-free school zones. We single out certain areas of vulnerability. The gentlemwoman knows, as do, many of the families in public housing today are terrorized by drug gangs and violent criminals who prey upon children and families that need extra protection. That is the reason for this amendment.

Ms. WATERS. Mr. Chairman, reclaiming my time, let me just say that is not a good argument, and it is not the reason. You talk about what we do with schools.

As a matter of fact, let me ask you in my own way, if in fact those terrorists, those people holed up in Montana somewhere, who are part of some kind of militia, do not live in public housing projects. However, they live out in the rural areas. We have people who live in communities that have firearms, illegal and otherwise. Some of them right now have the attention of this Nation. They are holed up in them, they want to be seen in the way they capture them, but they are dangerous people. They are very dangerous and they have decided to defy every law in America. They decided they are not going to have their guns, they are not going to pay any taxes. They decided they are going to shoot FBI agents and others who would dare challenge them about the fact that they are the law. But are somehow, under your proposition, their guns would not be as illegal as the firearms that would be discharged in housing projects.

It does not make good sense. I tell you, again, I do not like firearms, I do not like guns and I wish we did not have any. But I cannot sit here and allow this kind of public policy to proceed through this House without challenging it. Again, my passion in life is that no law, it is fair, that it treats everybody the same. No matter what the law does not take those who may not have the political clout and somehow single them out for the kind of laws that we would not assign to other people.

I say to you, an illegal gun is an illegal weapon, and we have laws on the books in the state that will take care of those who have them, who would discharge them, who would brandish them, who would do anything. And I think it should be that way. I think we should apprehend them and we should apply the law to the fullest extent.

Do I think we should create a special law for public housing project people who would fire an arm, but leave all the militia out there in America discharging firearms, and somehow they would not come under the same law? No, I do not think so. I think that is my argument. I think it makes good sense.

The CHAIRMAN. Are there other amendments to title V?

AMENDMENT OFFERED BY MR. CARDIN

Mr. CARDIN. Mr. Chairman, I offer an amendment. The Clerk read as follows: Amendment offered by Mr. CARDIN; Title V of the bill, insert at the end of such title the following new section:

SEC. 515. CONSULTATION WITH AFFECTED AREAS IN SETTLEMENT OF LITIGATION.

In negotiating any settlement of, or consent decree for, any litigation regarding public housing or rental assistance (under title III of this Act or the United States Housing Act of 1937, as in effect prior to the enactment of this Act) that involves the Secretary and any local housing and management authority, or any units of general local government, the Secretary shall consult with any units of general local government and local housing and management authorities having jurisdictions that are adjacent to the jurisdiction of the local housing and management authority involved.

The CHAIRMAN. Pursuant to the order of the Committee of Wednesday, May 8, 1996, the gentleman from Maryland [Mr. CARDIN] and a Member opposite will each control 5 minutes.

The Chair recognizes the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment deals with the process that should be used in settling lawsuits that involve local housing authorities and HUD. If I might just refer briefly to the recent settlement of the Baltimore litigation, initially the local parties entered into a tentative agreement with HUD. That agreement was in consultation with the surrounding counties that were affected by the lawsuit.

Now, many of us have concern about the Baltimore settlement, the underlying policy of special aid certificates. The process used denied the surrounding jurisdictions the opportunity to be heard. HUD slowed that process down, giving the surrounding counties an opportunity to have input, and there were improvements that were made as the process went forward because of consultation with the surrounding jurisdictions.

This amendment puts the local parties on notice that before they enter into any settlement involving the local housing authorities that the jurisdictions that can be affected by that settlement need to be consulted and that HUD will consult with local jurisdictions before they enter into any settlement of such a lawsuit.

Mr. Chairman, I want to tell you, I do not believe this amendment is controversial. HUD has no objections to it. I would urge my colleagues to accept this amendment.
Mr. ERLICH. Mr. Chairman, will the gentleman yield?

Mr. CARDIN. I yield to the gentleman from Maryland.

Mr. ERLICH. Mr. Chairman, I thank my colleague for yielding.

Last night on this floor, Mr. Chairman, I talked about the substance of the ACLU lawsuit in Baltimore, the fact that special race, class, and location-based housing vouchers will become public policy outside the scope of this House, of this Congress, because of the consent decree, which is what some groups in our country want to foist upon the people.

This amendment goes to process. I know with respect to substance he agrees with me, and I certainly agree with him, and want to lend my support to his amendment, because as bad as the substance of the settlement is, the process was just as bad. The lack of notification to the leaders of subdivisions of the impacted areas in the Baltimore metropolitan area, and if the process was wrong, it will always be wrong, and I certainly am glad to rise today to lend my support to my colleague from Baltimore County with respect to the poor, horrific process, that was foisted on the people of the Baltimore metropolitan area in the context of this lawsuit.

I enjoyed my colloquy with the chairman last night, and I even look forward to working with my friend from Baltimore County on working with the policy which is the threshold issue with respect to HUD, which is now foisting upon the American people, particularly metropolitan areas like Baltimore in the future.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. LAZIO of New York. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I compliment my colleagues from Maryland for bringing this forward. The shame of it is that we have to resort to legislation to do what ought to be done by nature, which is to integrate the community into the decision making process and to ensure that there is a local group that is not imposed upon the American people, particularly metropolitan areas like Baltimore in the future.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I compliment my colleagues from Maryland for bringing this forward. The shame of it is that we have to resort to legislation to do what ought to be done by nature, which is to integrate the community into the decision making process and to ensure that there is a local group that is not imposed upon the American people, particularly metropolitan areas like Baltimore in the future.

But, Mr. Chairman, I support this effort. Again, I support it only reluctantly, because we ought not to be required to bring legislation to the floor to ensure that there is consultation with local governments. That is a basic framework. We are partners. We are not imposing our will. We sometimes forget that in Washington. But I compliment both gentlemen from Maryland, Mr. ERLICH and Mr. CARDIN, for bringing this amendment forward.

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

Mr. CARDIN. Mr. Chairman, I yield myself such time as I may consume.
SECTION 601. SHORT TITLE.

SEC. 602. CONGRESSIONAL FINDINGS.

The Congress hereby finds that—

(A) by using Federal resources to aid families and individuals seeking affordable homes that are safe, clean, and healthy and, in particular, assisting responsible, deserving citizens who cannot provide fully for themselves because of temporary circumstances or factors beyond their control;

(B) by working to ensure a thriving national economy and a strong private housing market; and

(C) by developing effective partnerships among the Federal Government, State and local governments, and private entities that allow government to accept responsibility for fostering the development of a healthy marketplace and allow families to prosper without government involvement in their day-to-day activities;

there exists a unique relationship between the Government of the United States and the governments of Indian tribes and a unique Federal responsibility to Indian people;

(3) The Constitution of the United States invests the Congress with plenary power over the field of Indian affairs, and through treaties, statutes, and historical relations with Indian tribes, the United States has undertaken a trust responsibility to protect Indian tribes;

(4) the Congress, through treaties, statutes, and the general course of dealing with Indian tribes, has assumed the responsibility for the protection and preservation of Indian tribes and for working with tribes and their members to improve their socio-economic status so that they are able to take greater responsibility for their own economic conditions;

(5) providing affordable and healthy homes is an essential element in the special role of the United States in helping tribes and their members to achieve a socio-economic status comparable to their non-Indian neighbors;

(6) the need for affordable and healthy homes on Indian reservations, in Indian communities, and for working with tribes and their members to improve their socio-economic status so that they are able to take greater responsibility for their own economic conditions;

(7) Federal assistance to meet these responsibilities should be provided in a manner that recognizes the right of tribal self-governance by making sure that aid is available directly to the tribes or tribally designated entities.

SEC. 603. ADMINISTRATION THROUGH OFFICE OF NATIVE AMERICAN HOUSING.

The Secretary of Housing and Urban Development shall carry out this title through the
Office of Native American Programs of the Department of Housing and Urban Development.

SEC. 604. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(A) AFFORDABLE HOUSING.—The term "affordable housing" means housing that complies with the requirements for Federal disaster relief assistance under subtitle B. The term includes permanent housing for homeless persons who are persons with disabilities, transitional housing, and occupancy housing.

(B) FAMILIES AND PERSONS.—

(i) SINGLE PERSON.—The term "families" includes a single person.

(ii) FAMILY.—The term "families" includes families with children and, in the cases of elderly families, near-elderly families, and disabled families, means families whose heads (or their spouses), or whose sole members, are elderly, near-elderly, or persons with disabilities, respectively. The term includes, in the cases of elderly families: near-elderly families; and disabled families, 2 or more elderly persons, near-elderly persons, or persons with disabilities living together; 1 or more such persons, or with 1 or more persons determined under the regulations of the Secretary to be essential to the family unit;

(iii) NEAR-ELDERLY PERSON.—The term "near-elderly" means a person who is at least 62 years of age.

(iv) DISABLED PERSON.—The term "disabled" means a person who:

(A) has a disability as defined in section 223 of the Social Security Act.

(B) is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment which (I) is expected to be of long-continued and indefinite duration, (II) substantially impedes his or her ability to live independently, and (iii) for which such person, or his parents, could be improved by more suitable housing conditions, or

(iv) is a developmental disability as defined in section 101 of the Developmental Disabilities Assistance and Bill of Rights Act.

Such term shall not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

(F) NEAR-ELDERLY PERSON.—The term "near-elderly person" means a person who is at least 50 years of age but below the age of 62.

(G) NEAR-ELDERLY PERSON.—The term "near-elderly person" means a person who is at least 62 years of age.

(H) INDIAN TRIBE.—The term "Indian tribe" means—

(1) any Indian tribe, band, nation, or other organized group or community of Indians, including a subtribe, band, or pueblo, or any other person or limited group of persons which is entitled to operate, of any Indian tribe independent of State law, an Indian housing authority for the tribe.

(2) any tribe, band, nation, pueblo, village, or community that—

(i) has been recognized as an Indian tribe by any State; and

(ii) for which an Indian housing authority is eligible, on the date of enactment of this title, to enter into a contract with the Secretary pursuant to the United States Housing Act of 1937.

(3) LOCAL HOUSING PLAN.—The term "local housing plan" means a plan under section 612.

(B) LOW-INCOME FAMILIES.—The term "low-income families" means a family whose income, for the area, does not exceed 80 percent of the median income for the area, 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 authority's findings that such variations are necessary because of unusually high or low housing costs.

(C) NEAR-ELDERLY PERSON.—The term "near-elderly person" means a person who is at least 62 years of age.

(5) INDIAN AREA.—The term "Indian area" means the area within which a tribally designated housing entity is authorized to provide assistance under this title for affordable housing.

(6) INDIAN TRIBE.—The term "Indian tribe" means—

(A) any Indian tribe, band, nation, or other organized group or community of Indians, including a tribal organization, pueblo, or community of Indian or Alaska Natives that is not an Indian tribe for purposes of this title.

(7) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development, except as otherwise specified in this title.

Subtitle A—Block Grants and Grant Requirements

SEC. 611. BLOCK GRANTS.

(a) AUTHORITY.—For each fiscal year, the Secretary shall (to the extent amounts are available to carry out this title) make grants under this section on behalf of Indian tribes to carry out affordable housing activities. Under such a grant on behalf of an Indian tribe, the Secretary shall provide the grant amounts for the tribe directly to the recipient for the tribe.

(b) CONDITION OF GRANT.—The Secretary may make a grant under this title on behalf of an Indian tribe for a fiscal year only if—

(1) the Indian tribe has submitted to the Secretary a local housing plan for such fiscal year under section 612; and

(2) the plan has been determined under section 612 to comply with the requirements of section 612.

(2) WAIVER.—The Secretary may waive the applicability of the requirements under paragraph (1), in whole or in part, if the Secretary finds that an Indian tribe is not complied with or cannot comply with such requirements because of circumstances beyond the control of the tribe.

(c) AMOUNT.—Except as otherwise provided under subtitle B, the amount of a grant under this section for a recipient for a fiscal year shall be—

(1) in the case of a recipient whose grant beneficiary is a single Indian tribe, the amount of the allocation under section 641 for the Indian tribe; and

(2) in the case of a recipient whose grant beneficiary is more than 1 Indian tribe, the sum of the amounts of the allocations under section 614 for each such Indian tribe.

(3) USE FOR AFFORDABLE HOUSING ACTIVITIES.—Except as provided in subsection (f), no grant provided under this section may be used only for affordable housing activities under subtitle B.

(4) ADMINISTRATIVE EXPENSES.—The Secretary shall, by regulation, authorize each recipient to use a percentage of any grant amounts received under this title for administrative and contracting expenses of the recipient relating to carrying out this title and activities assisted with such amounts, which may include costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this title and expenses of preparing a local housing plan under section 612.

(5) CONTENTS OF REGULATIONS.—The regulations referred to in paragraph (1) shall provide that—

(1) the Secretary shall, for each recipient, establish a percentage referred to in paragraph (1) based on the specific circumstances of the recipient and the tribes served by the recipient;

(2) the Secretary may review the percentage for a recipient upon the written request...
of the recipient specifying the need for such review or the initiative of the Secretary and, pursuant to such review, may revise the percentage established for the recipient.

(9) P R O M O T I O N O F P R O V I D E N C E .—Each recipient 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 implementing the approved local housing plan for the tribe that is the grant beneficiary.

SEC. 632. LOCAL HOUSING PLANS.

(a) IN GENERAL.—

(1) SUBMISSION.—The Secretary shall provide for the submission to the Secretary, for each fiscal year, a local housing plan under this section for the tribe or for the tribally designated housing entity for a tribe to submit the plan under subsection (e) for the tribe and for the review of such plans.

(2) L O C A L L Y D R I V E N N A T I O N A L O B J E C T I V E S.—A local housing plan shall describe—

(A) the mission of the tribe with respect to affordable housing or, in the case of a recipient that is a tribally designated housing entity, the mission of the housing entity;

(B) the goals, objectives, and policies of the recipient to meet the housing needs of low-income families in the jurisdiction of the housing entity, which shall be designed to achieve the national objectives under section 621(a); and

(C) how the locally established mission and policies of the recipient are designed to achieve, and are consistent with, the national objectives under section 621(a).

(2) CAPITAL IMPROVEMENT OVERVIEW.—If the recipient will provide capital improvements for housing described in subsection (c)(3) during such period, an overview of such improvements, the rationale for such improvements, and an analysis of how such improvements will enable the recipient to meet its goals, objectives, and mission.

(c) 1-YEAR PLAN.—Each local housing plan under this section for an Indian tribe shall contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted and extending through the fiscal year for which the plan is submitted, the following information relating to the extent under this title to be made available:

(1) F I N A N C I A L R E S O U R C E S.—An operating budget for the recipient for the tribe that includes—

(A) identification and a description of the financial resources reasonably available to the recipient to carry out the purposes of this title, including an explanation of how amounts made available will leverage such additional resources; and

(B) a statement of how such resources will be committed, including eligible and required affordable housing activities under subtitle B to be assisted and administrative expenses.

(2) A F F O R D A B L E H O U S I N G .—For the jurisdiction within which the recipient is authorized to use assistance under this title—

(A) a description of the estimated housing needs of the tribe; and

(B) a description of any private non-profit or for-profit organizations and public institutions that are to be assisted with the use of amounts made available under this title for rental assistance, production of new units, rehabilitation of old units, or acquisition of land.

(C) a description of the structure, means of cooperation, and coordination between the recipient and any units of general local government in the development, submission, and implementation of their housing plans, including a description of the involvement of all other local public housing entities in such plans;

(D) a description of how the plan will address the housing needs identified pursuant to subparagraph (A), describing the rationale for allocation priorities, and identify any obstacles to addressing underserved needs;

(E) a description of any homeownership programs of the recipient to be carried out with respect to affordable housing assisted under this title and the requirements and assistance available under such programs;

(F) a certification that the recipient will maintain written records of the standards and procedures under which the recipient will monitor or activities assisted under this title and ensure long-term compliance with the provisions of this title;

(G) a certification that the recipient will comply with title II of the Civil Rights Act of 1968 in carrying out this title, to the extent that such title is applicable;

(H) a statement of the number of families for whom the recipient will provide affordable housing using grant amounts provided under this title;

(I) a statement of whether the goals, programs, and policies for or producing and preserving affordable housing will be coordinated with other programs and services for which the recipient is responsible, to the extent to which they will reduce (or assist in reducing) the number of households below the poverty line; and

(J) a certification that the recipient has obtained insurance coverage for any housing units that are owned or operated by the tribe or the tribally designated housing entity for the tribe and such amounts provided under this Act, in compliance with such provisions as the Secretary may establish.

(3) INDIAN HOUSING DEVELOPED UNDER UNITED STATES HOUSING ACT OF 1992.—A plan describing how the recipient for the tribe will comply with the requirements under section 623 relating to low-income housing owned or operated by the housing entity that was developed pursuant to a contract between the Secretary and an Indian housing authority pursuant to section 103 of the United States Housing Act of 1992, which shall include—

(A) a certification that the recipient will maintain a written record of the policies of the recipient governing tenants and admissions, and occupancy of families with respect to dwelling units in such housing;

(B) a certification that the recipient will maintain access to the policies of the recipient governing rent charged for dwelling units in such housing, including—

(i) the methods by which such rents are determined; and

(ii) an analysis of how such methods affect—

(I) the ability of the recipient to provide affordable housing for low-income families having a broad range of incomes; and

(II) the affordability of housing for families having incomes that do not exceed 30 percent of the median family income for the area; and

(iii) the availability of other financial resources to the recipient for use for such housing;

(C) a certification that the recipient will maintain a written record of the standards and policies of the recipient governing maintenance and management of such housing, and management of the recipient with respect to administration of such housing, including—

(i) housing quality standards; and

(ii) routine and preventative maintenance policies;

(D) a description of the capital improvements necessary to ensure long-term physical and social viability of such housing and improvements for management of the recipient, including improvement of electronic information systems to facilitate managerial capacity and efficiency;

(E) a description of such housing to be demolished or disposed of, a timetable for such demolition or disposition, and any information required under law with respect to such demolition or disposition;

(F) a description of how the recipient will coordinate with tribal and State welfare agencies to ensure that residents of such housing will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency (including prevention measures such as community policing, where appropriate), allow resident input and involvement, and allow for creative methods to increase resident safety by coordinating crime prevention efforts between the recipient and tribal or local law enforcement officials;

(G) INDIAN HOUSING LOAN GUARANTEES AND OTHER HOUSING ASSISTANCE.—A description of how loan guarantees under section 184 of the Housing and Community Development Act of 1992, and other housing assistance provided by the Federal Government for Indian tribes (including grants, loans, and mortgage insurance) will be used to help in meeting the needs for affordable housing in the jurisdiction of the recipient.

(S) DISTRIBUTION OF ASSISTANCE.—A certification that the recipient for the tribe will maintain a written record of—

(A) the geographical distribution (within the jurisdiction of the recipient) of the use of grant amounts and other assistance by governmental distribution is consistent with the geographical distribution of housing need (within such jurisdiction); and

(B) the distribution of the use of such assistance for various categories of housing and how use for such categories is consistent with the priorities of housing need (within the jurisdiction of the recipient).

(5) PARTICIPATION OF TRIBALLY DESIGNATED HOUSING ENTITY.—A plan under this section for an Indian tribe may be prepared and submitted on behalf of the tribe by the tribally designated housing entity for the tribe, but only if such plan contains a certification by the recognized tribal government of the grant beneficiary that such tribe has had an opportunity to review the plan and has authorized the submission of the plan by the housing entity.

(6) COORDINATION OF PLANS.—A plan under this section may cover more than 1 Indian tribe, but only if the certification requirements under subsection (d) are complied with for each Indian tribe for which such benefit is covered.

(f) PLANS FOR SMALL TRIBES.—

(1) SEPARATE REQUIREMENTS.—The Secretary shall establish requirements for submission of plans under this section, and may include the information to be included in such plans applicable to small Indian tribes and small
tribally designated housing entities. Such requirements shall waive any requirements under this section that the Secretary determines are burdensome or unnecessary for such tribes or entities.

(2) SMALL TRIBES.—The Secretary shall define small Indian tribes and small tribally designated housing entities based on the number of dwelling units assisted under this subtitle by the tribe or housing entity or owned or operated pursuant to a contract under the United States Housing Act of 1937 between the Secretary and the Indian housing authority for the tribe.

(g) REGULATIONS.—The requirements relating to the contents of plans under this section shall be established by regulation, pursuant to section 616.

SEC. 613. REVIEW OF PLANS.

SEC. 614. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

SEC. 615. ENVIRONMENTAL REVIEW.

SEC. 616. REGULATIONS.
provided in this title, this title shall take effect on October 1, 1997.

(b) IMPLICIT APPLICABILITY.—For fiscal year 1997, this title shall apply to any Indian tribe that enters into a contract with the Secretary to apply this title to such tribe, subject to the provisions of this subsection, but only if the Secretary determines that the tribe has the capacity to carry out the purposes under this title for fiscal year 1997. For fiscal year 1997, this title shall apply to such an Indian tribe subject to the following limitations:

(1) USE OF ASSISTANCE AMOUNTS AS BLOCK GRANTS.—Amounts shall not be made available pursuant to this title for grants under this title for fiscal year 1997, but amounts made available for the tribe under the United States Housing Act of 1937 or under section 622 of the Gonzalez National Affordable Housing Act, title IV of the Stewart B. McKinney Homeless Assistance Act, or section 2 of the HUD Demonstration Act of 1993 shall be considered grant amounts under this title and shall be used subject to the provisions of this title relating to such grant amounts.

(2) LOCAL HOUSING PLAN.—Notwithstanding section 623 of this title, a local housing plan shall be considered to have been submitted for the tribe for fiscal year 1997 for purposes of this title.

(A) the appropriate Indian housing authority has submitted to the Secretary a comprehensive plan under section 14(e) of the United States Housing Act of 1937 or under the comprehensive improvement assistance program under such section 14;

(B) the Secretary has approved such plan before January 1, 1996; and

(C) the tribe complies with specific procedures and requirements for amending such plan as the Secretary may establish to carry out this subsection.

(c) ASSISTANCE UNDER EXISTING PROGRAM.-Notwithstanding the provisions of any law of provision of law under section 501(a) and with respect only to Indian tribes not provided assistance pursuant to subsection (b), during fiscal year 1997:

(1) the Secretary shall carry out programs to provide low-income housing assistance on Indian reservations and other Indian areas in accordance with the provisions of title II of the United States Housing Act of 1937 or related provisions of law, as in effect immediately before the enactment of this Act;

(2) except to the extent otherwise provided in this Act or under such title II (as so in effect) and such related provisions of law shall apply to low-income housing developed or rehabilitated pursuant to a contract between the Secretary and an Indian housing authority, and

(3) none of the provisions of title I, II, III, or IV under any other law specifically modifying the public housing program that is enacted after the date of the enactment of this Act, shall apply to public housing operated pursuant to such contract between the Secretary and an Indian housing authority,

unless the provision explicitly provides for such application.

SEC. 621. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for grants under subtitle A $350,000,000, for each of fiscal years 1998, 1999, 2000, and 2001.

Subtitle C—The Housing Activities

SEC. 621. NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.

(a) PRIMARY OBJECTIVE.—The national objectives of this subtitle are—

(1) to assist and promote affordable housing activities to develop, maintain, and operate safe, clean, and healthy affordable housing on Indian reservations and in Indian areas for occupancy by low-income Indian families;

(2) to ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;

(3) to audit, inspect, and provide housing for Indian tribes and their members with Federal, State, and local activities to further economic and community development for Indian tribes and their members;

(4) to plan for and integrate infrastructure resources for Indian tribes with housing development for tribes; and

(5) to promote the development of private capital markets in Indian country and to allow such markets to operate and grow, thereby benefiting Indian communities.

(b) ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.—

(1) IN GENERAL.—Except as provided under paragraph (2), assistance under eligible housing activities under this title shall be limited to low-income Indian families on Indian reservations and other Indian areas.

(2) EXCEPTION TO LOW-INCOME REQUIREMENT.—A recipient may provide assistance for model activities under section 622(a)(6) to families who are not low-income families, if the Secretary approves the activities pursuant to such subsection because there is a tenant for a dwelling that cannot reasonably be met without such assistance.

(3) NON-INDIAN FAMILIES.—A recipient may provide housing or housing assistance provided under this title to families who are not low-income families, if the tribe complies with specific procedures and requirements for amending such plan as the Secretary may establish to carry out this subsection.

(4) PREFERENCE FOR INDIAN FAMILIES.—The local housing plan for an Indian tribe may require preference, for housing or housing assistance provided through affordable housing activities assisted with grant funds under this title on behalf of such tribe, to be assisted with grant amounts under this title for a non-Indian family on an Indian reservation or other Indian area if the recipient determines that the presence of the family on the Indian reservation or other Indian area is essential to the well-being of Indian families and the need for housing for the family cannot reasonably be met without such assistance.

(5) REQUIREMENTS.—The provision of assistance under this title to such tribe, subject to the provisions of this title to such tribe, subject to the provisions of this title.

(6) MODEL ACTIVITIES.—Housing activities under model programs that are designed to carry out the purposes of this title and are specifically approved by the Secretary as appropriate for such purpose.

SEC. 623. REQUIRED AFFORDABLE HOUSING ACTIVITIES

(a) MAINTENANCE OF OPERATING ASSISTANCE FOR INDIAN HOUSING. —Any recipient who owns or operates (or is responsible for funding any entity that owns or operates) housing assisted under this title, pursuant to a contract between the Secretary and an Indian housing authority pursuant to the United States Housing Act of 1937 shall, using amounts of any grants received under this title, reserve and use for operating assistance under section 622(1) such amounts as may be necessary to provide for the continued rehabilitation and efficient operation of such housing.

(b) DEMOLITION AND DISPOSITION. —This title may not be construed to prevent any recipient or any entity funded through proceeds from demolishing or disposing of Indian housing referred to in such subsection. Notwithstanding section 114, section 261 shall apply to the demolition or disposition of Indian housing referred to in subsection (a).

SEC. 624. TYPES OF INVESTMENTS

(a) IN GENERAL.—Subject to section 623 and the provisions of this subtitle, for any Indian tribe, the recipient for such tribe shall have—

(1) the discretion to use grant amounts for affordable housing activities through equity investments, interest subsidies, advances, noninterest-bearing loans or advances, interest subsidies, leveraging of private investments under subsection (b), or any other form of assistance the Secretary determines to be consistent with the purpose of this title and

(2) the right to establish the terms of assistance.

(b) LEVERAGING PRIVATE INVESTMENT. —A recipient may leverage private investments in affordable housing activities by pledging the future cash flow from the grant to assure the repayment of notes and other obligations of the recipient issued for purposes of carrying out affordable housing activities.

SEC. 625. LOW-INCOME REQUIREMENT AND INCOME TARGETING

Housing shall qualify as affordable housing for purposes of this title if—

(1) each dwelling unit in the Indian tribe, the recipient for such tribe shall have—

(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of their initial occupancy of such unit; and

(B) in the case of housing for homeowner- ship, is made available for purchase only by a family that is a low-income family at the time of their initial occupancy of such unit; and

(2) except for housing assisted under section 202 of the United States Housing Act of

(3) THE PROVISION OF HOUSING-RELATED SERVICES.—The provision of housing-related services for affordable housing, such as housing counseling in connection with rental or homeownership assistance, shall—

(A) in the case of rental housing units occupied by a family that is a low-income family, be made available for occupancy only by a family that is a low-income family at the time of their initial occupancy of such unit; and

(B) in the case of housing for homeowner- ship, be made available for purchase only by a family that is a low-income family at the time of their initial occupancy of such unit.

(4) HOUSING SERVICE REQUIREMENT. —The provision of management services for affordable housing, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and management of affordable housing projects.

(5) SECURITY OF TENURE.—The provision of security of tenure on Indian reservations and in other Indian areas for occupancy by low-income Indian families; and

(6) LEVERAGING PRIVATE INVESTMENT.—A recipient may leverage private investments in affordable housing activities by pledging the future cash flow from the grant to assure the repayment of notes and other obligations of the recipient issued for purposes of carrying out affordable housing activities.

SEC. 626. LOW-INCOME REQUIREMENT AND INCOME TARGETING

Housing shall qualify as affordable housing for purposes of this title if—

(1) each dwelling unit in the Indian tribe, the recipient for such tribe shall have—

(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of their initial occupancy of such unit; and

(B) in the case of housing for homeowner- ship, is made available for purchase only by a family that is a low-income family at the time of their initial occupancy of such unit; and

(2) except for housing assisted under section 202 of the United States Housing Act of
1937 (as in effect before the enactment of this Act), each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for the respective life of the premises (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 deems necessary, if such tenancy is for a period of time consistent with sound economics and the purposes of this title, except upon a foreclosure by a lender (or upon other transfer of ownership or control, that (A) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of the tenancy, (B) in the case of foreclosure or transfer in lieu of foreclosure, and (B) is not for the purpose of avoiding low-income affordability restrictions as determined by the Secretary.

SEC. 626. CERTIFICATION OF COMPLIANCE WITH SUBSIDY LAYERING REQUIREMENTS.

With respect to housing assisted with grant amounts provided under this title, the requirements of section 102(d) of the Department of Housing and Urban Development Reform Act of 1980 shall be considered to be satisfied upon certification by the recipient of the assistance to the Secretary that the combination of Federal assistance provided to any resident, or in the possession or under the control of, the Indian housing authority for the tribe, including all other assistance obligated, shall be considered assistance under this title subject to the provisions of this title relating to use of such assistance.

Subtitle C—Allocation of Grant Amounts

SEC. 641. ALLOCATION FORMULA.

For each fiscal year, the Secretary shall allocate any amounts made available for assistance under this title for the fiscal year in accordance with the formula established pursuant to section 642, among Indian tribes that comply with the requirements under this title for a grant under this title.

SEC. 642. ALLOCATION FORMULA.

The Secretary shall, by regulations issued in the manner provided under section 616, establish a formula to provide for allocating amounts available for a fiscal year for block grants under this title among Indian tribes. The formula shall be based on factors that reflect the need of the Indian tribes and the Indian areas of the tribes for assistance for affordable housing activities, including the following factors:

(1) The number of low-income housing dwelling units owned or operated at the time of application pursuant to section 642, among Indian tribes that comply with the requirements under this title for a grant under this title.

(2) The extent of poverty and economic distress within Indian areas of the tribe.

(3) Other objectively measurable conditions as the Secretary may specify.

The regulations establishing the formula shall be issued not later than the expiration of the 12-month period beginning on the date of the enactment of this title.

Subtitle D—Compliance, Audits, and Reports

SEC. 651. REMEDIES FOR NONCOMPLIANCE.

(a) Action not affecting grants amounts.—Except as provided in subsection (b), if the Secretary finds after a hearing that a recipient of assistance under this title has failed to comply substantially with any provision of this title, the Secretary shall—

(1) terminate payments under this title to the recipient;

(2) reduce payments under this title to the recipient by an amount equal to the amount of such payments which were not expended in accordance with it, or for mandatory or injunctive relief;

(3) file the Secretary's recommendation, if any, for the modification or setting aside of the Secretary's original action.
on the record after opportunity for a hearing, the Secretary may require such replacement tribally designated housing entity to serve as the recipient for the tribe (or tribes) for a period that expires no sooner than 30 days after the date on which the Secretary requires that a replacement tribally designated housing entity serve as the recipient for the tribe (or tribes) for a period that expires upon a determination by the Secretary on the record after opportunity for a hearing that the recipient for the tribe has engaged in a pattern or practice of activities that constitutes substantial or willful noncompliance with the requirements under this title.

SEC. 653. MONITORING OF COMPLIANCE.

(a) ENFORCEABLE AGREEMENTS.—Each recipient, through binding contractual agreements with the Secretary and other otherwise notaries, 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 grant beneficiary or by recipients and other intended beneficiaries, and (2) remedies for the breach of such provisions.

(b) PERIODIC MONITORING.—Not less frequently than annually, each recipient shall review the activities conducted and housing assistance provided on behalf of an Indian tribe, for amounts made available for fiscal year 1997 and pursuant to a commitment entered into before September 30, 1997. The provisions under subsection (a) shall not apply to any Indian housing assistance provided pursuant to a contract between the Secretary and an Indian housing authority, unless such assistance is provided from amounts made available for fiscal year 1997 and pursuant to a commitment entered into before September 30, 1997.
SEC. 664. TERMINATION OF HOME PROGRAM ASSISTANCE.

(a) IN GENERAL.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended—

(1) in subsection (a) (1), by striking “tribe,” and inserting “or for Indian tribes;”

(2) in subsection (b), by striking “tribe,” and inserting “Indian tribe;”

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendments under subsection (a) shall become effective on October 1, 1997, and shall apply with respect to amounts made available for assistance under title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal year 1998 and fiscal years thereafter.

SEC. 665. TERMINATION OF HOUSING ASSISTANCE FOR THE HOMELESS.

(a) MCKINNEY ACT PROGRAMS.—Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361 et seq.) is amended—

(1) in section 411, by striking paragraph (10);

(2) in section 412, by striking “, and for Indian tribes;”

(3) in section 413—

(A) in subsection (a)—

(i) by striking “, and for Indian tribes;”;

(ii) by striking “, or for Indian tribes” each place it appears;

(B) in subsection (b), by striking “Indian tribe;”;

(C) in subsection (c)(4), by striking “, and for Indian tribes;”;

(d) E FFECTIVE DATE AND APPLICABILITY.—

The amendments under subsection (a) shall become effective on October 1, 1997, and shall apply with respect to amounts made available for assistance under title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal year 1998 and fiscal years thereafter.

SEC. 666. SAVINGS PROVISION.

Except as provided in subsections 661 and 662, this title may not be construed to affect the validity of any right, duty, or obligation of the United States or other person arising under or pursuant to any commitment, agreement, law, or order in effect on October 1, 1997, under the United States Housing Act of 1937, title IV of the Cranston-Gonzalez National Affordable Housing Act, title II of the Cranston-Gonzalez National Affordable Housing Act, title IV of the Stewart B. McKinney Homeless Assistance Act, or section 2 of the HUD Demonstration Act of 1993.

SEC. 667. EFFECTIVE DATE.

Sections 661, 662, and 666 shall take effect on the date of the enactment of this title.

Subtitle F—Loan Guarantees for Affordable Housing Programs

SEC. 671. AUTHORITY AND REQUIREMENTS.

(a) AUTHORITY.—To such extent as in such amounts as provided in appropriation Acts, the Secretary may, subject to the limitations and conditions as the Secretary may prescribe, guarantee and make commitments to guarantee, the notes or other obligations issued by Indian tribes or tribally designated housing entities, for the purposes of financing affordable housing activities described in section 622.

(b) LACK OF FINANCING ELSEWHERE.—A guarantee under this subtitle may be used to assist an Indian tribe or housing entity in obtaining financing only if the Indian tribe or housing entity is unable to obtain such financing without the use of such guarantee and cannot complete such financing consistent with the timely execution of the program plans without such guarantee.

(c) TERMS OF LOANS.—Notes or other obligations guaranteed pursuant to this subtitle shall be in such form and denominations, bear such rate or rates of interest as shall be determined by the Secretary, and be subject to such maturities, and be subject to such terms and conditions as the Secretary determines to be necessary to accomplish the purpose of such guarantee.

(d) LIMITATION ON OUTSTANDING GUARANTEES.—No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer’s total outstanding notes or obligations guaranteed under this title (excluding any amount of the amount deposited under the contract entered into under section 672(a)(1)) would thereby exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to this title.

(e) PROHIBITION OF PURCHASE BY FFB.—Notes or other obligations guaranteed under this subtitle may not be purchased by the Federal Financing Bank.

(f) PROHIBITION OF GUARANTEE FEES.—No fee or charge may be imposed by the Secretary on any guarantee agency or on any guarantee issued with respect to a guarantee made by the Secretary under this subtitle.

SEC. 672. SECURITY AND REPAYMENT.

(a) REQUIREMENTS ON ISSUER.—To assure the Secretary of the Treasury in making such guarantees, including increments in local tax receipts generated by the activities assisted under this title or dispositions proceeds from the sale of land or rehabilitated property.

(b) REIMBURSEMENT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this subtitle. Any such guarantee made by the Secretary shall be conclusive evidence of the validity of the obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

SEC. 673. PAYMENT OF INTEREST.

The Secretary may, and contract to make payments in such amounts as may be approved in appropriation Acts, to or on behalf of an Indian tribe or housing entity issuing notes or other obligations guaranteed under this subtitle, to pay to the United States the percent of the net interest cost (including such servicing, underwriting, and other costs as may be specified in regulations issued by the Secretary) to the borrowing entity or agency of the United States or other person arising under or pursuant to any contract described in section 672(a)(1) in any fiscal year, if the Secretary determines that the period causes the loan guarantee to constitute an unacceptable financial risk.

The Secretary may, and contract to make payments in such amounts as may be approved in appropriation Acts, to or on behalf of an Indian tribe or housing entity issuing notes or other obligations guaranteed under this subtitle, to pay to the United States the percent of the net interest cost (including such servicing, underwriting, and other costs as may be specified in regulations issued by the Secretary) to the borrowing entity or agency of the United States or other person arising under or pursuant to any contract described in section 672(a)(1) in any fiscal year, if the Secretary determines that the period causes the loan guarantee to constitute an unacceptable financial risk.

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of title 31, United States Code, and the purposes for which such securities may be issued under such chapter are extended to include
the purchases of the Secretary's obligations hereunder.

SEC. 675. TRAINING AND INFORMATION.
The Secretary, in cooperation with eligible public entities, shall carry out training and information programs with respect to the guarantee program under this subtitle.

SEC. 676. LIMITATIONS ON AMOUNT OF GUARANTEEES.
(a) AGGREGATE FISCAL YEAR LIMITATION.—Notwithstanding any other provision of law and subject only to the absence of qualified applicants or proposed activities and to the authorization of appropriations, the Secretary shall not guarantee the principal amount of $400,000,000 for each of fiscal years 1997, 1998, 1999, 2000, and 2001.

(b) AUTHORIZATION OF APPRAISALS FOR CREDIT SUBSIDY.—There is authorized to be appropriated to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of appraisals under this subtitle for each of fiscal years 1997, 1998, 1999, 2000, and 2001.

(c) AGGREGATE OUTSTANDING LIMITATION.—The total amount of outstanding obligations guaranteed under this title shall not at any time exceed $2,000,000,000 or such higher amount as may be authorized to be appropriated for any fiscal year.

(d) FISCAL YEAR LIMITATIONS ON TRIBES.—The Secretary shall monitor the use of guarantees under this subtitle by Indian tribes. If the Secretary finds that 50 percent of the aggregate guarantee authority under subsection (c) has been committed, the Secretary may not guarantee the principal amount of $400,000,000 for each of fiscal years 1997, 1998, 1999, 2000, and 2001.

SEC. 677. EFFECTIVE DATE.
This subtitle shall take effect upon the enactment of this title.

Title G—Other Housing Assistance for Native Americans

SEC. 681. LOAN GUARANTEES FOR INDIAN HOUSING.
(a) DEFINITION OF ELIGIBLE BORROWERS TO INCLUDE INDIAN TRIBES.—Section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 151a–13a) is amended—

(1) in subsection (a)—

(A) by striking "and Indian housing authorities, and Indian tribes;" and

(B) by striking "or Indian housing authority," and inserting "Indian housing authorities, and Indian tribes;"

and

(2) in subsection (b), by striking "or Indian housing authorities, and Indian tribes;" and inserting "Indian housing authorities, and Indian tribes;"

(b) NEED FOR LOAN GUARANTEE.—Section 184(a) of the Housing and Community Development Act of 1992 is amended by striking "trust land" and inserting "lands or as a result of a lack of access to private financial markets."

(c) LHP REQUIREMENT.—Section 184(b)(2) of the Housing and Community Development Act of 1992 is amended by deleting by inserting before the period at the end the following: "that is under the jurisdiction of an Indian tribe for which a local housing plan has been submitted and approved pursuant to sections 612 and 613 of the Native American Housing Assistance and Self-Determination Act of 1996 that provides for the use of loan guarantees under this section to provide affordable homeownership housing in such areas."

(d) LENDER OPTION TO OBTAIN PAYMENT UPON DEMAND WITHOUT FORECLOSURE.—Section 184(h) of the Housing and Community Development Act of 1992 is amended—

(1) in paragraph (1)(A)—

(A) in the sentence following clause (i), by striking "in a court of competent jurisdiction"; and

(2) by striking clause (i) and inserting the following new clause:

"(ii) NO FORECLOSURE.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) of this paragraph has not been commenced within 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interests of the United States. Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (e)) to the extent that the assignment is in the best interests of the United States. Upon such assignment, the Secretary shall subrogate to the rights of the holder of the guarantee and the holder shall assign the obligation and security to the Secretary.;"

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(f) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Section 184(i)(2) of the Housing and Community Development Act of 1992, as so redesignated by section (a)(3) of this section, is amended—

(1) in the first sentence, by striking "tribal allotted or trust land," and inserting "restricted Indian land, the mortgagee or;" and

(2) by striking "the second sentence, by striking "Secretary", and inserting "mortgagee or the Secretary."

(g) AUTHORIZATION OF APPRAISALS FOR GUARANTEE FUND.—Section 184(i)(3)(C) of the Housing and Community Development Act of 1992 is amended by striking "1993" and all that follows through "such year" and inserting "1997, 1998, 1999, 2000, and 2001.

(h) AUTHORIZATION OF APPRAISALS FOR CREDIT SUBSIDY.—Section 184(j) of the Housing and Community Development Act of 1992 is amended—

(1) in paragraph (4), by inserting after "authorit" the following: "or Indian tribe;"

(2) in paragraph (5)—

(A) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) is authorized to engage in or assist in the development of—"

"(i) low-income housing for Indians; or"

"(ii) housing subject to the provisions of this section; and;"

and

(3) by striking paragraph (8) and inserting the following new paragraph:

"(B) The term 'tribe' or 'Indian tribe' means any Indian tribe, band, notation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975.

SEC. 682. 50-YEAR LEASEHOLD INTEREST IN TRUST OR RESTRICTED LANDS FOR HOUSING PURPOSES.
(a) AUTHORITY TO LEASE.—Notwithstanding any other provision of law, any restricted Indian land, whether held in trust by the United States or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for residential or nonresidential purposes.

(b) TERM.—Each lease pursuant to subsection (a) shall be for a term not exceeding 50 years.

(c) OTHER CONDITIONS.—Each lease pursuant to subsection (a) and each renewal of such a lease shall be made under such terms and conditions as may be prescribed by the Secretary of the Interior.

(d) RULE OF CONSTRUCTION.—This section may not be construed to repeal, limit, or affect any authority to lease any restricted Indian land that—

(1) is conferred by or pursuant to any other provision of law; or

(2) provides for leases for any period exceeding 50 years.

SEC. 683. TRAINING AND TECHNICAL ASSISTANCE.
There is authorized to be appropriated for assistance for the a national organization representing Native American housing interests for providing training and technical assistance to Indian housing authorities and tribal housing entities $2,000,000, for each of fiscal years 1997, 1998, 1999, 2000, and 2001.

SEC. 684. EFFECTIVE DATE.
This subtitle and the amendments made by this subtitle shall take effect upon the enactment of this title.

The CHAIRMAN. Pursuant to the order of the committee of Wednesday, May 8, 1996, the gentleman from Arizona [Mr. Hayworth] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Chairman, I have a parliamentary inquiry. The gentleman who is leading the opposition... Mr. YOUNG of Alaska. Mr. Chairman, I have a perfecting amendment to the amendment of the gentleman from Arizona. When would be the appropriate time to offer that amendment? The CHAIRMAN. The Chair would like to recognize the gentleman from Arizona for his amendment, and at that point, under the unanimous-consent agreement of yesterday, the gentleman from Arizona has 10 minutes in support of his amendment that will be allocated in support and 10 minutes will be allocated in opposition. At any time while the amendment of the gentleman from Arizona is pending, the gentleman from Alaska may offer a perfecting amendment.

Mr. YOUNG of Alaska. I thank the Chair. Mr. VENTO. Mr. Chairman, I claim that time in opposition.

The CHAIRMAN. The gentleman from Minnesota [Mr. VENTO] will be recognized for 10 minutes. The Chair recognizes the gentleman from Arizona [Mr. Hayworth].
Mr. HAYWORTH. Mr. Chairman, I yield myself 3 minutes and 45 seconds.

Mr. Chairman, I rise today to offer an amendment to H.R. 2406 which will provide the tools for Native American tribes to meet their unique housing needs.

My amendment consists of the text of H.R. 3219, the Native American Housing Assistance and Self-Determination Act of 1996. This legislation was introduced by my colleague from New York, the chairman of the Housing Subcommittee. I cosponsor it along with Mr. BEREUTER of Nebraska, and Mr. JOHNSON of South Dakota. Months of consultation with tribes from across the country produced the legislation before us today.

The need for better housing on Indian reservations is clear. As Albert Hale, president of the Navajo Nation, testified before the Housing Subcommittee, over 56 percent of the Navajo people live in poverty. It is not an uncommon experience for Navajos to have Navajo families of as many as 12 people living in a two-room house. The Navajo tribal government has estimated that over 13,000 new homes are needed to alleviate severe overcrowding. But tribes, such as the Navajo Nation, are restricted by the inflexibility to address the housing problems they face.

A more effective system of Indian housing should be based on several important principles. First, public housing programs modeled for urban America often do not work in Indian country. Second, the Federal role in providing housing to Native Americans should recognize the special trust relationship between the Federal Government and tribal governments. Finally, tribes and Indian housing authorities should have the flexibility and responsibility to address the housing needs in their communities.

The amendment I am offering reflects these principles. H.R. 3219 separates Indian housing from public housing, a move which tribes have been advocating for years. It creates a block grant which will go directly to tribes, not through the States. I believe this is an important part of recognizing the government-to-government relationship between tribes and the Federal Government. This block grant will also increase local control and allow much greater flexibility for each tribe to address its own housing needs, including building new homes, renovating existing homes, or increasing community development. Finally, H.R. 3219 takes steps to promote and facilitate home ownership and lending on reservations.

The National Congress of American Indians, which has 261 member tribes, supports these principles as articulate in H.R. 3219. The National American Indian Housing Council, which represents 187 Indian housing authorities, also supports the principles in this bill.

I know that there are still issues between various parties who want to see addressed in this legislation, and I hope that the process will continue to be as open and inclusive a process as Chairman Lazio has promoted so far. For instance, one of the tribes in my congressional district, the Salt River Pima-Maricopa Indian community, is a self-governance tribe. Although they believe that this bill provides an important opportunity to move toward self-sufficiency in housing, they would like to see an option for self-governance tribes to deliver housing services through a self-governance contract. I know that, as the gentleman from Arizona recognizes, Chairman Lazio will continue to make every effort to accommodate the needs and concerns of tribes. Likewise, we have reached a compromise on the Davis-Bacon issue, which will be addressed in an amendment offered momentarily by my colleagues from Alaska and Minnesota.

If this amendment is approved and H.R. 3219 is attached to H.R. 2406, none of the provisions of H.R. 2406 will apply to tribes. We have established separate from public housing, as I have said. However, it is extremely important to move the two bills concurrently. As my colleagues know, H.R. 2406 repeals the Indian Housing Act. Without the provision of H.R. 3219, Native Americans could be left without a Federal housing program which would be devastating to tribes across the country.

I urge my colleagues to support this amendment, which will improve housing conditions for Native Americans across the country.

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

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the amendment in its present form. Mr. Chairman, I have concerns about certainly the rush to act on this amendment. It makes sweeping changes to the Native American housing policy. There has only been one hearing on this and five witnesses. In fact, the administration, who favors this amendment, did not have testimony.

Mr. Chairman, I, myself, have long been an advocate of assisted housing in Indian country and have worked with many Members. Very often, Mr. Chairman, it is a very far limited market. It requires infrastructure changes. The pattern of ownership is complicated, as my colleagues on the Committee on Resources with whom I work are well aware of. We are knowledgeable of the problem and challenge.

We did not have a markup on this bill. It does not have some of the needed policy changes that I think are necessary, such as the issue of State Housing Finance of a different nature for Native American housing. Well-crafted proposals and recommendations exist in that vein. Also this measure could include urban Indian housing as one of the outcomes, which is not in this amendment. Most Native Americans in fact live in urban settings today.

So, Mr. Chairman, I am concerned about these shortcomings about some of the labor provisions within this amendment. I also am concerned that there are other amendments that may be offered without any warning to most the membership on this issue.

Mr. Chairman, I yield 2 minutes to the gentleman from Alaska [Mr. YOUNG], who is planning on offering an amendment at this time.

AMENDMENT OFFERED BY MR. YOUNG OF ALASKA TO AMENDMENT NO. 9 OFFERED BY MR. HAYWORTH

Mr. YOUNG of Alaska. Mr. Chairman, I offer an amendment to the amendment.

The Clerk reads as follows:

Amendment offered by Mr. Young of Alaska to Amendment No. 9 offered by Mr. Hayworth: Page 20 of the amendment, strike line 22, and all that follows through page 30, line 4, and insert the following new subsection:

(1) IN GENERAL.—Any contract for the construction of affordable housing with 12 or more units assisted with grant amounts made available under this Act shall contain a provision requiring 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 employed in the development of affordable housing involved, and recipients shall report such wages to the Secretary to the compliance with the provisions of this section prior to making any payment under such contract.

(2) EXCEPTIONS.—Subsection (a) shall not apply if the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and such services are not otherwise employed at any time in the construction work.

(3) WAIVER.—The Secretary may waive the provisions of this subsection.

Mr. YOUNG of Alaska (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. YOUNG of Alaska. Mr. Chairman, first let me say I do support the amendment of the gentleman from Arizona [Mr. Hayworth]. The Indian housing problems in this Nation are severe. This is a good amendment and I will be supporting it.

Mr. Chairman, I'm offering an amendment to the amendment by Mr. Hayworth, to correct a problem relating to the application of the Davis-Bacon Act to construction of Indian housing.

As written, the amendment offered by the gentleman from Arizona contains language that would effectively prohibit application of the Davis-Bacon Act to construction of Indian housing. I think this is wrong. My amendment changes the language to ensure that the Davis-Bacon Act applies to the construction of 12 or more units of Indian housing.

My amendment will make the gentleman's amendment more consistent with current law, in which the Davis-Bacon Act applies to certain federally
subsidized construction contracts. I realize there is a larger debate concerning Davis-Bacon at issue. However, this is not the place to debate our views on Davis-Bacon, which I happen to support strongly.

Consideration of Davis-Bacon reform or repeal should be considered separately and on its own merits. It should not be modified or repealed in a piecemeal fashion through legislation like this.

I strongly support our effort to give more control and flexibility in operating affordable housing projects to Indians. However, this is not the place to address Davis-Bacon.

Mr. Chairman, I strongly support this amendment, and I stress again, the amendment offered by the gentleman from Arizona, if my amendment is adopted, is a good piece of legislation and I urge its passage.

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. BEREUTER. Mr. Chairman, I appreciate the gentleman from Alaska offering this amendment. This is a major concern that I have had with this amendment in its present form. But with the amendment of the gentleman from Alaska, adding wage, it is one of the major outstanding questions concerning the Hayworth legislation as it exists. I appreciate the gentleman from Alaska offering this amendment, and I urge Members to support it.

Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I would ask the gentleman from Alaska if this will continue to apply to publicly financed housing and not apply to private?

Mr. YOUNG of Alaska. Mr. Chairman, if the gentleman would yield, only to publicly financed housing.

Mr. BEREUTER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, as I said, I support the amendment that the gentleman from Alaska [Mr. YOUNG] is offering, which basically exempts funds provided under 12 units. The current Hayworth amendment did not do that. I think it may have been a technical problem, but its consequence is a major concern.

As the Young amendment would provide prevailing wage, would not apply for 12 units or less, and would provide the opportunity for the Secretary to waive the provisions as provided by the Secretary under similar authority existing in the CDBG program allocated to Indian tribes.

Mr. Chairman, I have worked with those concerned with the request of the gentleman from Alaska, and I appreciate his initiative in bringing this amendment to the floor this afternoon.

It is my understanding that the gentleman from Arizona [Mr. HAYWORTH] is going to accept this amendment, and some of my concerns are addressed with it. So, I urge my colleagues' support for the Young amendment.

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

Mr. HAYWORTH. Mr. Chairman, inquiry. Do we address this amendment at this juncture?

The CHAIRMAN. The Chair would point out that we can address the amendment offered by the gentleman from Alaska at this point in the process, and we can reserve the balance of debate time on both sides once this amendment has been resolved. Or, we can wait until all the time has been utilized.

The question is on the amendment offered by the gentleman from Alaska [Mr. YOUNG] to the amendment offered by the gentleman from Arizona [Mr. HAYWORTH].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now before the House is the amendment offered by the gentleman from Arizona [Mr. HAYWORTH], as amended.

Mr. VENTO. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding me time. I rise in strong support of the Hayworth amendment. It actually does incorporate the provisions of H.R. 3219. Secretary Cisneros was reported to have been told by the Navajo, the best thing he could do for housing was to support the Republican bill, H.R. 3219. Actually, it is a bipartisan bill and has been from the beginning.

AMENDMENT OFFERED BY MR. BEREUTER TO THE AMENDMENT OFFERED BY MR. HAYWORTH, AS AMENDED

Mr. BEREUTER. Mr. Chairman, I offer an amendment to the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER to the amendment offered by Mr. HAYWORTH, as amended: Page 77 of the amendment, after HAYWORTH, as amended. The amendment to the amendment was agreed to.

(k) GNMA AUTHORITY.--The first sentence of section 336(1) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1721(g)(1)) is amended by inserting before the period at the end the following: ‘‘ or guarantee section 184 of the Housing and Community Development Act of 1992’’.

Mr. BEREUTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment, as amended, be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Chairman, this amendment has three rather simple but important provisions which make improvements in the section 184 Indian Housing Loan Guarantee Program, first enacted in 1992. The amendment authorizes funds appropriate to remain available until expended, raises the maximum loan level to the same as FHA single-family loans, and provided that Ginnie Mae may purchase loans under the program.

Mr. Chairman, I move for its adoption.

Mr. Chairman, this Member's amendment, which has been drafted in cooperation with the administration, makes three very simple but important improvements to the Section 184 Indian Housing Loan Guarantee Program, first authorized through the Housing and Community Development Act of 1992. This loan program, administered by the Department of Housing and Urban Developments Office of Native American Programs, has proven to be a highly popular and effective way to bring private market participation to meet the housing needs in Indian country.

The current loan guarantee program allows Indians and Indian Housing Authorities [IHAs] access to private financing that otherwise would not be available to the unique legal status of Indian trust land. The Indian Housing Loan Guarantee Fund is used to guarantee loans made to Indian families and IHAs for the construction, acquisition, and rehabilitation of 1-4 family dwellings. This must be standard housing and must be located on trust land or land located in an Indian or Alaska native area.

HUD works with tribes, lenders, and the Bureau of Indian Affairs to administer the loan program. HUD issues prequalification commitment letters that can be used to secure funding. These commitments are later converted into individual loan guarantees when the loans have been received from the lender. The lender completes property underwriting, and then submits the loan to HUD for firm commitment. After the commitment is issued, the loan is closed and serviced by the lender.

This Member's amendment makes three simple changes to the current program. And this Member should note at this point that these changes were suggested and are supported by HUD. First, the maximum loan amount is raised to bring it in line with the widely used FHA single-family loan program. Specifically, for loans with appraised values of $50,000 or less, the maximum loan amount will be 98.75 percent of the appraised value. For loans on properties valued above $50,000,
the loan may be 97.75 percent of the appraised value.

The second change made by this amendment is simple yet very important. Because the construction process often does not conform to the congressional budget cycle, this amendment authorizes funds appropriated to remain available until expended.

The final change made by this Member’s amendment is an expansion of the authority of the Government National Mortgage Association, also known as Ginnie Mae, to purchase loans guaranteed under this program. Without this expansion, Ginnie Mae is not authorized to participate in Indian country. I would like to note that the Nations largest housing secondary market, Fannie Mae, has been instrumental in the programs early success. However, now is not the time to limit the sources of capital for participating lenders. Rather, by adding Ginnie Mae as an additional source of funds, this amendment would expand the capital available in Indian country.

Mr. Chairman, this Member urges his colleagues to vote for this amendment, and for H.R. 2406.

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the amendment of the gentleman from Nebraska [Mr. BEREUTER] to the amendment offered by the gentleman from Arizona [Mr. HAYWORTH], as amended.

The amendment to the amendment, as amended, was agreed to.

Mr. VENTO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, under this procedure it is rather awkward that one must be in opposition. Obviously, I did not mean to surprise my colleagues from Arizona, but it was necessary in fact to use the time, and in the present form, when the amendment was initially offered, I did not support it.

Mr. Chairman, I appropriately recognize the amendments and changes made have improved this amendment. I suggest to my colleagues who are interested in Native American housing the severe problems we have in this area. I hope this block grant approach accomplishes the noble objectives that are expressed. I have my doubts considering the infrastructure and other threshold issues that we face, but look forward to working to see the positive goals become a reality.

We have a significant Native American population in the State that I represent. I would like nothing better than to see them get better housing. Some of the worst housing we have in this Nation is occupied by Native Americans, and the commensurate problems that occur with it greatly concern me as it relates to our direct and joint responsibilities, the Secretary of HUD, the Bureau of Indian Affairs, and, of course, this Congress.

With this amendment, I will now support the amendment.

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

Mr. HAYWORTH. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, I rise in support of the Bereuter amendment to the Hayworth amendment.

Mr. Chairman, this Member rises in strong support of the Hayworth amendment. This amendment incorporates the text of H.R. 3219, the Native American Housing Assistance Self-Determination Act of 1996. This Member, along with his colleagues from Arizona, Mr. HAYWORTH, the chairman of the subcommittee, and his colleague from the other side of the aisle, Mr. JOHNSON of South Dakota, introduced H.R. 3219. I say, perhaps immediately, but eventually, I believe that this bill and Mr. HAYWORTH’s amendment is the most important and beneficial Indian housing initiative in the history of this Congress.

The concepts contained in this amendment are widely supported by Indian groups, including the National American Indian Housing Council. This revolutionary measure for the first time decouples predominantly rural Indian housing from the laws which were designed to govern urban public housing.

Additionally, the Hayworth amendment creates flexible block grants to tribes or their tribally designated housing entity, recognizes and supports the unique government-to-government relationship between Indian tribes and the U.S. Government and restates the value of having local control by giving the tribes greater flexibility in providing housing, creates a consolidated native American housing grant—HUD’s Office of Native American Programs will be dedicated to helping Indian communities meet their housing needs, with a common goal of achieving economic self-sufficiency. HUD will enforce strict accountability standards, and involves private capital markets and private lenders in improving economic conditions by removing the legal barriers to real estate transactions from participating in Indian country. Specifically, the amendment replaces the 20-year leaseholds under current law with a 40-year lease.

Unfortunately, this Member understands this important amendment has been placed in jeopardy by the dubious opposition of big labor. The measure strives to keep the costs, including labor costs, of providing housing at its lowest possible level in order to provide maximum impact for very limited funds. In a lobbying effort as late as last night, big labor has equated a vote for housing Americas most native ever offered, against big labor. Not concerned with what is good for America, big labor has threatened to kill a measure which prohibits inflation contract costs associated with the prevailing wages required by the Davis-Bacon Act. With homelessness in Indian country at embarrassingly high rates, we can ill-afford to waste a penny on such questionable mandates as Davis-Bacon.

Although this Member strongly believes the provision against applying Davis-Bacon to Indian housing should remain, this Member will not block a move to strike the language because the urgent need to provide safe and adequate housing to Indians outweighs this Member’s opposition to Davis-Bacon.

Mr. Chairman, this Member again strongly urges his colleagues to support Native Americans and vote in favor of the Hayworth amendment.

Mr. HAYWORTH. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. (Mr. COBURN asked and was given permission to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Chairman, I rise in support of the Hayworth amendment.

Mr. Chairman, this Member rises in strong support of the Hayworth amendment. H.R. 3219, the Native American Housing Assistance and Self-Determination Act of 1996, is a good amendment in this Congress regarding Indian housing, and I support the amendment.

The Cherokee Nation of Oklahoma has a tribal membership which currently numbers 170,000. Despite the large tribal size, the number of Indian housing units is ridiculously low. The Housing authority of the Cherokee Nation manages some 4,300 housing units under the Low Rent, Section 8 and Mutual Help Homeownership Opportunity Program administered by the U.S. Department of Housing and Development. But the tribe’s need for housing is much, much greater.

The Cherokee Nation Housing Authority budget has grown from $10 million to $30 million and its work force has increased from 65 to 250 employees. This growth is due, in part, to the Housing Authority’s ability to leverage Federal dollars, to the extent HUD’s program constraints allow. Still, most Cherokee tribal members live in crowded Indian housing units in conditions considerably more severe than those of the non-Indian populations.

Mr. Chairman, Tribes and Indian Housing Authorities like those of the Cherokee Nation are prime examples of what is achievable in public housing programs working with scarce resources. They have successfully leveraged Federal programs available for housing and other assistance to Native Americans with whatever other outside financing they can identify.

Mr. HAYWORTH’s amendment will advance this progress substantially by separating public housing programs from Indian housing programs and moving toward deregulation of those Indian housing programs. Tribes and their housing authorities will be better able to leverage Federal dollars with private financing to fund new housing and renovate existing units in Indian country.

The most important feature of this bill is the procedure of block granting the federal funds
for Indian housing programs. The block grant approach is fully consistent with the concept of Indian self-determination and self-governance.

Mr. Chairman, I urge my colleagues to join me in supporting Mr. HAYWORTH's amendment, and adopting it as part of H.R. 2406.

Mr. Chairman, I would have loved to block for on the gridiron.

Chairman of our Subcommittee on Indian self-determination and self-governance.

I urge my colleagues to join me in supporting Mr. HAYWORTH's amendment, and adopting it as part of H.R. 2406.

Mr. Chairman, I yield myself 30 seconds, simply to say that I echo the comments of the chairman of the subcommittee. I thank him for his efforts.

I thank my colleague from Minnesota for pointing out some legitimate policy differences. But make no mistake, this amendment is expressed in terms of an effort, and I ask for its support.

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Mr. HAYWORTH. Mr. Chairman, I yield myself 30 seconds, simply to say that I echo the comments of the chair-
upon the appointment of the consensus committee under paragraph (7). Before submitting proposed revised standards to the Secretary, the consensus committee shall cause the proposed revised standards to be published in the Federal Register, together with a description of the consensus committee’s considerations and decisions under subsection (a) and any opportunity for public comment. Public views and objections shall be presented to the consensus committee in accordance with American National Standards Institute procedures for the development and coordination of American National Standards and shall apply to the consensus committee under paragraph (7). Before submitting the proposed bulletin and the consensus committee fails to act or if the Secretary rejects any significant views that the consensus committee shall cause the bulletin to be published in the Federal Register. Such notice shall describe the circumstances under which the proposed revised standards could become effective.

(4) Review by Secretary.—The Secretary shall either adopt, modify, or reject the standards submitted by the consensus committee. A final order adopting the standards shall be issued by the Secretary not later than 12 months after the date the standards are submitted by the Secretary to the consensus committee, and shall be published in the Federal Register and become effective pursuant to subsection (c). If the Secretary—

(A) adopts the standards recommended by the consensus committee, the Secretary may issue a final order directly without further rulemaking;

(B) determines that any portion of the standards shall be rejected because it would jeopardize health or safety or is inconsistent with the purposes of this title,

(i) such determination shall be made no later than 12 months after the date the standards are submitted to the Secretary by the consensus committee; and

(ii) within such 12-month period, the Secretary shall cause the proposed modified standard to be published in the Federal Register, together with an explanation of the reasons for the Secretary’s determination that the consensus committee recommendations need to be modified, and shall provide an opportunity for public comment in accordance with the provisions of section 553 of title 5, United States Code; and

(iii) the final standard shall become effective pursuant to subsection (c).

(5) If the Secretary fails to take final action under paragraph (4) and publish notice of the action in the Federal Register within the 12-month period under such paragraph, the Secretary shall cause the reworked consensus committee to be reappointed by the Secretary for its evaluation.

(6) Interpretative Bulletins.—The Secretary may issue interpretive bulletins to clarify any Federal manufactured home construction and safety standards, subject to the following requirements:

(A) Review by Consensus Committee.—Before issuing an interpretive bulletin, the Secretary shall submit the proposed bulletin to the consensus committee and the consensus committee shall provide written comments thereon to the Secretary. If the consensus committee fails to act or if the Secretary rejects any significant views that the consensus committee shall cause the bulletin to be published in the Federal Register. Such notice shall describe the reasons for the Secretary’s determination before the bulletin becomes effective, the reasons for such rejection.

(B) Proposals.—The consensus committee may, from time to time, submit to the Secretary proposals for interpretive bulletins under this paragraph. If the Secretary fails to issue or rejects a proposed bulletin within 90 days of its receipt, the Secretary shall be considered to have approved the proposed bulletin and shall immediately issue the bulletin.

(C) Effect.—Interpretative bulletins issued under this paragraph shall become binding without rulemaking.

(7) Consensus Committee.—

(A) Purpose.—The consensus committee referred to in paragraph (2) shall have as its purpose providing recommendations to the Secretary to revise and interpret the Federal manufactured home construction and safety standards and carrying out such further functions as the Federal Register pursuant to subsection (c).

(B) Membership.—The consensus committee shall be composed of 25 members who shall be appointed by the Secretary in accordance with American National Standards Institute procedures for the development and coordination of American National Standards and shall apply to the consensus committee under paragraph (7). Before submitting the proposed bulletin and shall cause advance notice of all meetings to be published in the Federal Register. Such notice shall be submitted to the consensus committee by the Secretary for its evaluation.

(8) Other Orders.—The Secretary may issue orders that are not developed under the procedures set forth in subsection (a) in order to respond to an emergency health or safety issue, or to address issues on which the Secretary determines the consensus committee will not make timely recommendations, but only if the proposed order is first submitted to the Secretary and the consensus committee for review and the committee is afforded 90 days to provide its views on the proposed order to the Secretary. If the consensus committee fails to act within such period or if the Secretary rejects any significant change recommended by the consensus committee, the public notice of the order shall include an explanation of the reasons for the Secretary’s action. The Secretary may issue such orders only in accordance with the procedures of section 553 of title 5, United States Code.
(2) in subsection (d), by inserting "the consensus committee," after "public,"; and
(3) by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 607. INSPECTION FEES.

Section 620 (42 U.S.C. 5419) is amended to read as follows:

"(a) AUTHORITY TO ESTABLISH FEES.—In carrying out the inspections required under this title and in developing standards pursuant to section 604, the Secretary shall establish and impose fees, and bestow such reasonable fees as may be agreed to by the Secretary in conducting such inspections and administering the consensus standards development process and for developing standards pursuant to section 604(b), and the Secretary may use any fees so collected to pay expenses incurred in connection therewith. Such fees shall only be modified pursuant to rulemaking in accordance with the provisions of section 533 of title 5, United States Code.

"(b) DEPOSIT OF FEES.—Fees collected pursuant to this title shall be deposited in a fund which is hereby established in the Treasury for deposit of such fees. Amounts in the fund are hereby available for use by the Secretary pursuant to subsection (a). The use of the funds by the Secretary shall not be subject to general or specific limitations on appropriated funds unless use of these fees is specifically addressed in any future appropriations legislation. The Secretary shall provide an annual report to Congress indicating expenditures under this section. The Secretary shall also make available to the public, in accordance with applicable disclosure laws, regulations, orders, and directives, information pertaining to amounts collected, amounts disbursed, and the fund balance.".

SEC. 608. ELIMINATION OF ANNUAL REPORT REQUIREMENT.

Section 626 (42 U.S.C. 5425) is hereby repealed.

SEC. 609. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of enactment of this Act, except that the amendments shall have no effect on any order or interpretative bulletin that is published as a proposed rule pursuant to any provision of section 553 of title 5, United States Code, on or before that date.

The CHAIRMAN. Pursuant to the agreement of May 8, the gentleman from Indiana [Mr. ROEMER] will recognize Mr. Crox, for 10 minutes in support of his amendment, and a Member in opposition will be recognized for 10 minutes.

Mr. Roemer. Mr. Chairman, I yield myself such time as I may consume.

I offer this bipartisan amendment on behalf of myself, the gentleman from California [Mr. Royce], the gentleman from Texas [Mr. Gonzalez], the gentleman from Colorado [Mr. Vento], the gentleman from Minnesota [Mr. Vento], and the gentleman from Florida [Mr. McCollum].

Mr. Chairman, nothing is more important to our American society, to our citizens, our consumers and our business community, than reducing the excessive cost of regulation. Nowhere is it more true and more accurate than its impact and its negative impact on the manufactured housing industry. Along those lines, 4½ months ago we sat down with Secretary Cisneros, with consumer groups, with Democrats and Republicans, and we started working our way to the cost of manufactured housing and the industry of promulgating even simple new changes to regulatory laws and standards.

We came up with a very delicate balance here, this bipartisan bill. This bill would make it easier to promulgate these regulations and standards because the consumers are at the table, the businesses are at the table, and it is not just Federal mandates coming out of HUD.

This is commonsense legislation whereby some people have always said regulations are the answer. Now, more and more in the last year we have heard no regulations should be out indication that this will be supported with a third alternative, a new idea and bring Democrats and Republicans together.

Here is what AARP is saying, because so many senior citizens live in this affordable and manufactured homes: I am writing to express the strong support of the American Association of Retired Persons for the Royce-Roemer amendment, which would establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes.

We have reached this balance with Secretary Cisneros and HUD and Democrats and Republicans, consumer groups, AARP, we have this delicate balance now. We would hope that this amendment would be passed, that we could get this onto this bill. We have heard no regulations should be out indication that this will be supported in the Senate and by the President.

If, however, amendments are attached to this bill where we have not had hearings, where there is currently litigation and there are currently different views between the courts, where there has been no input, no input into the very delicate and technical dialog that we have had with these groups over the last 4½ months, then we probably get nothing. We probably do not get this consensus committee. We probably do not get the ability to save the consumer and the businesses the money. We probably do not get this new idea.

I would urge my colleagues to vote for the Roemer amendment, the Royce amendment, the Calvert amendment, the Gonzalez and Vento amendment and in the bipartisan fashion that we should be working together around the table to strongly reject any kinds of attempts to write legislation at the last minute on the floor without hearings and to support this in the sense of this is not going to cost the taxpayer one nickel. All of the money that puts forward this consensus committee comes from the industry.

I am very happy to propose this amendment on behalf of the gentleman from California [Mr. Royce] and myself.

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

The CHAIRMAN. Does any Member seek to control the time in opposition to the amendment?

Mr. LAZIO of New York. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from New York [Mr. Lazio] is recognized for 10 minutes.

Mr. Lazio. The gentleman from New York [Mr. Roemer], I yield 5 minutes to the distinguished gentleman from Indiana [Mr. McIntosh], and I ask unanimous consent that he be permitted to control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MCIrOSH. Mr. Chairman, I yield myself 5 minutes.

(Mr. McIntOSH asked and was given permission to revise and extend his remarks.)

Mr. MCIrOSH. Mr. Chairman, this bipartisan amendment recognizes many years ago that manufactured homes fulfill a vital need in the American housing market. Manufactured homes always have been unique. They offer Americans an alternative to buy affordable housing. Manufactured homes make homeowners of hundreds of thousands of Americans who might otherwise be forced to rely on public assistance and forgo one of the basic elements of the American dream, a home of their own.

Now, in order to ensure both the safety and affordability of manufactured homes, Congress, in 1974, adopted the National Manufactured Home Construction Safety Standards Act. HUD has issued many standards but delivered little in terms of consumer benefit under this Act. It has imposed costs that in many ways have made manufactured housing unaffordable for those who could most benefit from this industry.

So today I rise in opposition to my colleague from Indiana's amendment.

AMENDMENT OFFERED BY MR. MCIrOSH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ROEMER

Mr. MCIrOSH. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read the following amendment:

TITLe VI—MANUFACTURED HOUSING
CONSTRUCTION AND SAFETY STANDARDS
AND CONSENSUS COMMITTEE

SEC. 601. REFERENCE.

Whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of the Housing and Community Development Act of 1974.

SEC. 602. DEFINITIONS.

Section 603 (42 U.S.C. 5402) is amended—
(1) by striking paragraph (7) and inserting the following new paragraph:
`(7) `Federal manufactured home construction and safety standards' means a reasonable performance standard for the construction, design, and transportation of a manufactured home; upon which the Secretary shall base decisions regarding the need for public hearings, or for the construction, design, and transportation of a manufactured home; upon which the Secretary shall base decisions regarding the need for public hearings, or for the Federal manufactured home safety standards, as needed, over a 2-year cycle. The consensus committee, after notice and an opportunity for public comment, shall publish any proposed standards or revisions and notice of their submission to the Secretary, in the Federal Register. This notice shall describe the circumstances under which the proposed standards could become effective.

` (8) `Secretary's response. The Secretary may either adopt or reject the standards submitted by the consensus committee. A final order adopting such a standard, or revisions to existing such a standard, shall be issued by the Secretary no later than 180 days after the date the proposed standard or regulation is submitted to the Secretary by the consensus committee, and shall be published in the Federal Register. In the event that the Secretary rejects, in whole or in part, such a standard, such publication shall be preceded by publication of a notice of proposed adoption of such a standard, by the Secretary, in accordance with all relevant statutory procedures.

` (9) `Interim emergency standards. The Secretary shall have the authority at any time to request that the consensus committee develop interim performance standards, or may evaluate proposed methods, or may evaluate proposed methods.

` (10) `Failure to take action. If the Secretary fails to take final action under paragraph (b) and publish notice of the action in the Federal Register, such action will have no effect.

` (11) `Authority of Secretary. The Secretary shall have the authority at any time to request that the consensus committee develop interim performance standards, or may evaluate proposed methods, or may evaluate proposed methods.

` (12) `Interim emergency standards. The Secretary shall have the authority at any time to request that the consensus committee develop interim performance standards, or may evaluate proposed methods, or may evaluate proposed methods.

` (13) `Failure to take action. If the Secretary fails to take final action under paragraph (b) and publish notice of the action in the Federal Register, such action will have no effect.

` (14) `Authority of Secretary. The Secretary shall have the authority at any time to request that the consensus committee develop interim performance standards, or may evaluate proposed methods, or may evaluate proposed methods.
Mr. MCINTOSH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MCINTOSH. Mr. Chairman, I think it is important that the substitute amendment be added to this bill for three reasons.

First, HUD has simply failed to write commonsense building standards and my colleague's amendment, as well intended as it is, does not do anything to remove the discretion from HUD in setting forth those standards. HUD has consistently failed to consider the technological changes in the industry and the materials, often specifying very bureaucratic standard requirements rather than a more common sense performance-based approach that would allow the engineers in the industry to develop the most affordable ways of providing for safe and effective housing.

I would like to share with my colleagues two examples of this. I was conducting a field hearing in Florida and heard testimony about wind regulations there that were developed in such a way that they increased the cost of affordable housing of a $30,000 home by $3,000. That is a 10-percent increase. Many people are no longer able to afford those houses because of those regulations. It is necessary because they go beyond the local requirements for site built housing.

Another example was HUD regulations on insulation. When the insulation industry came to them and asked them to increase the standards beyond what was necessary for energy efficiency, the average cost of a $28,000 rose to $2,100, again nearly a 10-percent increase passed on to the consumer who could no longer afford to buy the houses.

The second reason is that my amendment would give us a very real consensus committee. The consumer groups, the environmental groups, the industry groups would all be in the new consensus committee. Unfortunately, my colleague's amendment does not require HUD to use the advice of this consensus committee in developing regulations where my substitute would require that.

The third reason and the final point is that my substitute would require that all of HUD's spending in this area go through the regular appropriations process. Currently, HUD is able to accumulate funds from the industry and disburse them in ways that are not supervised by this Congress. My amendment would take care of that by requiring that these funds go through an appropriations bill.

The amendment is fair. It is a genuine effort to get to commonsense regulations. It is supported by the Manufacturing Housing Institute in Louisiana, Alabama, and Texas. It is supported by the manufacturers in our home state. I would urge my colleagues today to vote for my substitute so that we can have a real consensus committee at work and have an opportunity to get to commonsense regulations.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. MCINTOSH. I yield to the gentleman from Indiana.

1630

Mr. ROEMER. The gentleman mentioned that he is trying to be inclusive of these consumer groups. Has he worked with any of those consumer groups, and why are they opposed to his legislation?

Mr. MCINTOSH. I am not exactly sure why they are opposed to these regulations that we would have in our substitute would require HUD to include them in making the regulatory recommendations. The difference is that the consumer groups would not be able to do an end run around the consensus committee and ask the Secretary to ignore its recommendation.

Mr. ROEMER. Mr. Chairman, if the gentleman would yield further, I would just say to the gentleman that, in relation to wind standards, that he very articulately discussed on his time that the gentleman from California [Mr. CALVERT] and I were in Congress before the gentleman from Indiana, and we worked very closely with the industry and very closely with HUD to address the concerns that I think my colleague would find that the manufactured housing industry was very pleased, after going through very rough treatment from HUD, what we were able to accomplish in terms of getting commonsense solutions to our wind standards that they initially promulgated.

This consensus committee that we have developed in our bipartisan legislation with HUD will prevent that kind of fiasco from happening again.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CALVERT], an original cosponsor of the legislation.

Mr. CALVERT. Mr. Chairman, I rise today in opposition to the McIntosh amendment and certainly in favor of the Roemer-Royce amendment to the United States Housing Act. The McIntosh amendment is a poison pill amendment to a commonsense reform that we are working on.

The McIntosh amendment is certainly opposed by HUD. But more importantly, the great majority, the great majority of the industry, the manufactured industry here in the United States, is also in opposition, along with many, many consumer groups. It is an unworkable proposal that flies in the face of this Congress's efforts to return authority to State and local governments.

A particular concern to California as the McIntosh language would more than likely prevent local governments from allowing fire sprinklers in manufactured housing, a great concern in my area, and as the gentleman from [Mr. ROEMER] mentioned, the problem we have had with wind and sheer in the Florida area, we could have had that resolved if this committee was in effect earlier.

On the other hand, the Roemer-Royce amendment has broad bipartisan support and backing, as I mentioned earlier, of industry, HUD and consumers. It creates a committee consisting of manufacturers, consumers, public officials and other interest groups. This committee will develop standards for manufactured housing in partnership with the HUD secretary.

Let us not lose an opportunity to enact commonsense reform. Reject the poison-pill McIntosh amendment and support the bipartisan Roemer-Royce-Calvert proposal.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. McCOLLUM].

(Mr. McCOLLUM asked and was given permission to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Chairman, I rise in reluctant opposition to the McIntosh amendment, but in strong support of the Roemer underlying proposal that we have here is an opportunity today to be able to do something for manufactured housing that has been needed for a long time.

It is absolutely necessary that we have a consensus committee. It has to be established. I do not think any of us disagree with that fact. HUD, the consumer groups, everybody understands that.

The manufactured housing, affordable housing for everybody, is very, very important in the State of Florida and California and, in much of the country today. Many low- and middle-income Americans are very dependent on it, and it is time that we have the
benefit and the knowledge and the input of the building codes and standards for the most knowledgeable people possible in the industry. This amendment, the Roemer amendment, would give a balance among the various interests involved in manufactured housing. We must reform the current process that HUD uses to develop the construction and safety standards for manufactured homes because, simply put, it does not work right now. The consensus amendment, the Roemer amendment, and I support what he was asking us here in Washington. I think overall I am one of the original cosponsors of the Roemer amendment. But if my colleagues go back to my home congressional district, in fact if they go back to Nobility Home and they talk to Terry Trexler, who is the president of the company who has struggled in the trenches with this regulation and has dealt with this for years, he says he would rather have the McIntosh amendment than the Roemer amendment.

So what we have here basically is we have an amendment which will affect the people who are working in the industry better than the Roemer amendment, so I say to my colleagues reluctantly I would like them to support the McIntosh amendment. It is a much better thing to do, and I think overall that this will bring a little bit more sense to the industry, and in fact this is something on the Senate side, as I understand, and I might have a colleague with the gentleman from Indiana [Mr. MCINTOSH] if I could get his attention.

I would ask the gentleman from Indiana, if I can take a moment, can he tell me on the Senate side what kind of bill they have? Does it closely parallel the gentleman’s or the gentleman from Indiana, Mr. ROEMER’s?

Mr. MCINTOSH. Mr. Chairman, if the gentleman will yield, it is my understanding that the lead sponsors of this bill in the Senate have one that is much closer to my legislation, actually a little bit stronger in its terms, and therefore the likelihood of this in coming out closer to the terms of my amendment is much greater, and it is not controlled locally, but who does control manufactured housing and it cuts off the ability of HUD to control manufactured housing at the other end, and so obviously some manufacturers think that is the way to go. No big surprise. But that means it is not controlled from the Federal side, it is not controlled locally, but who does control it? We do have some resolution.

I mean this is the dilemma we have had. We have got to leave some balance in this policy, and I think that the amendment offered by the gentleman from Indiana [Mr. ROEMER] strikes that balance. There is no question about it, but there has been discrimination against this manufactured housing based on regulatory and zoning policies. The way to right that is to follow and pass the Roemer-Calvert amendment. That’s the best and positive proposal that has been hammered out and deserves the support of the House.

Mr. VENTO. I thank the gentleman for yielding this time to me, and I rise in opposition to the Roemer-Calvert amendment and in favor of the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The fact is that I think Mr. ROEMER’s amendment strikes that consensus. The issue with McIntosh is that it cuts off the authority at the local level to control manufactured housing and it cuts off the ability of HUD to control manufactured housing at the other end, and so obviously some manufacturers think that is the way to go. No big surprise. But that means it is not controlled from the Federal side, it is not controlled locally, but who does control it? We do have some resolution.

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Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the great State of Florida [Mr. STEARNS], where so many New Yorkers reside.

Mr. STEARNS. Let me conclude, Mr. Chairman, by just reading a final sentence from this letter that Nobility Homes sent to me. It says, “The employees of our subsidiary, in addition, endorse this bill as much better for the industry and accept the McIntosh amendment.”

Mr. ROEMER. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California [Mr. LEWIS], a member of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I appreciate the gentleman yielding me the time.

I want to especially express my appreciation to my friend, the gentleman from Indiana [Mr. MCINTOSH], who brought this amendment to my attention in the first place. In our region in southern California, manufactured housing is a very important employer and a great supplier. A very, very significant percentage of the industry is from our region.

There is no question that the industry is going to thrive and survive better if there is a consensus amendment. I urge the Members to vote against the McIntosh amendment and for the Roemer amendment.

Mr. ROEMER. Mr. Chairman, I yield 30 seconds to the gentleman from Minnesota [Mr. VENTO], a very distinguished member of the committee and a very, very hard-working Member of Congress.

Mr. VENTO. I thank the gentleman for yielding this time to me, and I rise in opposition to the Roemer-Calvert amendment and in favor of the amendment offered by the gentleman from Indiana [Mr. ROEMER].
comprises about 70, 75 percent of the industry. It is strongly supported by the consumer groups and the American Association of Retired People.

Now, the gentleman from Florida [Mr. McCollum] and the gentleman from Illinois [Mr. P. J. G. Lewis] and others, very distinguished members of the Republican Party, have said that the McIntosh amendment will kill any ability for this Roemer-Royce bipartisan bill to be signed into law.

We need to keep this common-sense reform for our industry, for our consumers, and for the sake of this country to compete in a global environment. I urge my colleagues to support the bipartisan Roemer-Royce-Calvert-Vento amendment and defeat Mr. McIntosh's amendment.

Mr. LAZIO of New York, Mr. Chairman, I yield the remaining 3 minutes of my time to the distinguished gentleman from Indiana [Mr. McIntosh].

Mr. McIntosh. Mr. Chairman, first let me commend my colleague from New York for bringing this entire bill forward and the incredibly good work that he has done in this Committee and others, and let me assure him that when my amendment is added to this bill, it will in no means make it less likely that it is to be signed by the President.

The last time I checked, the consumer groups were not the ones controlling the Senate or the conference and that in fact this amendment is most likely to come through the Senate and the House conference intact and succeed in order to provide real relief for the owners and purchasers of these manufactured housing.

Bottom line is, my amendment would put real teeth into regulatory relief, would require common sense to be used by HUD in developing standards for safe manufactured housing, would avoid the disastrous regulations in the past that have increased the cost of this housing by 10, 20 percent at a leap, and would finally do something for workers throughout this country who want a chance to have the American dream, to afford their own homes, many of them for the first time.

Mr. Chairman, I include for the Record a letter from Mr. Jim Shea, who lives in the district of the gentleman from Florida [Mr. Stearns], and one from Ms. Katherine Graham, represented Mr. Calvert, and another from Ms. Katherine Graham, who spends time in Ocala, Florida.

The letters referred to are as follows:

FAIRMONT HOMES, INC.
7905 SW 164th Street
Miami, FL 33183

Ms. Katherine Graham, spent on the phone with me this week regarding the proposed legislative changes to the National Manufactured Home Construction and Safety Standards Act. She believed that because of the length of our discussion, I should provide a written summarization of the grave concerns that we, as well as numerous others, do not have with the proposed legislative language.

CONSENSUS COMMITTEE

As we recently discussed, the Industry has sought for some time to gain the benefits of manufactured housing, to update the regulations on a reasonable basis. Unfortunately, it is my belief that the proposed consensus committee structure will result in no improvement in the process, and may result in a serious setback to reasonable regulation.

(1) I understand that consensus committee proposals would be subject to rejection or modification if the Secretary deems them to be “inconsistent with the purposes of Title VI.” Ms. Graham stated that if the Secretary wanted to modify a committee-approved regulation, the modification would have to go through rulemaking. While this is true as far as it goes, upon further consideration of the language, it seems to me that the Secretary, under section 606(c), could selectively reject portions of a proposed regulation without ever engaging in notice and comment. Such a selective rejection of only portions of a proposed standard, the Secretary could unilaterally change the substance of an entire standard. In addition, the language, which states that the Secretary is authorized to circumvent the consensus process altogether, and issue his own standards upon a finding of an emergency, or to modify the findings that the consensus committee will not make timely recommendations. It is important to note that this exception to consensus standards-development is phrased in the disjunctive. Thus, the Secretary could totally bypass the consensus committee, even in the absence of an emergency, and could preempt committee deliberations and debate over the most controversial issues by the simple expedient of declaring the committee incapable of rendering a “timely” recommendation and forcing through a standard of his own.

(2) The new legislative language appears to totally remove the current notice and comment requirements for Interpretive Bulletins. Ms. Graham said that the committee would have full review of the Interpretative Bulletins before issuance, but she was unsure if the Secretary could use his discretionary authority to make Interpretive Bulletins. If the Secretary chose to modify Interpretative Bulletin language as it came out of the committee, I noted that the overreaching use by HUD of Interpretative Bulletins in the past had created great consternation in the industry and any system that made it incapable of rending a “timely” recommendation and forcing through a standard of his own might result in no improvement in the process, and may result in a serious setback to reasonable regulation.

(3) Without preemption, the status of the manufactured housing industry would likely come to an end on employment in the district.

Ms. Graham responded that while she recognized the importance of the preemption issue, there would likely be great political difficulties with strengthening the preemptive language in the Act this year. However, it is our position that strengthening the language would only result in a return to the level of federal preemption originally envisioned by the sponsors of the 1974 Act. Hence, our expectations were scaled back. However, we cannot endorse proposed legislation that would effectively give HUD veto power over the membership of the consensus committee; allow HUD to replace the consensus organization at will; allow HUD to selectively veto discrete portions of proposed standards without rulemaking; and, ultimately bypass the regulatory process through any changes to the Act that do not result in (1) a more effective regulatory process through a more properly structured consensus committee, (2) more accountability for expenditures of fees in the program, and (3) strengthening of preemptive language to ensure the
Mr. Chairman, this amendment is good for all concerned. It brings consumers and environmentalists to the table, it helps protect consumers for the cost of unnecessary regulation. It allows us to go forward in a commonsense way in developing safety regulations for manufactured housing. America’s best hope for affordable housing in this country.

Mrs. SMITH of Washington. Mr. Chairman, I rise in support of the Roemer-Ryce amendment to the U.S. Housing Act of 1996 (H.R. 2406). This amendment establishes a consensus committee which will be responsible for the revision and interpretation of Federal manufactured housing construction and safety performance standards. This committee will be made up of all interested parties including industry, consumers, and government. This is an excellent opportunity to bring common sense back to the regulatory process.

Manufactured housing is an important industry and a large employer in my district in places like Woodland and Chehalis. This industry fulfills a vital need for people who want to live the American dream of home ownership. Unfortunately, onerous regulatory requirements have precluded some from achieving this dream. I urge my colleagues to support manufactured housing and to support the amendment.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to the bill?

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendments offered by the gentlewoman from New York [Ms. VELÁZQUEZ], and an amendment offered by the gentleman from Illinois [Mr. DURBIN].

AMENDMENTS OFFERED BY MS. VELÁZQUEZ

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendments offered by the gentlewoman from New York [Ms. VELÁZQUEZ] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendments offered by the gentl...
Mr. BALDACCI changed his vote from "no" to "aye."  The amendments were rejected.  The result of the vote was announced as above recorded.

Ms. JACKSON-LEE of Texas, Mr. Chair-
man, I rise today because I have some real concerns about how the Republican majority of this body treat those of our citizens who are most vulnerable.  H.R. 2406 the United States Housing Act of 1996 in its final form will repeal the Brooke amendment which established a flat rent of 30 percent of income for residents of all public housing and assisted housing.  This provision protected the most vulnerable residents of public housing and later those with Section 8 assistance from paying too high a percentage of their income in rent.

This bill will establish minimum rents of $25 to $50 a month without any consideration of a family's income.  In my State of Texas, the impact would be felt by 339,000 poor families who will have to pay more for a place to call home.  H.R. 2406 will also give housing authorities the power to demolish apartments without any consideration for the residents or their rights.  In my district, the residents of the Allen Park-Way Village have been completely removed from the decision making process by local public housing authority which may have been too emersed in its day-to-day operation to remember that their policy affects real people.

I have consistently argued that the residents of public housing must be involved in any plan to rehabilitate or demolish their homes.  Residents must also be given the opportunity to contest the actions of a housing authority through due process with an adequate appeal procedure.

Having a place to call home, no matter how modest, is a cornerstone of the American dream, it is the goal of every family.

Do we suspend the right to life, liberty and property because an individual earns the minimum wage or less?  The Federal Government created and supports an affordable public housing program because there is a need.  The current supply of housing is clearly defi-
cient and very real to their democratic Dream, making it a right for all of our country's homeless families that inhabit shelters in our Nation.

Today, we should be codifying the American Dream, making it a right for all of our country's families to have access to an affordable place to call home.  It would be the right thing to do and it is what the American people deserve.  Does this body consider an individual's opinion of no value or their voice silent if they are poor and reside in public housing.  A home is not just a place to live it is also a place where people should and must have a voice.  For residents of Allen Parkway Village in Houston, TX, what we do here today is very relevant and very real to their democratic rights as residents of public housing.

Citizens of this country no matter what their economic standing must have a right to be heard and to have due process.  It is a shame that the Republican majority brought this piece of legislation before the House for consideration without insuring that these rights were guaranteed to the residents of public housing.

We do not want to maintain a reliable supply of affordable housing for our Nation's poor?  I believe we do, the Houston Housing Authority has several fine examples of providing good housing for Houstonians.  More can be done including the providing of affordable housing for low-income citizens; however total abdica-
tion of Federal responsibility in public housing is clearly unwise.

The Congress should not in its shortightedness or insensitivity toward the poor, in public
housing policy making, create one additional homeless family.

When you are the poor of the poor, then you have a perspective that few of us in this chamber have ever known or will know. That should not, however, stop us from having common sense or compassion about what is fair or right.

I would caution us before this vote with a metaphor using words from Langston Hughes' poem, "As I Grew Older":

"And then the wall rose, rose slowly, slowly, Between me and my dream. Rose slowly, slowly, Dimming, Hiding, The light of my dream. Rose until it touched the sky—"

The wall is the legislation we pass that affects the poor and the dream is affordable housing.

Mr. KLECKKA. Mr. Speaker, I would like to express my serious reservations about the elimination of the service coordinators authorization under H.R. 2406, the "United States Housing Act of 1996".

The service coordinators program was established in 1992 in response to a desperate need in our Nation's public housing. At that time, elderly and disabled residents were being placed into public housing together. The differences in needs and lifestyles of these two populations were leading to fear and distrust. In a few cases, violence even broke out.

To help ease these tensions and ensure that all residents were receiving the medical, psychological, social and other services they needed, we developed the service coordinators program. When the grant was first announced, competition for these funds was intense. Cities across the Nation recognized that this program would allow them to address resident issues in a coordinated, comprehensive manner.

This program has accomplished a tremendous amount at a very low cost. In my home-town of Milwaukee, there has been a sea change in the atmosphere at public housing complexes. Service coordinators were sent. Our local paper, the Milwaukee Journal-Sentinel, reported that originally, "the only older people living in Milwaukee's public housing towers were those who had no other options." However, after service coordinators were established, "Within months, the social workers and nurses * * * had made major inroads in easing tensions, helping residents get to know one another and linking those who were sick or abusing alcohol or drugs to the help they needed."

I am deeply concerned that the block grant established under H.R. 2406 will force housing authorities to make difficult funding choices that will result in the elimination of service coordinators. Too often, social services cannot compete against needs like housing repairs and operating costs. It would be truly tragic if the programs that are made are erased simply because the funding stream is eliminated. We know what the problem has been, and we have designed a solution that works. It troubles me deeply that this bill may effectively destroy that solution, and all the hard-won advancements in mixed population housing.

Mr. Speaker, if service coordinators are eliminated, I will be watching closely to determine whether the sort of backsliding I have described occurs in the future. If it does, you may be certain that I will propose reinstating this critical program.

Mrs. MINK of Hawaii. Mr. Chairman, I rise in opposition to H.R. 2406, the "United States Housing Act of 1996".

How many of you have heard visitors from foreign countries express their astonishment at the wealth gap between individuals in this country living within the same communities. They see slums a quarter of a mile away from mansions. They see the homeless panhandling in luxury hotels. They see a husband and wife with their two children standing at a freeway entrance holding a sigh that says “Homeless-will work for food,” as a $50,000 sports car goes by.

It is one thing to want all the riches of the world, but it is another to strive to provide a home for their family. Is that too much to ask? What happened to the American dream? Everyone in Congress claims to be sympathetic to those in need of housing assistance, still, H.R. 2406 makes changes contrary to what I believe to be our public housing assistance goals. Low-income individuals should not be forced to decide between rent for housing and other primary needs.

H.R. 2406 establishes a minimum rent requirement eliminating current standards which cap tenant rent requirements. We want all Americans to pick themselves up by their own bootstraps when they don’t even have boots. We must not forget that welfare, Medicaid and several other programs to help the needy are already on the chopping block. We cannot throw people out on the streets because they happen to be poor.

I urge my colleagues to protect the housing for seniors with limited incomes, former homeless families with no income and large families receiving AFDC benefits. I urge the adoption of the Velazquez amendment:

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The CHAIRMAN. Under the rule, the Committee rises.

Visitors from other countries are astonished to see the contrast in housing conditions between the rich and the poor in the United States. Why aren’t we? I know the Federal Government doesn’t have all the answers, but neither do the States. Therefore, the Federal Government must continue to play a significant role in insuring that all of our country are met. We must work together to make the most efficient use of our resources and I sincerely do not believe this bill does that.

Unless drastic changes are made to H.R. 2406, I urge a “no” vote on this bill.

Mr. TOWNS. Mr. Chairman, every day my constituents remind me of the difficulty they have with making ends meet. And while $50 may not be much to you, it is a lot for many of my constituents living in public housing.

It has been estimated that 5.3 million low-income households are either spending more than half their incomes on rent or living in extremely substandard housing. This figure is expected to dramatically increase if the Velazquez amendment is not accepted.

I understand that the rent increase is intended to encourage personal responsibility. But I wish someone would tell me how a 70-year-old senior citizen or a 73-year-old Air Force veteran is going to be able to pay their personal responsibility. I believe they know what personal responsibility is and many of them have lived and survived in situations that many of us could not imagine living through.

This bill presupposes that the average public housing resident has extra money for rent. We are talking about people who have been displaced from their jobs, who have been homeless, who are single parents with young children and cannot afford child care and therefore cannot work a minimum wage job. People who are disabled, perhaps on dialysis, or who have suffered a stroke, simply cannot afford to pay higher rent. We are talking about truly needy families who do not want to be in the situation in which they find themselves in.

While I understand compassion is something this Congress is often not able to experience, we are talking about people who have been thrust upon themselves by their own bootstraps when they don’t even have boots. We must not forget that welfare, Medicaid and several other programs to help the needy are already on the chopping block. We cannot throw people out on the streets because they happen to be poor.

I urge my colleagues to protect the housing for seniors with limited incomes, former homeless families with no income and large families receiving AFDC benefits. I urge the adoption of the Velazquez amendment.

The CHAIRMAN. Is there any other amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose and the Speaker pro tempore (Mr. L. AHOOD) announced the chair, Mr. GUNDERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having
had under consideration the bill, (H.R. 2406), to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, pursuant to House Resolution 426, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

Mrs. MALONEY. Mr. Speaker, I demand a separate vote on the Maloney amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment?

The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk reads as follows:

Amendment: page 37, line 19, strike “A” and insert “(a) In GENERAL.—Except as provided in subsections (b) and (c),”.

Page 37, line 25, strike “Notwithstanding the preceding sentence, pet” and insert the following:

(b) FEDERALLY ASSISTED RENTAL HOUSING FOR THE ELDERLY OR DISABLED.—Pet

Page 38, after line 5, insert the following new subsection:

(c) ELDERLY FAMILIES IN PUBLIC AND ASSISTED HOUSING.—Responsibility ownership of common household pets shall not be denied to any elderly or disabled family who resides in a dwelling unit in public housing or an assisted dwelling unit (as such term is defined in section 371), subject to the reasonable requirements of the local housing and management authority or the owner of the assisted dwelling unit, as applicable. This subsection shall not apply to units in public housing or assisted dwelling units that are located in federally assisted rental housing for the elderly or handicapped referred to in subsection (b).

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mrs. MALONEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 375, noes, 48, not voting 10, as follows:

[Roll No. 159]

AYES—375

Burr  Gonzales  Meek  Stupak
Burton  Goodlatte  Meehan  Talent
Buxton  Golling  Menendez  Talent
Calvert  Goodwin  Metcalf  Taylor (CA)
Camp  Goss  Meyers  Taylor (MS)
Cardin  Graham  Millenger  Thompson
Castle  Green  Miller (FL)
Castellanos  Greenwald  Miller (GA)
Chenoweth  Gwinner  Mink  Thompson
Choi  Gwinnett  Moakley  Traficant
Chrysler  Hall (TX)  Mollohan  Trevena
Clay  Hamilton  Montgomery  Wheeler
Cleaver  Harris (MD)  Moore  Whelan
Cooley  Harris (PA)  Murray  Whittier
Cotler  Harris (RI)  Muccio  Wisniewski
Culbertson _hashed

[Roll No. 159]
May 9, 1996

CONGRESSIONAL RECORD – HOUSE

H4735

In Section 322(a) of the bill (as amended by the manager’s amendment), after paragraph (2) insert the following new paragraph: (3) EXCEPTIONS.—Notwithstanding paragraph (1), the amount paid by an assisted family for monthly rent for an assisted dwelling unit, may not exceed 30 percent of the family’s adjusted monthly income for any future rent increase that is principally derived from earned income.

Any amount payable under paragraph (3) shall be in addition to the amount payable under this paragraph.

In section 352(a)(2) of the bill (as amended by the manager’s amendment), after “paragraph (2) insert “or (3)”.

Mr. KENNEDY of Massachusetts (during the reading).

Mr. Chairman, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. KENNEDY] is recognized for 5 minutes.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I want to compliment the gentleman from New York [Mr. Lazio], my friend for the efforts that he has made on this bill. I want to thank the gentleman in particular for the extensions that he has made to the Brooke amendment.

Under the bill the way we are about to vote on it, we will have protected our senior citizens and elderly.

Mr. Speaker, under the way this bill is about to be voted on, with the amendments that the gentleman from New York [Mr. Lazio] has accepted, we will be protecting our elderly, our senior citizens, that live in public housing and that gain access to tenant based vouchers. And the amendments would protect the disabled people. We have extended that to disabled people. We have extended that to our Nation’s veterans.

The one group of people that we have not extended the Brooke protections to are the very people that the chairman of the Subcommittee on Housing and Community Opportunity suggests that the Brooke amendment is going to most hurt. That is the working poor of this country. They are the individuals that under the arguments that we have heard over the course of the last 24 hours have a disincentive, that is to go to work, that is put into place by the Brooke amendment.

However, because of all of the protections that we have placed into the Brooke amendment, the only people that we can now raise rents on are, in fact, the working poor. So we have this perverse situation where we have created an enormous disincentive, an even larger disincentive to work under the notice put forward by the Republicans in this bill.

We have a perverse situation where the very individuals that all of us in this Chamber have voiced the greatest concern about in terms of their ability to go out and work and the disincentives that we sometimes inadvertently put into law that creates these weird circumstances where they are no longer incentivized to work but are incentivized to stay on the Government’s dole. But not only are they incentivized to stay on the Government’s dole, they are incentivized to stay on the Government’s dole by virtue of the exemptions that we have placed in this bill. So what has occurred is, in fact, an enormous rent increase.

It will not be linked to a percentage of income, but I do not know anyone that worries or not their rent increase occurs because it is a percentage of income or just because the landlord jacked up the rent. But nevertheless, what we got here is a rent increase of substantial proportions on the very individuals that everyone in this House is looking to protect and to create incentives to have them go out and work for a living.

This motion to recommit would extend the Brooke protections to the working poor or a living, that live in public housing, that use tenant based vouchers and say that they cannot inadvertently have their rents jacked up because of the maneuvers that end up being created pervertedly by this bill, will inadvertently jack up their rents.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, this very carefully drawn recommit would extend the protections of the Brooke Amendment which protect these people.

Mr. Speaker, I ask unanimous consent that the following articles on the Brooke amendment:

[From the Boston Globe, May 8, 1996]

SAVE THE BROOKE AMENDMENT

(6) In Section 322(a) of the bill (as amended by the manager’s amendment), after “paragraph (2) insert “or (3)”.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Speaker, in closing for the Republicans, I would like to note the following article on the Brooke amendment.

As a young man starting out on my own, my father taught me that if I was paying more than 25 percent of my income on rent, I was paying more than I could afford and should find another place to live. It was sound advice then, and it is sound advice today.

Too much spent on housing leaves a person juggling to pay for other essentials, robbing Peter to pay Paul, with no ability to save for the future.

Twenty-seven years ago as a Republican US senator from Massachusetts, I introduced the "Brooke Amendment" to keep rents affordable for low-income families, elders, veterans and disabled people living in public housing. Then, as now, public housing authorities faced increasing operating expenses and, in order to cover those expenses, were charging tenants higher and higher rents—in some cases upwards of 50 percent of their meager incomes.

Congress had two choices: fill the operating-cost gap or turn people out of their homes. We voted to fill the gap and passed legislation, signed into law by President Nixon in 1969, to cap rent at 25 percent of income. In 1981, this cap was raised to 30 percent.

Now, US Rep. Rick Lazio, a Republican from New York and chairman of the housing subcommittee, is expected to bring to the House a bill that calls for the elimination of the Brooke Amendment, which would put 27 million households in danger of losing the rent-cap safeguard in their federally subsidized housing. The rationale for repealing the Brooke Amendment is that, to fill the current revenue gap, housing authorities need to attract working people who can pay higher rents into public housing. The 30-percent cap is seen as a disincentive for residents to obtain work.

The purpose of public housing is to provide decent, affordable housing for low-income families and the Brooke Amendment has ensured that for almost 30 years.

However, a specious argument has caught hold in Congress that people who have jobs should be penalized and more choices will be made to move into public housing developments where apartments are cramped, safety is often a problem

SAVE THE BROOKE AMENDMENT

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The purpose of public housing is to provide decent, affordable housing for low-income families and the Brooke Amendment has ensured that for almost 30 years.

However, a specious argument has caught hold in Congress that people who have jobs should be penalized and more choices will be made to move into public housing developments where apartments are cramped, safety is often a problem
and one is branded with the stigma of living in a poor development. Do members of Congress really believe that people who have the means to live elsewhere will move into public housing? The reality is that the people live in public housing because they have no other choice; they are poor and have no other place to go.

On the other hand, what is Mr. Kennedy's real concern? He does not really want to remove barriers that discourage public housing residents from obtaining employment, the solution is to give housing authorities the flexibility to set rents below 30 percent in certain instances and allow people to save and get back on their feet. Congress should not withhold operating subsidies from public housing authorities who balance the budget, and perhaps go deeper into the pockets of the poorest people. We must keep rents in public housing at a fair and reasonable percentage of income, a percentage that recognizes that people need money to pay for other basic expenses as well.

Some advocates of the repeal cite the rate of crime in public housing. The fact is that less than 15 percent of public housing tenants are involved in crime. More than 85 percent are decent, law-abiding citizens who live in the way the law intended. The crime problem is not repeal of the cap on rents, but through eviction and prosecution of criminal tenants.

I fear that the real intention in repealing the Brooke Amendment is to abandon federal public housing. This misguided and hard-edged notion is no basis for the foundation of our federal housing policy.

Abandoning public housing is unwise for the country. It ignores the investment that this country has already made to build millions of units of housing—housing that, if we had to rebuild today, would be prohibitive in cost.

The Brooke Amendment is not a budget buster. Last year, the federal government provided $2.9 billion to agencies that run public housing. This figure was dwarfed by $136 billion in mortgage interest deduc-
tions that reduce housing costs for middle- and upper-income people. There is clearly no fairness or equity in the allocations between the haves and the have-nots.

There comes a point in making policy deci-
sions when compassion and common sense must dictate. I respectfully urge my Repub-
lican colleagues in Congress to preserve the Brooke Amendment.

Mr. LAZIO of New York. Mr. Speak-
er, I rise in opposition to the motion to recommit.

Mr. Speaker, I want to begin by thanking the full chairman of the Com-
mittee on Banking and Financial Serv-
cices, the gentleman from Iowa [Mr. LEACH], for his support and friendship. I want to thank the members of my subcommittee, especially the people who sit on my side in the debate. The gentleman from Louis-
iana [Mr. BAKER], the gentleman from Nebr-
aska [Mr. BEREUTER], the vice chair-
man of the Subcommittee on Housing and Community Development. I want to thank the gentleman from Delaware [Mr. SPECTER], the gentleman from Arizona [Mr. HAYWORTH], the gen-
tleman from Illinois [Mr. WELLER], on and on.

I want to thank the gentleman from Massachusetts [Mr. KENNEDY] for co-operation, the ability to work to-
gether on a number of different items.

Mr. Speaker, this moment culmi-

nates 2 days of debate about two dif-

ferent visions of America. The first vi-

sion is the vision at my left. It is the state of public housing in America.

Mr. Speaker, 200,000 Americans live in public housing that is run by cor-
rupt, dysfunctional, mismanaged hous-
ing authorities who want to get out of poverty, want to take the opportunity to walk down that path toward employment. It says the minute you go to work, you pay a 30-percent tax. It says that you cannot live under the same rules, if you live in public housing, all of us live under.

Let us consider ourselves here. How would you all like to pay a 30-percent rent on our income? What kind of an artificial bizarre world sets rent based on how much income you make so that the minute you go to work, if you are

to take overtime or get a better job or help yourself up the ladder or if you want your other spouse to go to work, the minute that happens, you get penal-
ized, your rent goes up?

What we are saying is, set flat rents that help incentivize work. Mr. Speak-
er, we are talking about a fund-
amental local control, about reclaim-
ing our communities and getting Wash-
ington bureaucrats and their one-size-
fits-all-20-page-regulatory-model out of our community so they can do their own job.

Let me tell you about the people who have hands-on experience, Mr. Speaker, the people from the housing authori-
ties themselves and what they say.

The Public Housing Authorities Di-
rectors Association says, this legisla-
tion would permit badly needed flexi-
bility that PHAs need to move resi-
dents up the ladder of self-sufficiency. We strongly support the provisions that would allow for working families flexible ceiling rents that would allow working residents to remain in public housing.

I urge a "no" vote for the future of the children in public housing.

The SPEAKER pro tempore. Without objection, the previous question is or-
dered on the motion to recommit.

There was no objection. The SPEAKER pro tempore (Mr. LAHood). The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KENNEDY of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announ-
ced that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic de-
vice, and there were—ayes 196, noes 226, not voting 11, as follows:

[Roll No. 160]

AYES—196

Abercrombie Idaho Evans Wyoming
Abercrombie Ackerman Vermont Evans
Ackerman Andrews Florida Evans
Balducci Bandman New York Evans
Barrett (WI) Wisconsin Evans
Becerra California Florida
Belenos Connecticut Florida
Bensent Maryland Florida
Bergman Michigan Florida
Bishop Florida Florida
Blute West Virginia Florida
Boehlert New York Florida
Borki Massachusetts Florida
Boucher Massachusetts Florida
Bouchard Michigan Florida
Brown (CA) California Florida
Brown (FL) Florida Florida
Brown (OH) Ohio Florida
Bryant (TX) Texas Florida
Bunn Mississippi Florida
Clay Tennessee Florida
Clayton Mississippi Florida
Clayton Delaware Florida
Costello New Jersey Florida
Coyne New York Florida
Cramer New York Florida
Cummings Connecticut Florida
Danner Oregon Florida
Dannemiller California Florida
Del Lago California Florida
DelBarto Rhode Island Florida
DeLemos California Florida
Delugs New York Florida
De La Garza Texas Florida
Defazio New York Florida
Defazio New York Florida
DFazio New York Florida
Dellums California Florida
Dimeglio New York Florida
Dominguez California Florida
Dorris Oregon Florida
Dworkin Massachusetts Florida
Edwards Rhode Island Florida
Edwards New York Florida
Eshoo New York Florida
Eskridge California Florida
Fox Wisconsin Florida
Frank (MA) Florida Florida
Frazier Maryland Florida
Frazier Pennsylvania Florida
Fujikawa Hawaii Florida
Furman Florida Florida
Furse Texas Florida
Gephardt Missouri Florida
Gibbons Florida Florida
Gonzalez Texas Florida
Gordon Washington Florida
Green (TX) Texas Florida
Gutierrez Texas Florida
Hagedorn Florida Florida
Harman Florida Florida
The Clerk announced the following pair:

On this vote, Mr. Paxon against.

Mr. FOX of Pennsylvania and Mr. BLUTE changed their vote from "no" to "aye." So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Mr. EWING. Mr. Speaker, on Roll Call No. 160, my card failed to record your vote. I intend to be recorded "No." The SPEAKER pro tempore (Mr. LAHood). The question is on the passage of the bill. The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LAZIO of New York. Mr. Speaker, I demand a recorded vote. A recorded vote was ordered.

The electronic vote was taken, and there were Present—315, noes 107, not voting 11, as follows:

[Roll No. 161]
H4738

CONGRESSIONAL RECORD – HOUSE

May 9, 1996

Nader
Neal
Oberstar
Oliver
Owens
Palin
Pastor
Payne (NJ)
Peleo
Quinn
Rahall
Rangel
Reed
Nadler
Neal
Oberstar
Oliver
Owens
Palin
Pastor
Payne (NJ)
Peleo
Quinn
Rahall
Rangel
Reed

NOT VOTING

Bachus
Bevill
Dickey
Laugin

Messrs. DEUTSCH, DICKS, and COSTELLO changed their vote from "aye" to "no."
Mr. CLYBURN changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. LAZIO of New York. Mr. Speaker, pursuant to section 2 of House Resolution 426, I ask that the text of the Speaker's table the Senate bill (S. 1260) to reform the current public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The text of S. 1260 is as follows:

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

SEC. 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Public Housing Reform and Empowerment Act of 1996".

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

TITLE I—PUBLIC AND INDIAN HOUSING

Sec. 101. Declaration of policy.
Sec. 102. Membership on board of directors.
Sec. 103. Authority of public housing agencies.
Sec. 104. Definitions.
Sec. 105. Contributions for lower income housing projects.
Sec. 106. Public housing agency plan.
Sec. 107. Contract provisions and requirements.
Sec. 108. Expansion of powers.
Sec. 109. Public housing designated for the elderly and the disabled.
Sec. 110. Public housing capital and operating funds.
Sec. 111. Labor standards.
Sec. 112. Reform of energy conservation; consortia and joint ventures.
Sec. 113. Repeal of modernization fund.
Sec. 114. Eligibility for public and assisted housing.
Sec. 115. Demolition and disposition of public housing.
Sec. 116. Repeal of family investment centers; voucher system for public housing.
Sec. 117. Repeal of family self-sufficiency; community revolving loan funds.
Sec. 118. Revitalizing severely distressed public housing.
Sec. 119. Mixed-income and mixed-ownership projects.
Sec. 120. Conversion of distressed public housing to tenant-based assistance.
Sec. 121. Public housing mortgages and security interests.
Sec. 122. Linking services to public housing tenants.
Sec. 123. Applicability to Indian housing.

TITLE II—SECTION 8 RENTAL ASSISTANCE

Sec. 201. Merger of the certificate and voucher programs.
Sec. 203. Portability.
Sec. 204. Leasing to voucher holders.
Sec. 205. Homeownership option.
Sec. 206. Technical and conforming amendments.
Sec. 207. Implementation.
Sec. 208. Definition.
Sec. 209. Effective date.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Public housing flexibility in the rental assistance program.
Sec. 302. Repeal of certain provisions.
Sec. 303. Determination of income limits.
Sec. 304. Demolition of public housing.
Sec. 305. Coordination of tax credits and section 8.
Sec. 306. Eligibility for public and assisted housing.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) there exists throughout the Nation a need for decent, safe, and affordable housing;
(2) the inventory of public housing units owned and operated by public housing agencies, an asset in which the Federal Government has invested approximately $90,000,000,000, has traditionally provided rental housing that is affordable to low-income persons;
(3) despite serving this critical function, the public housing system is plagued by a series of problems, including the concentration of very poor people in very poor neighborhoods and disincentives for economic self-sufficiency;
(4) the Federal method of overseeing every aspect of public housing by detailed and complex statutes and regulations aggravates the problem and makes administrative burdens on public housing agencies;
(5) the interests of low-income persons, and the public interest, will best be served by a reformed public housing program that—

(A) consolidates many public housing programs into programs for the operation and maintenance of this Act, and annually thereafter, the Secretary shall submit to the Congress proposed regulations that the Secretary determines are necessary to carry out the United States Housing Act of 1937, as amended by this Act.

(b) TECHNICAL RECOMMENDATIONS.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Development.

SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) PUBLIC HOUSING AGENCY.—The term "public housing agency" has the same meaning as in section 3 of the United States Housing Act of 1937.

(2) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 4. EFFECTIVE DATE.

As otherwise specifically provided in this Act or the amendments made by this Act, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act.

SEC. 5. PROPOSED REGULATIONS; TECHNICAL RECOMMENDATIONS.

(a) PROPOSED REGULATIONS.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit to the Congress proposed regulations that the Secretary determines are necessary to carry out the United States Housing Act of 1937, as amended by this Act.

(b) TECHNICAL RECOMMENDATIONS.—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, recommend technical and conforming legislative changes necessary to carry out this Act and the amendments made by this Act.

SEC. 6. ELIMINATION OF OBSOLETE DOCUMENTS.

Effective 1 year after the date of enactment of this Act, no rule, regulation, or order (including all handbooks, notices, and related requirements) pertaining to public housing or section 8 tenant-based programs issued or promulgated under the United States Housing Act of 1937 before the date of enactment of this Act may be enforced by the Secretary.

SEC. 7. ANNUAL REPORTS.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall report to the Congress on the impact of the amendments made by this Act on—

(1) the demographics of public housing tenants and families receiving tenant-based assistance under the United States Housing Act of 1937; and
(2) the economic viability of public housing agencies.

TITLE I—PUBLIC AND INDIAN HOUSING

SEC. 101. DECLARATION OF POLICY.

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended to read as follows:

"SEC. 2. DECLARATION OF POLICY.

"It is the policy of the United States to promote the general welfare of the Nation by..."
employing the funds and credit of the Na-

tion, as provided in this title—

`(1) to assist States, Indian tribes, and po-

tical subdivisions of States to remedy the

unsanitary housing conditions and the acute

shortage of decent and safe dwellings for

low-income families;

`(2) to assist States, Indian tribes, and po-

tical subdivisions of States to assist in pro-

viding decent and safe housing for indi-

viduals that are not otherwise eligible for

residence in public housing because of the

acute shortage of housing affordable to low-income

families;

`(3) consistent with the objectives of this

title, and with the terms and conditions of their tenancies,

persons determined by police officers under this clause, and

public housing to reside in a public housing

agency may, in accordance with the public

housing law of the political subdivision, give preference to single

persons before single persons who are otherwise

eligible; and

`(4) persons determined by any public housing

agency may give preference to single

persons who are elderly or disabled per-

sons before single persons who are otherwise

eligible; and

`(5) ADJUSTED INCOME.—The term 'adjusted

income' means the income that remains

after excluding—

`(A) $490 for each member of the family re-

siding in the household (other than the head

of the household or the spouse of the head

of the household)—

`(B) the term 'police officer' means any

person with disabilities or a full-time

student;

`(C) the amount by which the aggregate of—

`(i) medical expenses for an elderly or dis-

abled family; and

`(ii) reasonable attendant care and auxil-

iary apparatus expenses for each family

member who is a person with disabilities,

to the extent necessary to enable any member

of the family (including a member who is a

person with disabilities) to be employed;

ends 3 percent of the annual income of the

family;

`(D) child care expenses, to the extent

necessary to enable another member of the

family to be employed or to further his or her

education;

`(E) with respect to a family assisted by an

Indian housing authority only, excessive

travel expenses, not to exceed $25 per family

per week, for employment- or education-

related travel; and

`(F) any other income that the public

housing agency determines to be appro-

priate, as provided in the public housing

agency plan.''.

(3) INDIAN HOUSING AUTHORITY: INDIAN TRIBE.—

`(A) IN GENERAL.—Section 3(b) of the United

States Housing Act of 1937 (42 U.S.C. 1437a(b))

is amended by striking paragraphs (1) and

(2) and inserting the following:

``(11) INDIAN HOUSING AUTHORITY.—The term

'Indian housing authority' means any entity that

``(A) is authorized to engage or assist in

the development or operation of low-income

housing for Indians; and

``(B) establishes—

``(i) by exercise of the power of self-govern-

ment of an Indian tribe, independent of State law;

``(ii) by operation of State law authorizing

or enabling an Indian tribe to create housing

authorities for Indians, including regional

housing authorities in the State of Alaska.

``(B) INDIGENOUS AUTHORITY.—The term 'Indian tribe' means the governing body of any In-

dian or Alaska Native tribe, band, nation, pueblo, village, or community that the Sec-

crury of the Interior acknowledges to exist as an Indian Tribe, pursuant to the Federally

Recognized Indian Tribe List Act of 1994.''.

(3) RECOGNIZED AUTHORITY.—The amendment made

by subparagraph (A) does not affect the ex-

istence, or the ability to operate, of any In-

dian housing authority established before

the date of enactment of this Act by any

recognized tribe, band, pueblo, group, community, or nation of Indians or Alaska Natives that does not qualify as an Indian tribe under section 3(b) of the United States Housing Act of 1937, as amended by this para-

graph.
"(d) Disallowance of Earned Income From Public Housing Rent Determinations.—

(1) IN GENERAL.—Notwithstanding any other provision of law or any administrative or judicial determination, any earned income from employment of a member of the family who was previously unemployed for 1 or more years (including a family whose income increases as a result of the participation of a family member in a family self-sufficiency or other job training program) may not be increased as a result of the increased income due to such employment during the 18-month period beginning on the date on which the employment is commenced.

(2) Phase-in of Rate Increases.—After the expiration of the 18-month period referred to in paragraph (1), rent increases due to the continued employment of the family member described in paragraph (1)(B) shall be phased in over a subsequent 2-year period.

(3) In 2023.—Rent payable under subsection (a) shall not exceed the amount determined under subsection (a).

SEC. 105. CONTRIBUTIONS FOR LOWER INCOME HOUSING PROJECTS.

(a) IN GENERAL.—Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) is amended by striking subsections (h) through (l).

(b) Conforming Amendments.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 21(d), by striking ``section 5(h)'' or

(2) in section 25(l)(1), by striking ``and for sale under section 5(h)''; and

(3) in section 307, by striking ``section 5(h)'' and

SEC. 106. PUBLIC HOUSING AGENCY PLAN.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by inserting after section 5 the following new section:

(b) Statement of Policy.—An annual statement of the housing needs of low-income families residing in the community, and of other low-income families on the waiting list of the public housing agency (including the housing needs of elderly families and disabled families), and the means by which the public housing agency intends, to the maximum extent practicable, to address those needs.

(c) General Policies, Rules, and Regulations.—The policies, rules, and regulations of the public housing agency regarding—

(i) tenant screening policies;

(ii) any preferences or priorities for selection and admission;

(iii) annual income verification procedures;

(iv) requirements relating to the administration of any waiting lists of the public housing agency;

(v) any Capital Fund or Operating Fund distributions made available to the public housing agency, including—

(A) the requirements for the selection and admission of eligible families into the program or programs of the public housing agency;

(B) the requirements for assignment of families admitted into the program to dwelling units owned, leased, managed, or assisted by the public housing agency;

(C) the requirements for occupancy of dwelling units, including all standard lease provisions, and conditions for continued occupancy, termination, and eviction;

(D) procedures for establishing rents, including ceiling rents and adjustments to income; and

(E) procedures for designating certain public housing projects, or portions of projects, for occupancy by elderly families, disabled families, or by elderly and disabled families.

(f) Operation and Management.—The policies, rules, and regulations relating to the management of the public housing agency, including—

(A) a description of the manner in which the public housing agency will regulate the housing needs of elderly families and of other low-income families on the waiting list of the public housing agency (including any consortia or joint ventures) and staffed to perform the duties and functions of the public housing agency and to administer the Capital Fund and Operating Fund distributions of the public housing agency;

(B) policies relating to the rental of dwelling units owned or operated by the public housing agency, including policies designed to reduce vacancies;

(C) policies relating to providing a safe and secure environment in public housing projects, including antidrug activities; and

(D) policies relating to the management and operation, or participation in mixed-income projects, if applicable.

(E) policies relating to services and amenities provided or offered to assisted families, including the provision of service coordination and services designed for certain populations, such as the elderly and disabled;

(F) procedures for implementing the work requirements of section 12(c);

(G) policies for identifying management weaknesses;

(H) objectives for improving management practices;

(I) a description of management initiatives to control the costs of operating the public housing agency;
"(j) a plan for preventive maintenance and a plan for routine maintenance;
(K) policies relating to any plans for converting public housing to a system of tenant-based assistance programs;
(L) policies relating to the operation of any homeowner programs.
(6) CAPITAL FUND REQUIREMENTS.—The policies of any local advisory board established under subsection (a) of this section shall include—
(A) the capital needs of the public housing agency;
(B) plans for capital expenditures related to providing a safe and secure environment in public housing units, including anticrime and antidrug activities;
(C) policies relating to providing a safe and secure environment in public housing units, including anticrime and antidrug activities;
(D) policies relating to the capital requirements of mixed-income projects, if applicable;
(E) an annual plan and, if appropriate, a 5-year plan of the public housing agency for the capital needs of the existing dwelling units of the public housing agency, each of which is consistent with a general statement identifying the long-term viability and physical condition of each of the public housing projects and other property of the public housing agency, including cost estimates;
(F) a plan to handle emergencies and other disasters;
(G) the use of funds for new or additional units, including contributions to mixed-income projects, if applicable;
(H) any plans for the sale of existing dwelling units to low-income residents or organizations conducting sales to such residents under a homeowner plan;
(I) any plans for converting public housing units to a system of tenant-based assistance; and
(J) any plans for demolition and disposition of public housing units, including any plans for replacement units and any plans providing for the relocation of residents who will be displaced by a demolition or disposition of units.
(7) ECONOMIC AND SOCIAL SELF-SUFFICIENCY PROGRAM REQUIREMENTS.—The policies, programs, plans, and activities of the public housing agency for the enhancement of the economic and social self-sufficiency of residents assisted by the programs of the public housing agency shall—
(A) be subject to the notice and public hearing requirements of subsection (d); and
(B) be subject to the notice and public hearing requirements of subsection (d) in accordance with section 6(j).
(8) ANNUAL AUDIT.—The results of an annual audit of the public housing agency, including any audit of management assistance provided by the public housing agency, shall be submitted to the Secretary by each public housing agency in accordance with subsection (g)(2).
(9) LOCAL ADVISORY BOARD.—
(A) TENANTS.—Not less than 60 percent of the members of the board shall be tenants of dwelling units owned, operated, or assisted by the public housing agency, including representatives of any resident organizations.
(B) REPRESENTATIVES.—The members of the board, other than the members described in subparagraph (A), shall include—
(i) representatives of the community in which the public housing agency is located; and
(ii) local government officials of the community in which the public housing agency is located.
(3) PURPOSE.—Each local advisory board established under this subsection shall assist the public housing agency in the development of the public housing agency plan. The public housing agency shall consider the recommendations of the local advisory board in preparing the public housing agency plan, and shall include a copy of those recommendations in the public housing agency plan submitted to the Secretary under this section.
(4) INAPPLICABILITY TO INDIAN HUSBANDS.—This subsection does not apply to an Indian housing authority.
(5) WAIVER.—The Secretary may waive the requirements of this subsection with respect to tenant representation on the local advisory board of a public housing agency, if the public housing agency demonstrates to the satisfaction of the Secretary that a resident council or other tenant organization of the public housing agency adequately represents the interests of the tenants of the public housing agency.
(6) PUBLICATION OF NOTICE.—
(A) In general.—Not later than 45 days before the date of a hearing conducted under paragraph (2) by the governing body of a public housing agency, the public housing agency shall publish a notice informing the public that—
(1) a proposed public housing agency plan is available for inspection at the principal office of the public housing agency during normal business hours; and
(2) a public hearing will be conducted to discuss the public housing agency plan and to invite public comment regarding that plan.
(B) Public hearing.—Each public housing agency shall, at a location that is convenient to residents, provide a public hearing, as provided in the notice published under paragraph (1).
(7) ADOPTION OF PLAN.—After conducting the public hearing under paragraph (2), and after considering all public comments received and, in consultation with the local advisory board, making any appropriate changes in the public housing agency plan, the public housing agency shall—
(A) adopt the public housing agency plan; and
(B) submit the plan to the Secretary in accordance with this section.
(8) SECURITIZED FUND LEVERAGING.—
(A) In general.—Except as provided in paragraph (3)(B), an amendment or modification to the public housing agency plan submitted to the Secretary under this section shall—
(i) be adopted by the Governing Board and, if so adopted, take effect upon submission to the Secretary under this section;
(ii) set forth the information required by the Secretary at such time and in such form as the Secretary determines to be necessary to make determinations under this paragraph, the Secretary shall review the public housing agency plan (including any amendments or modifications thereto) to determine whether the contents of the plan are consistent with and in furtherance of the information required by this section to be contained in a public housing agency plan; and
(iii) be consistent with and in furtherance of any provision of this title or any other applicable law.
(B) APPROVAL.—
(i) In general.—Except as provided in paragraph (3)(B), not later than 60 days after the public housing agency submits a plan to the Secretary, the Secretary shall review an amendment or modification to the public housing agency plan submitted to the Secretary under this section and, after considering all public comments received, take such action to be necessary to make determinations under this section, the public housing agency plan submitted to the Secretary shall be approved or disapproved under subsection (b) before the date of a hearing conducted under subsection (d).
(ii) F A I L U R E T O P R O V I D E N O T I C E O F D I S APPROVAL.—If the Secretary does not provide notice of disapproval under clause (i) before the expiration of the 60-day period described in clause (i), the public housing agency plan shall be deemed to be approved by the Secretary.
(3) SECRETARIAL DISCRETION.—
(A) In general.—The Secretary may require such additional information as the Secretary determines to be necessary for each public housing agency that—
(i) is designated as a troubled public housing agency; and
(ii) is designated as a troubled public housing agency.
(B) TROUBLED AGENCIES.—The Secretary shall provide explicit written approval or disapproval under subsection (f) of the public housing agency plan submitted by any public housing agency designated by the Secretary as a troubled public housing agency under section 6(j).
(4) STREAMLINED PLAN.—In carrying out this section, the Secretary may establish a streamlined public housing agency plan for a troubled public housing agency that is determined by the Secretary to be high performing public housing agencies; and
"(B) public housing agencies with less than 250 public housing units that have not been designated as troubled under section 6(j)."

(b) IMPLEMENTATION.--Not later than 120 days after the date of enactment of this Act, the Secretary shall issue an interim rule to require the submission of an interim public housing agency plan by each public housing agency, as required by section 5A of the United States Housing Act of 1937 (as added by section (a) of this section).

(c) INDIAN HOUSING AUTHORITIES.--In carrying out this subsection, the Secretary may implement separate rules and regulations for the Indian housing program.

(c) AUDIT AND REVIEW; REPORT.--(1) AUDIT AND REVIEW.--Not later than 1 year after the date of enactment of this Act, in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5 of the United States Code, the Secretary shall promulgate final regulations implementing section 5A of the United States Housing Act of 1937, as added by subsection (a) of this section.

(2) IN GENERAL.--Not later than 1 year after the date of enactment of this Act, in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5 of the United States Code, the Secretary shall conduct examination and audit and review under paragraph (1); and

(d) LEASES.--Section 6(i) of the United States Housing Act of 1937 (42 U.S.C. 1437d(i)) is amended--

(1) in paragraph (3), by striking "not be less than" and all that follows before the semicolon and inserting "be the period of time required under State law"; and

(2) in paragraph (3), by striking "on or near such premises".

(f) PUBLIC HOUSING ASSISTANCE TO FOSTER CARE CHILDREN.--Section 6(e)(ii) of the United States Housing Act of 1937 (42 U.S.C. 1437d(e)(ii)) is amended by inserting the following new subparagraphs:

(I) the Indian housing program.

(ii) the electric and gas utilities and other public utilities that are providing service to the building.

(iii) the public housing agency.

(iv) the private landlord.

(v) the tenant.

(vi) the Federal, State, or tribal government.

(vii) any other person or entity.

(g) PREFERENCE FOR AREAS WITH INADEQUATE SUPPLY OF VERY LOW-INCOME HOUSING.--Section 6(p) of the United States Housing Act of 1937 (42 U.S.C. 1437d(p)) is amended to read as follows:

(h) AVAILABILITY OF CRIMINAL RECORDS FOR SCREENING AND SELECTION FOR DRUG-RELATED ACTIVITY.--Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsections:

(i) AUDIT AND REVIEW.--Not later than 2 years after the date on which public housing agency plans are initially required to be submitted under section 5A of the United States Housing Act of 1937, as added by this section, the Comptroller General of the United States shall conduct--

(A) an examination and audit of the public housing agency plans submitted under such section 5A before that date; and

(B) an audit and review of the public housing agency plans submitted at those dates.

(2) IN GENERAL.--Not later than 1 year after the date on which public housing agency plans are initially required to be submitted under section 5A of the United States Housing Act of 1937, as added by this section, the Comptroller General of the United States shall conduct--

(A) an examination and audit of the public housing agency plans submitted under such section 5A before that date; and

(B) an audit and review of the public housing agency plans submitted at those dates.

(3) FINAL REGULATIONS.--Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate final regulations implementing section 5A of the United States Housing Act of 1937, as added by subsection (a) of this section.

(i) IN GENERAL.--Not later than 1 year after the date of enactment of this Act, in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5 of the United States Code, the Secretary shall conduct examination and audit and review under paragraph (1); and

(j) LEASES.--Section 6(i) of the United States Housing Act of 1937 (42 U.S.C. 1437d(i)) is amended--

(1) in paragraph (3), by striking "not be less than" and all that follows before the semicolon and inserting "the period of time required under State law"; and

(2) in paragraph (3), by striking "on or near such premises".

(k) AVAILABILITY OF CRIMINAL RECORDS FOR SCREENING AND SELECTION FOR DRUG-RELATED ACTIVITY.--Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsections:

(l) IN GENERAL.--Notwithstanding any other provision of law, except as provided in subparagraph (B), the National Crime Information Center, police departments, and any other law enforcement agencies shall, upon request, provide information to public housing agencies regarding the criminal conviction records of adult applicants for public housing. The affected agency may use a simplified set of indicators to determine the degree of compliance by public housing agencies with audit and review under paragraph (1); and

(m) PREFERENCE FOR AREAS WITH INADEQUATE SUPPLY OF VERY LOW-INCOME HOUSING.--Section 6(p) of the United States Housing Act of 1937 (42 U.S.C. 1437d(p)) is amended by inserting the following new subparagraphs:

(n) AUDIT AND REVIEW.--Not later than 2 years after the date on which public housing agency plans are initially required to be submitted under section 5A of the United States Housing Act of 1937, as added by this section, the Comptroller General of the United States shall conduct--

(A) an examination and audit of the public housing agency plans submitted under such section 5A before that date; and

(B) an audit and review of the public housing agency plans submitted at those dates.

(2) IN GENERAL.--Not later than 1 year after the date on which public housing agency plans are initially required to be submitted under section 5A of the United States Housing Act of 1937, as added by this section, the Comptroller General of the United States shall conduct--

(A) an examination and audit of the public housing agency plans submitted under such section 5A before that date; and

(B) an audit and review of the public housing agency plans submitted at those dates.

(3) FINAL REGULATIONS.--Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate final regulations implementing section 5A of the United States Housing Act of 1937, as added by subsection (a) of this section.
“(cc) take such actions as the Secretary determines to be necessary to cure the substantial default; and

“(ii) may, in addition, take other appropriate action;

“(C)(i) If a receiver is appointed pursuant to subparagraph (A)(ii), in addition to the powers accorded by the court appointing the receiver, the Secretary may delegate to the administrative receiver any or all of the powers given by subsection (a) to the Secretary by this subparagraph, as the Secretary determines to be appropriate.

“(ii) For purposes of this subparagraph, the term ‘public housing agency’ includes any project or function of a public housing agency, or any project or function of the agency, pursuant to subparagraph (A)(iii), the Secretary—

“(I) may abrogate any contract that substantially impedes correction of the substantial default;

“(II) may demolish and dispose of the assets of the public housing agency, in accordance with section 18, including the transfer of properties to resident-supported nonprofit entities; and

“(III) may require the establishment, as permitted by applicable State, tribal, or local law, of one or more new public housing agencies; and

“(IV) shall not be subject to any State, tribal, or local law relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the Secretary, substantially impedes correction of the substantial default;

“(D)(i) If the Secretary takes possession of a public housing project, or any project or function of the agency, pursuant to subparagraph (A)(iii), the Secretary—

“(I) may abrogate any contract that substantially impedes correction of the substantial default;

“(II) may demolish and dispose of the assets of the public housing agency, in accordance with section 18, including the transfer of properties to resident-supported nonprofit entities; and

“(III) may require the establishment, as permitted by applicable State, tribal, or local law, of one or more new public housing agencies; and

“(IV) shall not be subject to any State, tribal, or local law relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the Secretary, substantially impedes correction of the substantial default; and

“(V) shall have such additional authority as a district court of the United States has conferred under like circumstances on a receiver to fulfill the purposes of the receivership.

“(ii) The Secretary may appoint, on a competitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary under this subparagraph for the administration of a public housing agency. The Secretary may delegate to the administrative receiver any or all of the powers given the Secretary by this subparagraph, as the Secretary determines to be appropriate.

“(iii) Regardless of any delegation under this subparagraph, an administrative receiver may not require the establishment of one or more new public housing agencies pursuant to clause (i)(iii), unless the Secretary first approves an application by the administrative receiver to authorize such establishment.

“(iv) For purposes of this subparagraph, the term ‘public housing agency’ includes any project or function of a public housing agency, or any project or function of the agency, pursuant to clause (i)(iii), unless the Secretary first approves an application by the administrative receiver to authorize such establishment.

“(4) by adding at the end the following new subparagraph:

“(III) If the Secretary (or an administrative receiver appointed by the Secretary) takes possession of a public housing agency (including any project or function of the agency), or if a receiver is appointed by a court, the Secretary or receiver shall be deemed to have acted in the official capacity of that person or entity, but rather in the capacity of the public housing agency, and any liability incurred, regardless of whether the incurrence is due to that liability occurred while the Secretary or receiver was in possession of the public housing agency (including any project or function of the agency), shall be the liability of the public housing agency.”.

(b) APLIcABILITY.—The amendments made by subsection (a) shall apply to a public housing agency that is found to be in substantial default, on or after the date of enactment of this Act, with respect to the conditions to which the agency is subject (as such substantial default is defined in the contract for contributions for the agency) or with respect to an agreement entered into under section 6(j)(2)(C)(i) of the United States Housing Act of 1937.

SEC. 109. PUBLIC HOUSING DESIGNATED FOR THE ELDERLY AND THE DISABLED.

(a) In General.—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended to read as follows:

“SEC. 7. AUTHORITY TO PROVIDE DESIGNATED HOUSING.

“(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may, in the discretion of the public housing agency and without approval by the Secretary, take such actions as the Secretary determines to be necessary to cure the substantial default; and

“(b) Priority for Occupancy.—

“(1) IN GENERAL.—In determining priority for admission to public housing projects (or portions of projects) that are designated for occupancy by only elderly families, the public housing agency may take such actions as the Secretary determines to be necessary to cure the substantial default; and

“(2) Eligibility of Near-elderly Families.—If a public housing agency determines that there are insufficient numbers of elderly families in a public housing project (or portion thereof) designated under this section for occupancy by only elderly families, the agency may take such actions as the Secretary determines to be necessary to cure the substantial default.

“(c) Vacancy.—Notwithstanding paragraphs (1) and (2), in designating a public housing project (or portion thereof) designated under this section for occupancy by only elderly families, the agency may make any dwelling unit that is ready for occupancy in such a project (or portion thereof) that has been vacant for more than 60 consecutive days generally available for occupancy (subject to this title) without regard to that designation.

“(d) Availability of Housing.—

“(1) Tenants.—The decision of any disabled family not to occupy or accept occupancy in an appropriate public housing project or to otherwise accept any assistance provided under this Act with respect to public housing made available in this Act with respect to public housing made available in this Act to any family that is not of appropriate family size for the dwelling unit.

“(2) Prohibition of Evictions.—Any tenant who is lawfully residing in a dwelling unit in a public housing project may not be evicted or otherwise required to vacate that unit as a result of the designation of that public housing project (or portion thereof) under this section or as a result of any other action taken by the Secretary or any public housing agency pursuant to this section.

“(e) Limitation on Occupancy in Designated Projects.—

“(I) Occupancy Limitation.—Notwithstanding any other provision of law, a dwelling unit in a public housing project (or portion thereof) designated under subsection (a) shall not be occupied by any person whose illegal use (or pattern of illegal use) of a controlled substance or abuse (or pattern of abuse of alcohol)—

“(A) constitutes a disability; and

“(B) provides reasonable cause for the public housing agency to believe that such occupancy would interfere with the health, safety, or right to peaceful enjoyment of the premises by the tenants of the public housing project.

“(II) Required Statement.—A public housing agency may not make a dwelling unit in a public housing project (or portion of a project) designated under subsection (a) available for occupancy on the basis of family size, unless the application for occupancy by that family is accompanied by a signed statement that no person who will be occupying the unit illegally uses a controlled substance or abuses alcohol, in a manner that would interfere with the health, safety, or right to peaceful enjoyment of the premises by the tenants of the public housing project.

“(f) Lease Provisions.—Section 6(i) of the United States Housing Act of 1937 (42 U.S.C. 1437(q)(4)(A)) is amended by striking in paragraph (5), by striking ‘‘and’’ at the end;

“(g) by redesignating paragraph (6) as paragraph (7); and

“(h) by inserting after paragraph (7) following new paragraph:

“(g) provide that any occupancy in violation of section 7(e)(2) or the furnishing of any false or misleading information pursuant to section 7(e)(2) shall be cause for termination of tenancy; and

“(c) Conforming Amendment.—Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437b(4)(A)) is amended by striking ‘‘section 7(a)’’ and inserting ‘‘section 7’’.

SEC. 110. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

(a) In General.—Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended to read as follows:

“SEC. 9. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in any other appropriate public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 10. PROHIBITION OF EVICTIONS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 11. PROHIBITION OF EVICTIONS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 12. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 13. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 14. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 15. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 16. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 17. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.

“SEC. 18. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

“(a) In General.—Except for assistance provided under section 8 of this Act or as authorized under sections 19 or 20 of this Act, any public housing agency making available occupancy in public housing projects or to otherwise make assistance available to that family under this title.
public housing under this Act on the day before October 1, 1997, shall be merged, as appropriate, into either—

"(I) the Capital Fund established under subsection (c); or

"(II) the Operating Fund established under subsection (d)."

"(b) USE OF EXISTING FUNDS.—With the exception of funds made available pursuant to section 8 or section 20(f) and funds made available for the urban revitalization demonstration authorized under the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act

"(I) made available to the Secretary for public housing purposes that have not been obligated by the Secretary to a public housing agency as of October 1, 1997, shall be made available, for the period originally provided in law, for use in either the Capital Fund or the Operating Fund, as appropriate; and

"(II) funds made available to the Secretary for public housing purposes that have been obligated by the Secretary to a public housing agency but that, as of October 1, 1997, have not been obligated by the public housing agency, may be made available by that public housing agency, for the period originally provided in law, for use in either the Capital Fund or the Operating Fund, as appropriate.

"(c) CAPITAL FUND.—

"(I) IN GENERAL.—The Secretary shall establish a Capital Fund for the purpose of making assistance available to public housing agencies to carry out capital and management activities, including—

"(A) the development and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings and the development of mixed-income projects;

"(B) vacancy reduction;

"(C) expenditures incurred to facilitate public housing projects, including the costs of any related insurance;

"(D) streamlined procedures to maintain the economic empowerment and self-sufficiency of public housing tenants; and

"(E) capital expenditures to improve the security of public housing tenants.

"(II) ESTABLISHMENT OF CAPITAL FUND FORMULA.—The Secretary shall develop a formula for providing assistance under the Capital Fund to carry into account—

"(A) the number of public housing dwelling units owned or operated by the public housing agency and the percentage of those units that are occupied by very low-income families;

"(B) the extent to which the public housing agency provides programs and activities designed to promote the economic self-sufficiency and management skills of public housing tenants;

"(C) the degree of household poverty served by a public housing agency;

"(D) the ability of the public housing agency to effectively administer the Operating Fund distribution of the public housing agency.

"(d) OPERATING FUND.—

"(I) IN GENERAL.—The Secretary shall establish an Operating Fund for the purpose of making assistance available to public housing agencies to carry out the rehabilitation and management of public housing, including—

"(A) procedures and systems to maintain and ensure the efficient management and operation of public housing units operated by the public housing agency on the date of enactment of the Public Housing Reform and Empowerment Act of 1995, including the rehabilitation and management of public housing units operated by the public housing agency under this section.

"(B) activities to ensure a program of routine preventative maintenance;

"(C) anticrime and antidrug activities, including the costs of providing adequate security for public housing tenants;

"(D) activities related to the provision of services to resident management coordinators for elderly persons or persons with disabilities;

"(E) activities to provide for management and participation in the management of public housing projects;

"(F) the costs associated with the operation and management of mixed-income projects, to the extent appropriate (including the funding of an operating reserve to ensure affordability for low-income families in lieu of the availability of operating funds for public housing units in a mixed-income project);

"(G) the reasonable costs of insurance;

"(H) the reasonable energy costs associated with public housing units, with an emphasis on energy conservation; and

"(I) the costs associated with a public housing work program under section 12, including the costs of any related insurance needs.

"(II) ESTABLISHMENT OF OPERATING FUND FORMULA.—The Secretary shall establish a formula for providing assistance under the Operating Fund, which may take into account—

"(A) standards for the costs of operation and reasonable projections of income, taking into account the number and location of the public housing project and characteristics of the families served, or the costs of providing comparable services as determined with criteria or a formula representing the operations of a prototype well-managed public housing project;

"(B) the number of public housing dwelling units owned and operated by the public housing agency, the percentage of those units that are occupied by very low-income families, and the extent to which the reduction in the number of public housing units as a result of any conversion to a system of tenant-based assistance;

"(C) the number of public housing dwelling units owned and operated by the public housing agency as may be provided under the contract under this section, which assistance shall be used for purposes of operating the public housing project and performing such other eligible activities with respect to the project as may be provided under the contract.

"(g) INDIAN HOUSING PROGRAMS.—To the extent provided in advance in appropriations Acts, the Secretary may make grants or enter into contracts in accordance with this subsection for purposes of providing, either directly or indirectly—

"(I) technical assistance to public housing agencies, resident councils, or resident management organizations, and resident management corporations, including assistance relating to monitoring and inspections;

"(II) training for public housing agency employees and tenants;

"(III) data collection and analysis; and

"(IV) training, technical assistance, and education to assist public housing agencies that are—

"(A) at risk of being designated as troubled under section 6(i) from being so designated; and

"(B) designated as troubled under section 6(i) in achieving the removal of that designation.

"(h) EMERGENCY RESERVE.—

"(I) IN GENERAL.—(A) Set-Aside.—In each fiscal year, the Secretary shall set aside not more than 2 percent of the amount made available for the Capital Fund to carry out this section for that fiscal year for use in accordance with this subsection.

"(B) USE OF FUNDS.—"
and administering a witness relocation program, which shall be established by the Secretary in conjunction with the Attorney General of the United States.

(a) IN GENERAL.—Amounts set aside under this subsection shall initially be allocated based on the emergency and litigation settlement needs of public housing agencies and resident organizations, such manner, and in such amounts as the Secretary shall determine.

(b) DEPARTMENT OF JUSTICE.—The Secretary shall publish the basis of any amounts allocated under this subsection in the Federal Register.

(c) IMPLEMENTATION; EFFECTIVE DATE; TRANSITION PERIOD.—

(1) IMPLEMENTATION.—Not later than 1 year after the date of enactment of this Act, in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5, United States Code, the Secretary shall establish the formulas described in subsections (c)(3) and (d)(2) of section 9 of the Public Housing Reform and Empowerment Act of 1995, as amended by this section.

(2) EFFECTIVE DATE.—The formulas established under paragraph (1) shall be effective only with respect to amounts made available under section 9 of the United States Housing Act of 1937, as amended by this section, in fiscal year 1998 or in any succeeding fiscal year.

(3) TRANSITION PERIOD.—Prior to the effective date described in paragraph (2), the Secretary shall provide that each public housing agency shall receive funding under sections 9 and 14 of the United States Housing Act of 1937, as those sections existed on the day before the date of enactment of this Act.

(c) DRUG ELIMINATION GRANTS.—

(1) FUNDING AUTHORIZATION.—

(A) IN GENERAL.—To the extent provided in advance appropriations Acts for fiscal years 1997 and 1998, the Secretary shall make grants for—

(i) use in eliminating drug-related crime within the community in which the public housing agency has received under the Public and Assisted Housing Drug Elimination Act of 1990, and


(B) USE.­—Any amounts made available to carry out subparagraph (A), the Secretary shall set aside amounts for grants, technical assistance, contracts, and other assistance for drug elimination clearinghouses, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training).

(2) PROGRAM REQUIREMENTS.—

The use of amounts made available under paragraph (1) shall be governed by the Public and Assisted Housing Drug Elimination Act of 1990, except as follows:

(A) FORMULA ALLOCATION.—Notwithstanding the Public and Assisted Housing Drug Elimination Act of 1990, after setting aside amounts for drug elimination clearinghouse services authorized by section 5143 of the Drug-Free Public Housing Act of 1988, any amounts made available under paragraph (1) shall be allocated based on the needs of the housing agencies in accordance with a formula established by the Secretary, which shall—

(i) take into account the needs of the public housing agency for anticrime funding, and

(ii) not exclude an eligible public housing agency that has not received funding during the period described in clause (i).

(B) CRIME.—For purposes of this subsection, the Secretary may define the term "crime-related crime" to include criminal activities other than those described in section 5262 of the Public and Assisted Housing Drug Elimination Act of 1990.

(3) SUNSET.—No grant may be made under this subsection after October 1, 1998.

SEC. 111. LABOR STANDARDS.

Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by adding at the end the following new subsection:

(c) WORK REQUIREMENT.—

(1) IN GENERAL.—Notwithstanding any other provision of law, each participant in such training shall provide an exemption from paragraph (1) for any adult who is—

(A) not less than 62 years of age; or

(B) a person with disabilities who is unable, as determined in accordance with guidelines established by the Secretary, to comply with this section.

(2) INCLUSION IN PLAN.—Each public housing agency shall include in the public housing agency plan a detailed description of the manner in which the public housing agency intends to implement and administer paragraph (1).

(3) EXEMPTIONS.—The Secretary may provide an exemption from paragraph (1) for any adult who is—

(A) not less than 62 years of age; or

(B) a person with disabilities who is unable, as determined in accordance with guidelines established by the Secretary, to comply with this section.

SEC. 112. REPEAL OF ENERGY CONSERVATION; CONSORTIA AND JOINT VENTURES.

Section 13 of the United States Housing Act of 1937 (42 U.S.C. 1437k) is amended to read as follows:

SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND SUBSIDIES OF PUBLIC HOUSING AGENCIES.

(a) CONSORTIA.—

(1) IN GENERAL.—Any 2 or more public housing agencies may participate in a consortium or in a joint venture, and the Secretary shall specify minimum requirements for such an arrangement, which shall be effective under section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437f), as amended, and the amount of funding that the public housing agency has received under the Public and Assisted Housing Drug Elimination Act of 1990.

(b) JOINT VENTURES.—

(1) AGREEMENT.­—Each consortium described in paragraph (1) shall, not later than 1 year after the date of enactment of this Act, and in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5, United States Code, the Secretary shall establish the formulas described in subsection (c)(3) and (d)(2) of section 9 of the Public Housing Reform and Empowerment Act of 1995, as amended by this section.

(2) EFFECTIVE DATE.—The formulas established under paragraph (1) shall be effective only with respect to amounts made available under section 9 of the United States Housing Act of 1937, as amended, in fiscal year 1998 or in any succeeding fiscal year.

(3) TRANSITION PERIOD.—Prior to the effective date described in paragraph (2), the Secretary shall provide that each public housing agency shall receive funding under sections 9 and 14 of the United States Housing Act of 1937, as those sections existed on the day before the date of enactment of this Act.

(b) DRUG ELIMINATION GRANTS.—

(1) FUNDING AUTHORIZATION.—

(A) IN GENERAL.—To the extent provided in advance appropriations Acts for fiscal years 1997 and 1998, the Secretary shall make grants for—

(i) use in eliminating drug-related crime within the community in which the public housing agency has received under the Public and Assisted Housing Drug Elimination Act of 1990, and


(B) USE.­—Any amounts made available under subparagraph (A), the Secretary shall set aside amounts for grants, technical assistance, contracts, and other assistance for drug elimination clearinghouses, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training).

(2) PROGRAM REQUIREMENTS.—The use of amounts made available under paragraph (1) shall be governed by the Public and Assisted Housing Drug Elimination Act of 1990, except as follows:

(A) FORMULA ALLOCATION.—Notwithstanding the Public and Assisted Housing Drug Elimination Act of 1990, after setting aside amounts for drug elimination clearinghouse services authorized by section 5143 of the Drug-Free Public Housing Act of 1988, any amounts made available under paragraph (1) shall be allocated based on the needs of the public housing agency, including any provision of law, a public housing agency, an owner or otherwise meeting work, training, or educational requirements of a public assistance program.

(B) USE.­—Any assistance made available under this title shall be used for—

(i) use in eliminating drug-related crime within the community in which the public housing agency has received under the Public and Assisted Housing Drug Elimination Act of 1990, and


(C) INCENTIVES.—The Secretary shall establish the incentives described in subsection (c)(3) and (d)(2) of section 9 of the Public Housing Reform and Empowerment Act of 1995, as amended by this section.

(3) SUNSET.­—No grant may be made under this subsection after October 1, 1998.

SEC. 113. REPEAL OF MODERNIZATION FUND.

(a) IN GENERAL.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is repealed.

(b) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 3(c)(5), by striking "for use under section 14"; and

(2) in section 5(c)(7)­—

(A) in subparagraph (A)—

(i) by striking clause (iii); and

(ii) by redesignating clauses (iv) through (x) as clauses (iii) through (ix), respectively; and

(B) in subparagraph (B)—

(i) by striking clause (iii); and

(ii) by redesignating clauses (iv) through (x) as clauses (iii) through (ix), respectively;

(3) in section 6(j)—

(A) by striking subparagraph (B); and

(B) by redesigning subparagraphs (C) through (H) as subparagraphs (B) through (G), respectively;

(4) in section 6(j)(2)­—

(A) in clause (i), by striking "The Secretary shall also designate," and all that follows through the period at the end; and

(B) in clause (ii), by striking "and determining that an assessment under this subparagraph will not duplicate any review conducted under section 14(p)"; and

(5) in section 6(j)(3)­—

(A) in clause (i), by striking "and determining that an assessment under this subparagraph will not duplicate any review conducted under section 14(p)"; and

(B) in clause (ii), by striking "and determining that an assessment under this subparagraph will not duplicate any review conducted under section 14(p)"; and

(6) in section 6(j)(4)­—

(A) in subparagraph (D), by striking "the Secretary shall designate as a troubled agency for purposes of the programs under section 14a"; and

(B) in subparagraph (E), by striking "the Secretary shall designate as a troubled agency for purposes of the programs under section 14a";

(7) in section 6(j)(5)­—

(A) in clause (i), by striking "(III)" and inserting "(II)"; and

(B) in clause (ii), by striking "and determining that an assessment under this subparagraph will not duplicate any review conducted under section 14(p)".

(8) in section 5(c)—

(A) in clause (i), by striking "The Secretary shall designate as a troubled agency for purposes of the programs under section 14a"; and

(B) in clause (ii), by striking "and determining that an assessment under this subparagraph will not duplicate any review conducted under section 14(p)".

(9) in section 5A—

(A) in clause (i), by striking "The Secretary shall designate as a troubled agency for purposes of the programs under section 14a"; and

(B) in clause (ii), by striking "and determining that an assessment under this subparagraph will not duplicate any review conducted under section 14(p)".
(A) by striking paragraph (A); and
(B) by redesigning subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(10) in section 23(a)(3)(A)(v), by striking “the building or buildings meet the minimum safety and liability standards applicable under subsection 34; and

(11) in section 25(e)(2)—
(A) by striking “The Secretary” and inserting “The public housing agency.”; and
(B) by striking “available annually from amounts under section 34;”.

SEC. 114. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.
Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended to read as follows:

SEC. 16. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.
“(a) INCOME ELIGIBILITY FOR PUBLIC HOUSING.—
“(1) in general.—Of the dwelling units of a public housing agency, including public housing units in a designated mixed-income project, made available for occupancy in any fiscal year of the public housing agency—
“(A) not less than 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the area median income for those families;
“(B) not less than 75 percent shall be occupied by families whose incomes do not exceed 50 percent of the area median income for those families; and
“(C) any remaining dwelling units may be made available for families whose incomes do not exceed 80 percent of the area median income for those families.

“(2) mixed-income housing standard.—Each public housing agency plan submitted by a public housing agency shall include a plan for achieving a diverse income mix among tenants in each public housing project of the public housing agency and among the scattered site housing of the public housing agency.

“(b) INCOME ELIGIBILITY FOR CERTAIN ASSISTED HOUSING.—
“(1) in general.—Of the dwelling units receiving tenant-based assistance under section 8 made available for occupancy in any fiscal year of the public housing agency—
“(A) not less than 50 percent shall be occupied by families whose incomes do not exceed 30 percent of the area median income for those families; and
“(B) any remaining dwelling units may be made available for families whose incomes do not exceed 80 percent of the area median income for those families.

“(2) mixed-income housing standard.—Each public housing agency plan submitted by a public housing agency shall include a plan for achieving a diverse income mix among tenants in each public housing project of the public housing agency and among the scattered site housing of the public housing agency.

“(C) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units—
“(1) that prohibit occupancy in any such unit by any person—
“(A) who the public housing agency determines is illegally using a controlled substance;
“(B) if the public housing agency determines that it has reasonable cause to believe that such person’s illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, could interfere with the health, safety, or right to peaceful enjoyment of the premises by the tenants of the public housing project; and
“(2) that allow the public housing agency to terminate the tenancy in any public housing unit of any person—
“(A) if the public housing agency determines that such person is illegally using a controlled substance; or
“(B) whose illegal use of a controlled substance, or abuse of alcohol, is determined by the public housing agency to interfere with the health, safety, or right to peaceful enjoyment of the premises by the tenants of the public housing project.

“(d) INAPPROPRIATE HOUSING.—This section does not apply to any dwelling unit assisted by an Indian housing authority.

SEC. 115. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.
“(a) APPLICABLE FUNDING SOURCE.—A public housing unit that is determined to be obsolete or excess shall be disposed of—
“(B) available annually from amounts reserved under section 14, and’’ and all that follows through “The Secretary;”.

“(b) TIMING.—Except as provided in subsection (b), not later than 60 days after receiving an application for the demolition of a public housing project or a portion of a public housing project, and

“(c) INELIGIBILITY OF ILLEGAL DRUG USERS.—A public housing agency shall not demolish or dispose of a public housing project or a portion of a public housing project (including any transfer to a resident-supported nonprofit entity) unless the application, if the public housing agency approves—
“(1) in the case of—
“(A) an application proposing demolition of a public housing project or a portion of a public housing project, that—
“(i) the project or portion of the public housing project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and
“(ii) no reasonable program of modifications is cost-effective to return the public housing project or portion of the project to useful life; and
“(B) an application proposing the demolition of a portion of a public housing project, that the demolition will help to assure the viability of the remaining portion of the project;

“(2) in the case of an application proposing disposition of a public housing project or other real property subject to this title by sale or other transfer, that—
“(A) if the property is not in the best interests of the tenants or the public housing agency because—

“(ii) conditions in the area surrounding the public housing project adversely affect the health or safety of the tenants or the feasible operation of the project by the public housing agency; and

“(iii) disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as public housing; and

“(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are—
“(i) in the best interests of the tenants and the public housing agency;
“(ii) consistent with the goals of the public housing agency and the public housing agency plan; and
“(iii) otherwise consistent with this title; or

“(c) for property other than dwelling units, the property is excess to the needs of a public housing project or the disposition is incidental to, or does not interfere with, continued operation of a public housing project;

“(3) that the public housing agency has specifically authorized the demolition or disposition in the public housing agency plan, and has certified that the actions contemplated in the public housing agency plan comply with this section;

“(4) that the public housing agency will provide for the payment of the relocation expenses of each tenant to be displaced;

“(5) will ensure that the amount of rent paid by the tenant following relocation will not exceed the amount permitted under this title; and

“(c) will not commence demolition or complete disposition until all tenants residing in the unit are relocated;

“(d) that the net proceeds of any disposition will be used—
“(A) unless waived by the Secretary, for the retirement of outstanding obligations issued to finance the original public housing project or modernization of the project; and

“(B) to the extent that any proceeds remain after the application of proceeds in accordance with subparagraph (A), for the provision of low-income housing or to benefit the tenants of the public housing agency; and

“(6) that the public housing agency has complied with subsection (b).

“(b) DISAPPROVAL OF APPLICATIONS.—The Secretary shall disapprove an application submitted under subsection (a) if the Secretary determines that the application made by the public housing agency under that subsection is clearly inconsistent with information and data available to the Secretary.

“(C) TENANT OPPORTUNITY TO PURCHASE IN CASE OF PROPOSED DISPOSITION.—

“(1) in the case of a proposed disposition of a public housing project or portion of a project, the public housing agency shall, in appropriate circumstances, as determined by the Secretary, offer the property to any eligible resident organization, eligible resident management corporation, or nonprofit organization supported by the Secretary, if that entity has expressed an interest, in writing, to the public housing agency in a timely manner, in purchasing the property for continued use as low-income housing.

“(2) timing.—

“(A) thirty-day notice.—A resident organization, resident management corporation, or other entity referred to in paragraph (1) may express interest in purchasing property that is the subject of a disposition, as described in paragraph (1), during the 30-day period beginning on the date of notification of a proposed sale of the property.
"(B) SIXTY-DAY NOTICE.—If an entity expresses written interest in purchasing a property, as provided in subparagraph (A), no disposition of the property shall occur during the 60-day period following receipt of that written notice, during which time that entity shall be given the opportunity to obtain a firm commitment for financing of the property.

(d) REPLACEMENT UNITS.—Notwithstanding any other provision of law, replacement housing units for public housing units demolished under this section may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of the replacement units is fewer than the number of units demolished.

(b) HOMEOWNERSHIP REPLACEMENT PLAN.—

(1) IN GENERAL.—Section 304(g) of the United States Housing Act of 1937 (42 U.S.C. 1437a-3(g)), as amended by section 1002(b) of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy That Occurred At Oklahoma City, and Rescissions Act of 1996, is amended to read as follows:

``(g) [Reserved.].''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective with respect to the demolition of a public housing project or projects (or portions thereof) to be converted, the public housing agency, and the community.

(3) AUTHORIZATION.—A public housing agency may convert any public housing project (or portion thereof) owned and operated by that public housing agency to a system of ownership assistance under this subpart.

(c) OTHER REQUIREMENTS.—To the extent approved by the Secretary, funds used by the public housing agency to provide tenant-based assistance under section 8 shall be made available to the tenant; and

``(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency may provide assistance in accordance with this section to public housing residents to facilitate the ability of those residents to purchase a principal residence other than a residence located in a public housing project.''

May 9, 1996

H4747

CONGRESSIONAL RECORD — HOUSE

SEC. 116. REPEAL OF FAMILY INVESTMENT CENTERS; VOUCHER SYSTEM FOR PUBLIC HOUSING.

(a) IN GENERAL.—Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437r) is amended to read as follows:

``SEC. 22. VOUCHER SYSTEM FOR PUBLIC HOUSING.

"(a) IN GENERAL.—"(A) a cost analysis that demonstrates that the conversion will be more

or less expensive than continuing public housing assistance in the public housing project proposed for conversion for the remaining useful life of the project;

"(B) an analysis of the market value of the public housing project proposed for conversion before and after rehabilitation, and before and after conversion;

"(C) an analysis of the rental market conditions with respect to the likely success of tenant-based assistance under section 8 in that market for the private residents of the public housing project proposed for conversion.

"(D) the impact of the conversion to a system of tenant-based assistance on the neighborhood in which the public housing project is located;

"(E) a plan that identifies actions, if any, that the public housing agency would take with regard to converting any public housing project or projects (or portions thereof) of the public housing agency to a system of tenant-based assistance.

"(2) STREAMLINED ASSESSMENT.—At the discretion of the Secretary, the public housing agency may, if, during the 1-year period beginning on the date on which any tenant acquires a public housing unit under this section, the public housing agency shall recapture 75 percent of the amount of any proceeds from that resale that exceed the sum of—

"(A) the original sale price for the acquisition of the property by the qualifying tenant;

"(B) the costs of any improvements made on or to the property by the tenant; and

"(C) any closing costs incurred in connection with the acquisition.

"(e) PROTECTION OF NONPURCHASING TENANTS.—If a public housing tenant does not exercise the right of first refusal under subsection (b) with respect to the public housing unit in which the tenant resides, the public housing agency shall—

"(A) ensure that, if another public housing unit is made available to the tenant; and

"(B) provide for the payment of the reasonable relocation expenses of the tenant.

"(f) NET PROCEEDS.—

"(3) IN GENERAL.—"(A) the net proceeds of any sale under this section remaining after payment of all of the costs of the sale and any unassumed, unpaid indebtedness owed in connection with the dwelling units sold under this section shall be used for purposes relating to low-income housing and in accordance with the public housing agency plan, if, during the 1-year period beginning on the date on which any tenant acquires a public housing unit under this section, the public housing agency may determine in accordance with procedures set forth in the public housing agency plan.

"(d) PURCHASE REQUIREMENTS.—

"(1) I N GENERAL.—Each tenant that purchases a dwelling unit under subsection (a) shall, as of the date on which the purchase is made—

"(A) intend to occupy the property as a principal residence; and

"(B) submit a written certification to the public housing agency, and the community, that it will occupy the property as a principal residence for a period of not less than 12 months beginning on that date.

"(2) NET PROCEEDS.—Except for good cause, as determined by a public housing agency in the public housing agency plan, if, during the 1-year period beginning on the date on which any tenant acquires a public housing unit under this section, the public housing agency shall recapture 75 percent of the amount of any proceeds from that resale that exceed the sum of—

"(A) the original sale price for the acquisition of the property by the qualifying tenant;

"(B) the costs of any improvements made on or to the property by the tenant; and

"(C) any closing costs incurred in connection with the acquisition.

"(e) PROTECTION OF NONPURCHASING TENANTS.—If a public housing tenant does not exercise the right of first refusal under subsection (b) with respect to the public housing unit in which the tenant resides, the public housing agency shall—

"(A) ensure that, if another public housing unit is made available to the tenant; and

"(B) provide for the payment of the reasonable relocation expenses of the tenant.

"(f) NET PROCEEDS.—

"(3) IN GENERAL.—"(A) the net proceeds of any sale under this section remaining after payment of all of the costs of the sale and any unassumed, unpaid indebtedness owed in connection with the dwelling units sold under this section shall be used for purposes relating to low-income housing and in accordance with the public housing agency plan.

"(B) INDIAN HOUSING.—The net proceeds described in paragraph (1) may be used by Indian housing authorities for public housing for families whose incomes exceed the income levels established under this title for low-income families.

"(g) HOMEOWNERSHIP ASSISTANCE.—From amounts distributed to a public housing agency under section 9, or from other income of the public housing agency, the public housing agency may provide assistance to public housing residents to facilitate the ability of those residents to purchase a principal residence other than a residence located in a public housing project."
(b) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 8(7)(A)—

(A) by striking "(i)" and inserting ", and (ii)"; and

(B) by striking ", and (iii)" and all that follows before the period at the end; and

(2) in section 25(l)(2)—

(A) in the first sentence, by striking "consistent with the objectives of the program under section 25;" and

(B) by striking the second sentence.

(c) SAVINGS PROVISION.—The amendments made by this section do not affect any contract or other agreement entered into under section 25 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

SEC. 119. MIXED-INCOME AND MIXED-OWNERSHIP PROJECTS.

(a) IN GENERAL.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 28. MIXED-INCOME AND MIXED-OWNERSHIP PROJECTS.

"(a) IN GENERAL.—A public housing agency may own, operate, assist, or otherwise participate in one or more mixed-income projects in accordance with this section.

"(b) REQUIREMENTS.—

"(1) MIXED-INCOME PROJECT.—For purposes of this section, a "mixed-income project" means a project that meets the requirements of paragraph (2) and that is occupied both by one or more low-income families and by one or more families that are not very low-income families.

"(2) STRUCTURE OF PROJECTS.—Each mixed-income project shall be developed—

"(A) in a manner that ensures that units are made available in the project, by master contract, individual lease, or equity interest for occupancy by eligible families identified by the public housing agency for a period of not less than 20 years;

"(B) in a manner that ensures that the number of public housing units bears approximately the same proportion to the total number of units in the mixed-income project as the value of the total financial commitment provided by the public housing agency bears to the total financial commitment in the project, or shall not be less than the number of units that could have been developed under the conventional public housing program without the assistance; and

"(C) in accordance with such other requirements as the Secretary may prescribe by regulation.

"(3) TYPES OF PROJECTS.—The term "mixed-income project" includes a project that is developed—

"(A) by a public housing agency or by an entity affiliated with a public housing agency;

"(B) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity affiliated with a public housing agency) is a general partner, managing member, or otherwise participates in the activities of that entity;

"(C) by a partnership of entities to the public housing agency the option to purchase the public housing project during the 20-year period beginning on the date of initial occupancy of the project under a tax credit to the public housing agency or under another arrangement for payment of amounts authorized by section 42(l)(7) of the Internal Revenue Code of 1986; or

"(D) in accordance with such other terms and conditions as the Secretary may prescribe by regulation.

"(c) TAXATION.—

"(1) IN GENERAL.—A public housing agency may elect to own all public housing units in a mixed-income project subject to local real estate taxes, except that such units shall be ineligible at the discretion of the public housing agency at the election of the taxing requirements under section 6(d).

"(2) LOW-INCOME HOUSING TAX CREDIT.—

With respect to any unit in a mixed-income project that is assisted pursuant to the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986, the rents charged to the tenants may be set at levels not to exceed the amounts allowable under that section.

"(d) RESTRICTION.—No assistance provided under subsection (a) shall be provided by a public housing agency in direct support of any unit rented to a family that is not a low-income family, except that this subsection does not apply to the revisions to the HOME and Section 8 project based homeownership Program authorized under section 202 of this Act.

SEC. 120. CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 29. CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

"(a) IDENTIFICATION OF UNITS.—To the extent approved in advance by appropriations Acts, each public housing agency shall identify all public housing projects of the public housing agency—

"(1) that are on the same or contiguous sites;

"(2) that the public housing agency determines to be distressed, which determination shall be based on the criteria established by the Secretary, which guidelines shall be based on the criteria established in the Final Report of the National Commission on Severely Distressed Public Housing (August 1992); and

"(3) identified as distressed housing under paragraph (2) for which the public housing agency cannot assure the viability of such housing through reasonable modernization expenses, density reduction, achievement of a broader range of family income, or other measures; and

"(4) for which the estimated cost, during the remaining useful life of the project, of continued operation and modernization as public housing exceeds the expected cost, during the remaining useful life of the project, of providing tenant-based assistance under section 8 for all families in occupancy, in accordance with such other requirements (such as the percentage of total development costs required for modernization).

"(b) CONSULTATION.—Each public housing agency shall consult with the appropriate public housing tenants and the appropriate unit of general local government in identifying any public housing projects under subsection (a).

"(c) REMOVAL OF UNITS FROM THE INVENTORIES OF PUBLIC HOUSING AGENCIES.—

"(1) IN GENERAL.—

"(A) DEVELOPMENT OF PLAN.—Each public housing agency shall develop and, to the extent provided in advance in appropriations Acts, carry out a 5-year plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a).
The document contains textual content that is not clearly readable due to quality issues. Without clearer text, it is not possible to accurately transcribe the content into a plain text representation.
and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

{"(B) FAMILIES RECEIVING TENANT-BASED ASSISTANCE; RENT EXCEEDS PAYMENT STANDARD.--For a family receiving tenant-based assistance under this title, the rent that the family is required to pay shall be determined in accordance with subsection (a)(3)(A), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

(3) FORTY PERCENT LIMIT.—At the time a family initially receives tenant-based assistance under this title with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.

(4) ELIGIBLE FAMILIES.—At the time a family initially receives assistance under this subsection, a family shall qualify as—

"(A) a very low-income family;

"(B) a family previously assisted under this title;

"(C) a low-income family that meets eligibility criteria specified by the public housing agency; and

"(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act; or

"(E) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

(5) ANNUAL REVIEW OF FAMILY INCOME.—Each public housing agency shall, not less frequently than annually, conduct a review of the family income of each family receiving assistance under this subsection.

(6) SELECTION OF FAMILIES.—Each public housing agency may establish local preferences consistent with the public housing agency plan submitted by the public housing agency under section 5A.

(7) EVICTION FOR DRUG-RELATED ACTIVITY.—Any individual or family evicted from housing assisted under this subsection by reason of drug-related criminal activity (as defined in subsection (f)(5)) shall not be eligible for housing assistance under this title for a period of 3 years after such eviction.

(8) EVICTION FOR VIOLATION OF TENANCY AGREEMENT.—Any individual or family evicted from housing assisted under this subsection for violation of tenancy agreement (as defined in subsection (f)(5)) shall be eligible for housing assistance under this title 3 years after such eviction.

(9) LEASE.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit assisted under this subsection shall provide that—

"(A) the owner is required to—

"(i) provide and maintain the dwelling unit in compliance with the terms and conditions of the tenancy agreement;

"(ii) if the family is receiving tenant-based assistance under this title, submit the rent to the public housing agency, and maintain safe and decent housing conditions in the dwelling unit;

"(iii) be consistent with applicable State, tribal, local, and Federal law;

"(B) the tenant is required to—

"(i) pay the rent at the rate established under this subsection, subject to adjustments for increases in utility costs, to the owner under this subsection with respect to any dwelling unit assisted under this subsection;

"(ii) be responsible for all repairs and maintenance of the dwelling unit, except to the extent that the public housing agency is responsible for such repairs and maintenance;

"(iii) be responsible for tenant-paid utilities; and

"(iv) comply with all terms and conditions of the tenancy agreement;

"(C) the public housing agency is required to—

"(i) if the family is receiving tenant-based assistance under this title, review the lease term after the month during which the unit was vacated;

"(ii) identify efficient procedures to determine whether the rent (or rent increase) is reasonable, in conformity with generally accepted practices in the local housing market.

(10) EXPEDITED INSPECTION PROCEDURES.—Not later than 1 year after the date of enactment of the Public Housing Reform and Empowerment Act of 1995, the Secretary shall establish a demonstration project to identify efficient procedures to determine whether units meeting housing quality standards for decent and safe housing assisted under this title are in compliance with the terms and conditions of the tenancy agreement.

(11) RENT.—

"(A) REASONABLE MARKET RENT.—The rent for dwelling units for which a housing assistance payment contract is established under this paragraph shall be—

"(i) the rent that the owner may charge for a dwelling unit, subject to the annual contract term; and

"(ii) adjusted in accordance with changes in the market area that are exempt from local rent control provisions.

"(B) NEGOTIATED RENT.—A public housing agency shall, at the request of a family receiving tenant-based assistance under this subsection, assist that family in negotiating a reasonable rent with a dwelling unit owner. A public housing agency shall review and adjust any negotiated rent for a dwelling unit in accordance with the terms and conditions of the tenancy agreement.

(12) LEASES OF UNITS OWNED BY PUBLIC HOUSING AGENCY.—If an eligible family assisted under this subsection leases a dwelling unit that is owned by a public housing agency administering assistance under this subsection, the Secretary shall require the unit of general local government, or another entity, to establish a contract for local inspections and rent determinations as required by this paragraph.

(13) TIMELY PAYMENTS.—Each public housing agency shall make timely payment of any amounts due to a dwelling unit owner under this subsection. The housing assistance payment contract is not required to be adjusted by the public housing agency or the owner of the dwelling unit, and the public housing agency may provide for penalties for the late payment of amounts due under the contract, which shall be imposed on the public housing agency in accordance with generally accepted practices in the local housing market.
(E) PENALTIES.—Unless otherwise authorized by the Secretary, each public housing agency shall pay any penalties from administrative fees collected by the public housing agency that the owner shall be assessed if the late payment is due to factors that the Secretary determines are beyond the control of the public housing agency.

(12) UNIFORM HOUSING ACT.—

(A) IN GENERAL.—A public housing agency may make assistance payments in accordance with this subsection on behalf of a family that occupies a manufactured home on a private or public space on which a manufactured home is located and with respect to which assistance payments are to be made shall include maintenance and management charges and tenant-paid utilities.

(ii) PAYMENT STANDARD.—The public housing agency shall establish a payment standard that takes into account the monthly assistance that may be paid for any family under this paragraph. The payment standard may not exceed an amount approved by the Secretary.

(ii) CONTRACT FOR ASSISTANCE PAYMENTS.—

(A) IN GENERAL.—If the Secretary enters into an annual contributions contract under this subsection with a public housing agency pursuant to which the public housing agency will enter into a housing assistance payment contract with respect to an existing structure under this subsection—

(i) the housing assistance payment contract may not be attached to the structure unless the owner agrees to rehabilitate or newly construct the structure other than with assistance under this Act, and otherwise complies with this section; and

(ii) the public housing agency may approve a housing assistance payment contract for such existing structure under the condition that the amount that may be paid for any family under this paragraph shall be determined in accordance with paragraph (2).

(B) PROHIBITION.—The provisions of section 8(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(e)(2)) are amended—

(1) by striking ``the system of preferences established pursuant to section 6(c)(4)(A)'' and inserting ``An''; and

(2) by striking ``the written selection criteria established pursuant to section 6(c)(4)(A)'' and inserting ``the written selection criteria established pursuant to section 6(c)(4)(A)''.

(C) RENT CALCULATION.—For project-based assistance under this paragraph, housing assistance payments shall be adjusted rents and provide for rent adjustments in accordance with subsection (c).

(D) ADJUSTED RENTS.—With respect to rents received under this paragraph—

(i) the adjusted rent for any unit may not exceed the rent for a comparable assisted unit of similar quality, type, and age in the market area; and

(ii) the provisions of subsection (c)(2)(A) do not apply.

(14) INAPPLICABILITY TO TENANT-BASED ASSISTANCE.—Subsection (c) does not apply to tenant-based assistance under this subsection.

(15) HOMEOWNERSHIP OPTION.—

(A) IN GENERAL.—A public housing agency providing assistance under this subsection may, at the option of the agency, provide assistance for homeownership under subsection (y).

(B) ALTERNATIVE ADMINISTRATION.—A public housing agency may contract with a nonprofit organization to administer a homeownership program under subsection (y).

(16) INDIAN HOUSING PROGRAMS.—Notwithstanding any other provision of law, in carrying out section 3(i) the Secretary shall establish such separate formulas and programs as may be necessary to carry out housing programs for Indians under this section.

SEC. 202. REPEAL OF FEDERAL PREFERENCES.

(A) SECTION 8 EXISTING AND MODERATE REHABILITATION.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

(A) the selection of tenants shall be the function of the owner, subject to the annual contributions contract between the owner and the Secretary.

(B) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment under this paragraph shall be determined in accordance with paragraph (2).

(C) CONTRACT FOR ASSISTANCE PAYMENTS.—

(A) IN GENERAL.—If the Secretary enters into an annual contributions contract under this subsection with a public housing agency pursuant to which the public housing agency will enter into a housing assistance payment contract with respect to an existing structure under this subsection—

(i) the housing assistance payment contract may not be attached to the structure unless the owner agrees to rehabilitate or newly construct the structure other than with assistance under this Act, and otherwise complies with this section; and

(ii) the public housing agency may approve a housing assistance payment contract for such existing structure under the condition that the amount that may be paid for any family under this paragraph shall be determined in accordance with paragraph (2).

(B) CONTRACT TERMINATION.—In the case of a housing assistance payment contract that applies to a structure under this paragraph, a public housing agency shall enter into the contract with the owner, subject to the annual contributions contract between the owner and the Secretary, the Secretary determines to be appropriate to the certificate and moderate rehabilitation programs only, for the purpose of selecting tenants, the Secretary shall enter into such separate formulas and programs as may be necessary to carry out housing programs for Indians under this section.

SEC. 203. PORTABILITY.

Section 8(r) of the United States Housing Act of 1937 (42 U.S.C. 1437r(f)) is amended—

(1) in paragraph (1)—

(A) by striking "assisted under subsection (b)(2)(A)" and inserting "receives'"; and

(B) by striking "with" and inserting "receives:"; and

(C) by adding at the end the following new sentence: "The Secretary shall establish procedures for the compensation of public housing agencies that issue vouchers to families moving into or out of the jurisdiction of the public housing agency under portability procedures. The Secretary shall, by regulation, prescribed amounts available for assistance under subsection (b) to compensate those public housing agencies.

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

(C) "FALSE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction..."
under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease.

SEC. 204. LEASING TO VOUCHER HOLDERS. Section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437t) is amended to read as follows:

"(t) LEASING TO VOUCHER HOLDERS.

SEC. 205. HOMEOWNERSHIP OPTION. Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437y) is amended—

(1) in paragraph (3)(A), by inserting before the section on "information or is acquiring shares in a cooperative";

(2) in paragraph (3)(B), by striking "(i) participates and all that follows through "(ii) demonstrates" and inserting "(i) by striking paragraph (2) and inserting the following:

"(2) DETERMINATION OF AMOUNT OF ASSISTANCE.

"(A) M ONTHLY EXPENSES DO NOT EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

(i) Thirty percent of the monthly adjusted income of the family.

(ii) Ten percent of the monthly income of the family.

(iii) If the family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

(B) M ONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the following amounts, rounded to the nearest dollar:

(i) Thirty percent of the monthly adjusted income of the family.

(ii) Ten percent of the monthly income of the family.

(iii) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

(iv) by inserting paragraphs (3) through (5); and

(v) redesignating paragraphs (6) through (8) as paragraphs (3) through (5), respectively.

SEC. 206. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CONTRACT PROVISIONS AND REQUIREMENTS.—Section 6(p)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437p(1)(B)) is amended by striking "holding certificates and vouchers" and inserting "receiving tenant-based assistance".

(b) LOWER INCOME HOUSING ASSISTANCE.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437s) is amended—

(1) in subsection (a), by striking the second and third sentences;

(2) in subsection (b);

(A) by striking the subsection heading, by striking "RENTAL CERTIFICATES AND"; and

(B) in the first undesignated paragraph—

(ii) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary; and

(ii) by striking the second sentence;

(3) in subparagraph (A) of paragraph (4), by striking "or by a family that qualifies to receive" and all that follows through "1990;";

(C) by striking section 5 and redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively;

(D) by striking paragraph (7) and redesignating paragraphs (8) through (10) as paragraphs (9) through (11), respectively;

(E) in paragraph (9), by striking "(other than a contract under section 8(b))" after "section;"

(F) in paragraph (9), as redesignated, by striking "but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o)" and inserting "other than a contract under subsection (o);" and

(G) in paragraph (8), as redesignated, by striking "housing certificates or vouchers under subsection (b) or (o) and inserting "tenant-based assistance under this section;"

(4) in subsection (a), by inserting a semicolon after "case of housing certificates or vouchers under subsection (b) or (o)"; and

(B) in paragraph (2), by inserting "(ii) by striking "(d)(2)" and inserting "(d)(11)"; and

(B) in paragraph (7)—

(i) by striking "(b)" or "(ii)";

(ii) by striking "on or near such premises"; and

(iii) by inserting before the period the following:

"and that provides for the tenant-based assistance under section 8 of the United States Housing Act of 1937.";

(h) RURAL HOUSING PRESERVATION GRANTS.—Section 553(a) of the Housing Act of 1949 (42 U.S.C. 1448j) is amended by striking the second sentence by striking "tenant-based assistance as provided by section 8(o)" and inserting "tenant-based assistance as provided under section 8;"

(i) REPEAL OF MOVING TO OPPORTUNITIES FOR FAIR HOUSING DEMONSTRATION.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437 note) is repealed.

(j) PREFERENCES FOR ELDERLY FAMILIES AND PERSONS.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking the first sentence, by striking "(at

(k) FINANCIAL ASSISTANCE FOR ELDERLY FAMILIES AND PERSONS.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking the second sentence.

(l) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 201(m)(2)(A) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a(m)(2)(A)) is amended by striking "section 8(b)(1)" and inserting "section 8(b)."

SEC. 207. IMPLEMENTATION.

(a) In general.—In accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5, United States Code, the Secretary shall issue such regulations as may be necessary to carry out the amendments made by this title after notice and opportunity for public comment.

SEC. 208. DEFINITION.

For the purposes of this title, public housing agency has the same meaning as section 3 of the United States Housing Act of 1937, except that such term shall also include any
other nonprofit entity serving more than one local government jurisdiction that was administering the section 8 tenant-based assistance program pursuant to a contract with the Secretary or a public housing agency prior to the date of enactment of this Act.

SEC. 209. EFFECTIVE DATE.
(a) IN GENERAL.—The amendments made by this title shall be deemed to have the same effective date as section 923 of the Cranston-Gonzalez National Affordable Housing Act of 1988. The amendments made by this title shall become effective not later than 1 year after the date of enactment of this Act.

(b) CONVERSION ASSISTANCE.
(1) IN GENERAL.—The Secretary may provide for the conversion of assistance under the certificate and voucher programs under sections 5A of the United States Housing Act of 1937, as those sections existed on the day before the effective date of the amendments made by this title, to the voucher program established by the amendments made by this title.

(2) CONTINUED APPLICABILITY.—The Secretary may apply the provisions of the United States Housing Act of 1937, as amended by this Act, to assistance obligated by the amendments made by this title, to assistance obligated by the amendments made by this title, to the voucher program established by the amendments made by this title.

Title III—Miscellaneous Provisions

SEC. 301. PUBLIC HOUSING FLEXIBILITY IN THE CHAS.
Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended—
(1) by redesignating the second paragraph designated as (17) as added by section 681(2) of the Housing and Community Development Act of 1992 as paragraph (20);
(2) by redesignating paragraph (17) as added by section 220(b)(3) of the Housing and Community Development Act of 1992 as paragraph (19);
(3) by redesigning the second paragraph designated as paragraph (16) as added by section 220(c)(1) of the Housing and Community Development Act of 1992 as paragraph (18);
(4) in paragraph (16)—
(A) by striking the period at the end and inserting a semicolon; and
(B) by inserting ("16") and inserting ("17");
(5) by redesigning paragraphs (11) through (19) as paragraphs (12) through (16), respectively;
and
(6) by inserting after paragraph (10) the following new paragraph:
"(11) describe the manner in which the plan of the jurisdiction will help address the needs of public housing and coordinate with the local public housing agency plan under section 5A of the United States Housing Act of 1937;"

SEC. 302. REPEAL OF CERTAIN PROVISIONS.
(a) Maximum Annual Limitation on Rent Increases Resulting from Employment.—
(1) REPEAL.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12714) is repealed.

(b) Effective Date.—The amendment made by paragraph (1) shall be deemed to have the same effective date as section 923 of the Cranston-Gonzalez National Affordable Housing Act.

(c) Economic Independence.—
(1) REPEAL.—Section 923 of the Housing and Community Development Act of 1992 (42 U.S.C. 12714 note) is repealed.

(2) In General.—The amendment made by paragraph (1) shall be deemed to have the same effective date as section 923 of the Housing and Community Development Act of 1992.

SEC. 303. DETERMINATION OF INCOME LIMITS.
(a) In General.—Section 3b(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(2)) is amended—
(1) in the fourth sentence—
(A) by striking "County" and inserting "and Rockland Counties";
and
(B) by inserting "each" before "such county";
and
(2) in the fifth sentence, by striking "County" each place that term appears and inserting "and Rockland Counties".

(b) Regulations.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue regulations implementing the amendments made by subsection (a).

SEC. 304. DEMOLITION OF PUBLIC HOUSING.
(a) REPEAL.—Section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1998 (Public Law 105-269) is repealed.

(b) Funding Availability.—Notwithstanding any other provision of law, beginning on the date of enactment of this Act, the public housing project described in section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1998, as that section existed on the day before the effective date of this Act, shall be eligible for demolition under—
(1) section 14 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act; and
(2) section 9 of the United States Housing Act of 1937, as amended by this Act.

(c) Section Coordination of Tax Credits and Section 8.—Notwithstanding any other provision of law, rehabilitation activities undertaken in projects using the Low-Income Housing Tax Credit allocated to developments in the City of New Brunswick, New Jersey, in 1991, are hereafter deemed to have met the requirements for rehabilitation in accordance with clause (ii) of the third sentence of section 8(d)(2)(A) of the United States Housing Act of 1937, as amended.

SEC. 305. COORDINATION OF TAX CREDITS AND SECTION 8.

SEC. 306. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.
Section 214 of the Housing and Community Development Act of 1992 (42 U.S.C. 1436a) is amended—
(1) in subsection (b), by inserting before the period at the end and inserting a semicolon; and
(2) by adding at the end the following new subsection:
"(h) Verification of Eligibility.—
"(1) in general.—Except in the case of an election under paragraph (2)(A), no individual or family applying for financial assistance may receive such financial assistance prior to the affirmative establishment and verification of eligibility of that individual or family under this section; and
"(2) in applying with this section—
(i) may initiate procedures to affirmatively establish or verify the eligibility of an individual or family under this section at any time before or after the receipt of the application for public housing; and
(ii) may affirmatively establish or verify the eligibility of an individual or family under this section in accordance with the procedures set forth in section 274a(b)(1) of the Immigration and Nationality Act; and
(iii) shall have access to any relevant information contained in the SAVE system (or any successor thereto) that relates to any individual or family applying for financial assistance.;"
SUMMARY OF MANAGER'S AMENDMENT TO H.R. 2406, UNITED STATES HOUSING ACT OF 1996

Mr. LAZIO of New York. Mr. Speaker, I ask unanimous consent to insert in the Record a summary of the manager's amendment.

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

There was no objection.

MANAGERS AMENDMENT SUMMARY

This provision protects the very poor currently in public housing. It would put a cap on rent of up to 30% of income for families with income levels at or below 30% of the area median income (currently, about 76% of the public housing inventory is occupied by such families). It would also impose a rent cap of up to 90% of family income for the elderly and disabled currently occupying public housing, regardless of their income levels.

For prospective residents, those families with income levels at or below 30% of area median income would continue to pay up to no more than 30% of their area median income as rent. It is important to note that the Brooks Amendment currently imposes a 30% floor on rents for low-income family will pay 30% of their income as rent. If their income goes up, their rent will go up. Chairman Lazio eliminates this disincentive—very poor families will pay no more than 30% of their income as rent—no matter how their income goes up. The percentage of income that goes to rent can decrease.

For any families that may be subject to rent increases as a result of increased flexibility given to housing authorities, any rent increases over a certain amount will be phased-in over a period of up to three years, and other resident protections are provided.

MINIMUM RENTS

Most agree that everyone who resides in public housing should contribute something in return for their housing. H.R. 2406 provides for mandatory minimum rents of no less than $25, but no more than $50, within the discretion of the local housing authorities. The local authorities are given discretion to grant "hardship exceptions" to protect those that may truly not be able to pay the minimum rent. No residents will be made homeless as a result of the passage of H.R. 2406.

TARGETING

This provision maintains a good amount of public housing for those who are most in need. H.R. 2406 reported that 25% of a local housing authority's inventory would be for those at 30% or below of area median income. Chairman Lazio's Manager's Amendment has increased the targeting level of public housing—at least 30% of public housing units must go to those at 30% or below of area median income. This level would still enable housing authorities over time to create more income-mixed communities. For choice-based rental assistance, H.R. 2406 reported that local housing authorities did not target income.

The Manager's Amendment provides for a level of targeting whereby 50% of rental-based assistance will go to those at 60% or less of area median income, ensuring that the greater portion of such assistance shall go to lower-income families.

MOVING-TO-WORK FOR THE TWENTY-FIRST CENTURY

Finally, the Manager's Amendment has provided for the creation of a forward-looking program that would enable housing authorities to set rents at market rates and test various approaches for providing and administering housing assistance, give incentives to families to obtain employment and become self-sufficient, and increase housing choices and homeownership opportunities for lower-income families. One hundred high-performing local housing authorities will be selected each year in competition given the administrative flexibility to craft programs that would create an atmosphere where residents can succeed and "graduate" from public housing.

REVIEW OF HOUSING MANAGEMENT PLANS BY SECRETARY

This provision requires the Secretary to consider Management Plans that "adequately identify" the needs of low-income families and capital improvement needs. Additionally, the Secretary is authorized to reject management plans that are "plainly inappropriate" and inconsistent with this Act.

PUBLIC HOUSING RESIDENT EMPLOYMENT

This provision conforms the existing Housing and Urban Development Act of 1968 to H.R. 2406, and encourages employment of public housing residents in public housing development or modernization programs.

CREATES TWO FUNDING GRANTS

This provision modifies the current bill text by replacing one grant with two grants for capital needs and operating expenses. The amendment will allow modest fungibility of no more than 10% from the capital fund towards use in the operating fund. The capital fund is authorized to be increased by $300 million for fiscal years 1997 through 2000; the operating fund is authorized at $2.8 billion for fiscal years 1997 through 2000. (Both funds at the FY 1996 enacted funded levels.)

ACCREDITATION AND PERFORMANCE EVALUATION

This provision modifies the Accreditation Board provisions to avoid duplicative functions undertaken by HUD and provides authority to the National Center for Housing Management (created by Executive Order in 1972) to create the Board during the first year. The Center is authorized to determine performance indicators for evaluating local housing and management authorities. Additionally, this provision provides for the development of and performance audits of the housing authorities.

REVISES STATEMENT OF PURPOSE TO EMPHASIZE SELF-SUFFICIENCY

This provision revises the statement of purpose to create and facilitate housing authorities that ultimately partner with residents to achieve self-sufficiency and transitioning out of public and assisted housing.

CREATES HOMEOWNERSHIP OPPORTUNITIES

This provision would clarify homeownership opportunities provided under the legislation and the ability of the housing authority and other low-income housing providers to undertake the process of preparation and sale of units to residents eligible for homeownership.

CREATES TENANT SELF-SUFFICIENCY

This provision requires the housing authority to enter into binding agreements with recipients of public and assisted housing to undertake activities and programs that will lead to increased self-sufficiency, including transitioning and eventual graduation from public and assisted housing by a date certain contingent on the special and unique factors of the resident. The housing authority is authorized to enter into partnerships with state and local agencies, non-profits groups, academic institutions, and other groups with experience in facilitating self-sufficiency and graduation from public assistance. The agreements will be attached and incorporated into the least stringent exemptions for elderly, disabled, students, and the certified impaired; additionally, changed circumstances can be taken into account in modifying the agreement. The Secretary is authorized to partner with resident council organizations to create a model self-sufficiency tenant agreement for voluntary use by the housing authority.

ELECTION OF RESIDENT BOARD MEMBERS

This provision requires resident membership on the Board of Directors of the public housing and management authority, with certain exceptions set forth in the statute. Language has been added requiring that such representative is elected by the residents of the authority or State, Federal, and local groups, or assisted households, or Federal assisted housing programs, or public and assisted housing.

NATIONAL COMMISSION ON HOUSING ASSISTANCE PROGRAMS

An independent National Commission on Housing Programs Cost, is established for purposes of analyzing the full cost to the Federal Government of its public housing agencies, State and local governments, and other parties, per assisted household, of the Federal assisted housing programs so that accurate and reliable cost data can be made available to Congress for Federal assisted housing programs. The Commission will have nine members, three of which are appointed by the Secretary of HUD, and six that are three appointed by the House. The activities of the Commission are authorized from amounts from HUD's Office of Policy Development and Research.

HUD OCCUPANCY PROVISION

This provision clarifies HUD occupancy policy by requiring HUD to follow state occupancy standards that prevent overcrowding in Federal assisted housing occupancy standards. In the absence of state occupancy standards, a two person-per-bed policy is assumed reasonable.

REQUIRED CONVERSION OF BUILDING ASSISTANCE TO VOUCHERS

This provision clarifies and provides guidance on the factors necessary to require conversion of public housing to vouchers, including whether the building(s) (i) is not viable, (ii) consists of vacancy rates of 10% or more without any plans for modernization, (iii) are not cost-effective for modernization, and (iv) consists of at least 300 units either in one building or on a contiguous site. Therefore, financial assistance for severely distressed buildings, with the eventual useful life will be terminated and converted to housing voucher assistance.

VOLUNTARY VOUCHERING-OUT OF PUBLIC HOUSING

Local housing and management authorities, at their option, are given the power to convert public housing assistance into tenant-based assistance where the authority can demonstrate that the conversion will not be more expensive than continuing to operate the public housing development and will principally benefit the residents of the development, the local housing and management authority, and the community.

RESIDENT OPPORTUNITY PROGRAM

This provision allows the Secretary to provide technical assistance to resident councils for economic uplift (job-training, economic development, security and other self-sufficiency) and provides authority to require the...
housing authority to become a co-grantee for administrative purposes. This provision will provide accountability through the housing authority and preclude fraudulent and abusive practices. This provision is highlighted by hearings of the Committee on Government Operations.

PORTABILITY AND ADMINISTRATIVE FEES

Restores portability to the voucher program of the administrative problems associated with portability by directing the Secretary of HUD to take steps to ensure that the local housing authority that provides the services for a family receives all or part of the administrative fee. To prevent “waiting list shopping”, the legislative enables a local housing authority to require that a family that receives assistance live in that jurisdiction for twelve months after the initial receipt of assistance.

SHOPPING INCENTIVE FOR ASSISTED FAMILIES

This receiving allows for shoper incentives for assisted families under Choice-Based housing that rewards the market-rate selection or rental units that fall below the payment standard for that community. In cases where a market-rate unit is available, the government will reward the tenant, while reducing the budget deficit by providing a savings account in the tenant’s name for 50% of the savings incurred by selecting a quality but below market unit. The remaining 50% will be returned to the federal government for deficit reduction. The tenant may withdraw the money annually at the end of each year’s lease agreement.

PROHIBITIONS ON OCCUPANCY FOR PUBLIC AND ASSISTED HOUSING FOR CRIMINAL OR ILLEGAL DRUG USE, VIOLENT CRIME AND SCREENING, GRIEVANCE AND EVICTION REFORMS

This legislation incorporates S. 1494—The Housing Opportunity Program Extension Act of 1996, enacted as Pub. L. 104-120 and extends today and extends screening reforms to owners of assisted housing, i.e. non-public housing, including rural multifamily housing developments, assisted housing, and developments supported by Housing Opportunity Program Extension Act of 1990. The owners of assisted housing and housing authorities may deny assistance to potential residents who have been convicted of criminal activity during the preceding three years prior to application for assistance. S. 1494/Pub. L. 104-120 provided flexibility to housing authorities that i) designate crime-ridden areas elderly and disabled residents only; ii) evict residents who threaten the safety of elderly and disabled residents in such designated housing; and iii) expedite grievance and eviction procedures for drug-related and other criminal activity “on or off” the premises.

In addition to conforming language to S. 1494/Pub. L. 104-120, this provision provides access to criminal records, under strict confidentiality protections and penalties for misuse, for assisted housing screening. (Pub. L. 104-120 covered only public housing, since this provision extends those screening provisions to most federally-assisted housing.)

CDGB ENTITLEMENT COMMUNITY DESIGNATION

This provision designates Altus, Oklahoma as a community that, for purposes of eligibility of the Rural Housing Service programs, such as single and multifamily development. (The 20,000 population threshold was slightly exceeded because of a decennial census count that incorporated the population of a nearby military installation.)

PORTSMOUTH VA REVITALIZATION PLAN

Requires HUD to implement a revitalization plan for the City of Portsmouth, Virginia.

INCOME ELIGIBILITY STANDARDS FOR HOME AND CDGB PROGRAMS

Clarifies eligibility for HOME and CDGB programs so that all families earning up to 80% of area median income are eligible.

PROJECT IN NEW BRUNSWICK, NEW JERSEY

Allows Pennrose Properties, a low-income housing developer, to use low-income housing tax credits allocated in 1991 for use in rehousing a 98-unit project for the elderly. The reservation of these tax credits would otherwise lapse.

DEFINITION OF ADULT

Modifies the restrictions on divulging the criminal records for any convicted of crimes who are not adults to make also available the criminal records of minors who are tried and convicted as adults.

PROHIBITION OF FEDERAL INDEMNIFICATION OF INTELLUCTUAL PROPERTY RIGHTS

Prohibit local housing authorities from using federal funds to indemnify contractors from judgments of infringement of intellectual property rights.

CONVERSION OF A LIMITED NUMBER OF PROJECT IN NEW BRUNSWICK, NEW JERSEY

Removes Rockland County from the metropolitan statistical area of New York for the establishment of any ceilings or limits based on income under the Act.

HOPE VI PLANNING GRANTS

Provides a preference for previously awarded HOPE VI planning grants that were not funded by HUD.

GOLD CLAUSE CONTRACT

Clarifies interpretation of gold clause contract provision to hold the legal consequences of 1977 law, including unfair treatment to lessors. The amendment ensures that the old gold clauses apply only when such a clause is the explicit intention of both parties to the contract.

ROCKLAND COUNTY, NY, CEILING LIMITS

Removes Rockland County from the metropolitan statistical area of New York for the establishment of any ceilings or limits based on income under the Act.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to take from the Speaker’s table the bill (H.R. 1296) to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

There was no objection.

APPOINTMENT OF CONFERENCE ON H.R. 1296, PROVIDING FOR ADMINISTRATION OF CERTAIN PRESIDIO PROPERTIES

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to take from the Speaker’s table the bill (H.R. 1296) to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

There was no objection.

My concern, and I think the concern of others, is that recognizing that in both the House and Senate there has been strong bipartisan support for the underlying bill of the Presidio, but as is sometimes true to their nature, the Senate has added some 34 unrelated titles to the bill, some of which have not had hearings in our committee. That traditionally has opened the door for others who seek to have the same courtesy extended to them to add bills when we are in conference.

Mr. YOUNG. My concern is that hopefully there will be some ground rules to the controversy of those items that might be added. I think most of the items currently in either the Senate or in the House bill are essentially noncontroversial. My concern is that as people start to see that this bill has a chance to leave the Congress and go to the President, more and more people will want to jump in the boat here, and
The SPEAKER pro tempore (Mr. HYDE). The un-
animous consent that we adopt the report of the
Chair to postpone further consideration of the
bill until the following legislative day
is recognized for 1 hour.
Mr. MILLER of California. I am well aware of that. As an old river
boat captain, I have never been on a sandbar yet. I know how to read the
water. I know how fast the current is, and I know where I am going. I just help
me out and we will get there together.
Mr. MILLER of California. I am feeling happier already.
Mr. YOUNG of Alaska. Mr. Speaker, I appreciate that.
Mr. MILLER of California. Mr. Speaker, I withdraw my reservation of
objection.
Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to
remove my name as a cosponsor of H.R. 2086.
Mr. HYDE. Mr. Speaker, I ask unanimous consent to withdraw the
request of the gentleman from Alaska.
The SPEAKER pro tempore. Is there objection to the request of the
gentleman from Texas?
Mr. MILLER of California. Mr. Speaker, I appreciate that.
Mr. YOUNG of Alaska. Mr. Speaker, I withdraw my reservation of
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Mr. MILLER of California. Mr. Speaker, I withdraw my reservation of
objection.
Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to
remove my name as a cosponsor of H.R. 2086.
Mr. HYDE. Mr. Speaker, I ask unanimous consent to withdraw the
request of the gentleman from Alaska.
The SPEAKER pro tempore. Is there objection to the request of the
gentleman from Illinois?
Mr. MILLER of California. Mr. Speaker, I appreciate that.
Mr. YOUNG of Alaska. Mr. Speaker, I withdraw my reservation of
objection.
Mr. MILLER of California. Mr. Speaker, I withdraw my reservation of
objection.
Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to
remove my name as a cosponsor of H.R. 2086.
and this is what this legislation seeks to reform.

Thanks to the veto, the status quo will continue, costing consumers dearly. They will pay more for products or go without them because they will be pulled from the market because of the liability exposure.

The junior Senator from West Virginia said it all when he said, and I quote, "Unfortunately, special interests and raw political considerations in the White House have overturned sound policy judgment."

Mr. Speaker, the American public wants and deserves reform of our current out-of-control legal system. We need to replace the liability lottery that pervades our courts with sensible procedures. We need a legal system which will fairly compensate injured parties without making defendants pay well beyond their share of the fault, simply because those defendants are perceived to have the deep pocket.

It is important to the average citizen that each of us pays for runaway product liability costs in the form of higher prices for the products we buy. Yet in placing the trial lawyers, the President has denied us all the benefits of tort reform. The sad thing is that the legislation the President has vetoed is a comparatively modest proposal, much narrower in scope than the bill which passed the House of Representatives on March 10, 1995 by a vote of 265 to 161.

This conference committee version is strongly supported by groups such as the National Federation of Independent Business, the American Council on Life Insurance, the National Association of Manufacturers, and the Health Care Liability Alliance. It also has the aggressive backing of many Members of the President's own party, among them Senator JAY ROCKEFELLER, whom I mentioned before.

The veto which the President contains provisions which would vastly improve the way product liability cases are tried and settled. It properly puts the blame for product liability injury on the manufacturers, not someone who is merely a reseller or someone who supplies component parts to a manufacturer of medical devices.

It also provides that if the use of alcohol or illegal drugs is more than 50 percent of the cause of an injury, the manufacturer is liable by the percentage of responsibility for the harm attributed to the misuse or alteration of the product involved.

The President says he objects to the 15-year statute of repose, presumably because it is 5 years shorter than the Senate version. What he does not explain is that the 21 States which have enacted statutes of repose have all chosen lifetimes of 15 years or less. If we want U.S. manufacturers to be able to compete with foreign manufacturers, many of whom have only recently entered the market and thus bear no exposure for old products, we have to enact uniform, sensible cutoffs on liability.

The President also criticizes the specifics of what the bill does to limit a plaintiff's ability to recover damages. Let us not go too far, or, rather, let us focus on what it does not do.

It does not change a plaintiff's ability to recover payment for loss of income, medical expenses and other economic damages.

While it imposes limitations on the recovery of punitive damages, the conference report version is much more generous to plaintiffs than was the original House-passed bill. Our bill limited punitive damage awards in all civil actions to three times economic damages or $250,000, whichever is greater. The conference report limits punitive damage awards only in product liability cases and the limit is twice economic damages.

In a major departure from the philosophy of the House approach, the conference report would permit a judge to exceed these limits under certain circumstances. The conference report also does not place any monetary cap on the amount of damages for pain and suffering and other noneconomic damages that may be recovered.

Let us remind ourselves of the consequences of failing to enact reform. This legislation would unleash an American job creation boom, translating into real growth for our economy.

It would particularly benefit small businesses, which has created the vast majority of all new jobs in this country since 1987. The need for this relief for the small business community is shown by the fact that it is the top issue to emerge from the 1996 White House Conference on Small Business. Tort reform and specifically many of the provisions contained in H.R. 956 was once again a high-priority recommendation of the 1995 White House Conference.

The President's veto can only be viewed as an affront to this important segment of the American economy. Of course it is not a perfect bill, but it is a very good bill. It may not solve all the problems in our legal system, but it would be a workable first step in that direction.

It fairly balances the interest of plaintiffs and defendants in product liability cases. We are presented with a unique opportunity to obtain the ends of justice by giving the system certainty and imposing rational limits on damages.

Mr. Speaker, after nearly two decades of effort to fashion a comprehensive package of product liability reforms, we have the chance to enact a bipartisan consensus package of bottom-up reforms. These reforms are desperately needed to restore some fairness to our present system and to remove roadblocks to America's economic growth and job creation.

We need to send the message to all Americans that this Congress means what it says in its commitment to broad-based legal reform and about bringing an end to lawsuit abuse. I urge my colleagues to join me in voting to override this unwise veto.

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

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

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, I rise to suggest to you that the President of the United States was correct to veto the bill before us, the product liability bill, as being harmful to working Americans and particularly discriminating against women, so I urge a "no" vote to sustain the veto.

This proposal to override is a continuation of the majority Republicans' war on public safety, on workers, on women, and on seniors. They continue their war for the special interests who have spent over $26 million in campaign contributions in an effort to tilt the legal system further in their favor. So let us not kid ourselves, no matter what is said here today, about where the special interests concern lies.

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So far, amazingly, I have not heard the lawyers get beat up yet, but this is only the beginning of the debate. I always enjoy that part, where the lawyers are singled out as special interest people, when the hugest special interests in our political system are in there solid working on the other side.

That is the simple truth of the matter. I believe the President vetoed the bill that we passed, and if he vetoed it, he vetoed it. He has vetoed it. He has vetoed it.

This is coming out of the Committee on the Judiciary. The committee that is supposed to be the watchdog over the freedoms of people.

Mr. HYDE. Mr. Speaker, will the gentleman yield?
Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, would the gentleman tell me under what circumstances someone is completely denied a right to seek recovery for damages?

Mr. CONYERS. Mr. Speaker, reclaiming my time, we could cut off their rights to seek compensation even in clear, uncontested cases of negligence.

Mr. HYDE. How so, would the gentleman tell me.

Mr. CONYERS. I will in just a moment, if I can proceed.

Mr. HYDE. That comes as a surprise to me. Maybe the gentleman knows something I do not, which is entirely possible.

Mr. CONYERS. Mr. Speaker, reclaiming my time, it has happened once or twice in this session. I will be happy to clarify this for the chairman, because he sounds sincere in his desire for this information.

It especially discriminates against working people, who this Congress will not provide an increase in the minimum wage for. It discriminates against women, who might lose their reproductive capacity as a result of deadly injury brought about by irresponsible corporate behavior.

So this is a one-way street of federalism, return power to the States, so that we are up against the myth that litigation, cannot reduce litigation, because we are up against the dangerous products.

Both the products are now off the market, and loses his salary, obviously, when there are joint tortfeasors. So if a jointly produced product induces a non-economic damages are about. Where are they taking place in the United States? Punitive damages are always a great subject. Where are they taking place and how frequently? Punitive damages occur in about 14 cases a year, going back to the 1960's. The cap of $250,000 on punitive damages is a joke. It is not a deterrent. That is all punitive damages are about and that is why they are used so rarely.

How can a Fortune 500 company, making annual revenues of billions of dollars, be deterred from placing a dangerous product in the market because of the threat of a punitive damages award that is deducted to literally nothing under this bill? That is why the special interests are behind the bill.

The next point that should be considered a big one is a reason to sustain the President in his veto is that this bill will also limit victims’ rights to recover the non-economic damages when there are joint tortfeasors. So if a jointly produced product induces a non-economic damages are about. Where are they taking place in the United States? Punitive damages are always a great subject. Where are they taking place and how frequently? Punitive damages occur in about 14 cases a year, going back to the 1960's. The cap of $250,000 on punitive damages is a joke. It is not a deterrent. That is all punitive damages are about and that is why they are used so rarely.

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CONGRESSIONAL RECORD – HOUSE H4759

It was as proud a moment as I’ve had as a Member of this House. Today, Mr. Speaker, let’s do those American workers a favor. Let's repeat it.

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

Mr. CONYERS. Mr. Speaker, I yield 5½ minutes to the gentleman from Michigan [Mr. DINGELL], dean of the House, dean of the Michigan delegation, my good friend, and once the former chairman of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I begin by expressing my great affection for the distinguished gentleman from Illinois [Mr. HYDE], chairman of the Committee on the Judiciary, and also the distinguished gentleman from Virginia [Mr. BLILEY], chairman of the Committee on Commerce. They are fine Members and dear friends of mine and I have enormous respect and affection for both of them.

Mr. Speaker, I was, as this body knows, the individual who was in on addressing the problem of product liability early on. Our committee began the effort by moving out the first piece of legislation that ever came out of a congressional committee on this.

It is my view that product liability lawsuits have been much abused, and that the economic and adverse economic consequences have struck the American economy, the American worker, and American businessman because of that, and I intend to vote to override the President’s veto.

But, Mr. Speaker, I want to make it clear that I do it with a sense of heaviness in my heart. Without any ill will towards my good friend from Virginia [Mr. BLILEY], I want to make it plain that I think that was a very bad speech today. This is not an issue which we should make a partisan issue. It is a broad question of the public good. Are we going to correct an abuse which is here?

The hard fact is that the handling of this bill has given the American public, I think, and the Members of this body, a clear impression that what is happening here is essentially a partisan exercise on the part of our Republican colleagues. Members on this side of the aisle were very much excluded from the real inner workings of this conference which took place. There was no real conference in the traditional sense. Members had no opportunity to participate. There was no opportunity afforded the White House or the administration to discuss concerns which they had with regard to the bill.

That is a very bad way to proceed. It was not an open House which functioned. It was not an open committee or an open conference which functioned. It was a very closed and secretive undertaking. There were a couple of pro forma meetings which were, at best, opportunities for perhaps Bull Run speeches or perhaps for Members to say what they were going to do.

The real work was done behind closed doors at which Members, like myself, who wanted to participate and who could have participated and who would have participated in the bringing together of the divergent views which exist on the subject of product liability in a way that we could anticipate that this bill would then be signed into law, were excluded.

I think we are looking here, then, at a situation where the way this matter has been handled has been to assure not that a bill can be signed and not that a major economic and social problem is addressed, but simply so that we can have here an exercise in fingerpointing, something which is going to do two things: First, further alienate Members within this body on this subject, and, second, to assure that this bill is going to fail to a veto which has been given. A residue of great importance has been given to this body which is going to adversely impact future efforts to address the problem of product liability.

I view those events as a great calamity. I think American industry does need relief from the situation they confront, and I would point to the long hearings which we held in which we heard from industry, from individuals affected, even from the trial attorneys.

Those pointed up the need for change, but regretfully the process in which we are now engaged is going to assure that there is going to be no significant change. A veto is going to be upheld, vast fingerpointing will occur, ill will will remain and grow, and the problem of product liability litigation will not be resolved.

The final result of this is going to be that a great opportunity to do broad good for the American public, for the American economy, is going to be lost today.

My friend and colleague, Mr. BLILEY, talks about how this is an attempt on the part of the President to procure campaign contributions. I would point out that we all will be charged with receiving campaign contributions and I would point out this: There will be abundant campaign contributions befalling my Republican colleagues because of their views on this, probably larger campaign contributions than will fall on the Democrat who supports the President's veto.

I do not think that we ought to attribute, either to our colleagues or to the President of the United States or anybody else, the crass motive of proceeding solely on the basis of campaign contributions. I think we ought to give credit to each other for proceeding on the basis of the board public interest and doing good and carrying out our oath of office as we see that oath and that duty to.

I reject the idea that we should then proceed in that fashion. I think that that is the way in which we do greatest credit to ourselves and to argue this question on the basis that somebody is doing something on the basis of a campaign contribution demeans the individual who is charged, but it demeans also the individual who makes the charging.

I would urge my colleague, if we are going to address this question here, let us address it from the standpoint of the broad public interest. But let us when we do so understand that we have some duty to bring all Members into the discussion of something which has not been done here and something which has impaired in a severe way our opportunity to resolve a matter of very important concern to all Americans.

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would just say to my great friend and the ranking minority member of the Committee on Commerce that I would have not brought up that about the President and about contributions had I been a member of the Committee on the Judiciary brought out about fat cats and Republicans, and I just thought we ought to respond and set the record straight for what it is.

Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Ohio [Mr. OXLEY], the chairman of the subcommittee.

Mr. OXLEY asked and was given permission to revise and extend his remarks.

Mr. OXLEY. Mr. Speaker, I rise today to ask the House to override the President’s unfortunate veto of this very moderate approach to product liability. Let me say to my good friend from Michigan, who I have worked with for so many years on legal reform and specifically on product liability reform, that I am perhaps as frustrated with the process as he is. That is, the obvious concern that all of us had in the conference that the Senate made it very clear that the best we could get out of this conference on legal reform was a product liability bill, and that became the fait accompli.

So the stultifying meetings that we had, that the gentleman and I participated in, were as frustrating to me as to the gentleman because we would have done more, I think, had we been given the opportunity. I know the gentleman from Illinois and the gentleman from Virginia, the two chairmen, share my concerns about that.

But be that as it may, we have before us a pretty moderate approach to product liability, a bill that we worked on in our committee under the great leadership of the gentleman from Michigan, the now infamous “tort class from hell” that went on for 10 days, in which we produced, I think, a pretty good product, not dissimilar to the product that we have before us today that the President chose to not sign.

I would say to those folks, including the gentleman from Massachusetts and others on the floor today who worked on that bill, this really is that product.
It is a moderate approach. It does not deny people their ability to recover damages for lost wages for pain and suffering, for medical damages. It does put some limits on punitive damages that have gone out of control.

As a health economist Paul Rubin at Emory University says that $82 billion of the $132 billion spent on tort liability has been pure waste, and that was just for 1 year, in 1990. That works out to $900 per household of wasted money, meaning more cost to the average consumer, the average household, $900 a year more than they would have had to pay otherwise because of many of these frivolous lawsuits.

So, Mr. Speaker, I would say to my colleagues, this very moderate approach to product liability, which is the first time this Congress has really faced this very serious issue, deserves our vote to override the President's veto.

Mr. HYDE. Mr. Speaker, I yield 2½ minutes to the gentleman from Kansas [Mrs. MEYERS].

(Mrs. MEYERS of Kansas asked and was given permission to revise and extend her remarks.)

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in strong support of today's effort to override the President's veto of H.R. 956, the Common Sense Product Liability Reform Act. Meaningful product liability reform is one. Most important small business issues, we will consider all year. The legislation we passed and sent to the President was a bipartisan effort by scores of individual Members of this House and the other body not only in this Congress but going back for several Congresses.

I believe that the President's veto of product liability reform legislation is a slap in the face to every small businessperson in this country. The delegates to the 1995 White House Conference on Small Business were dazzled by the President, who told them that his administration was ardently pro-small business. But as we all know, this President changes his mind. So, he has raised taxes, he has championed a mandatory costly health care bill, and now he has vetoed product liability reform which small business has been seeking for years.

Mr. Speaker, the fact is that the overwhelming majority of this Nation's small businesses have been crying out for meaningful product liability reform for years, and it was one of the top issues at the 1996 and 1995 White House conferences.

Mr. Speaker, it is important to small business. Because of the high cost of liability insurance and because small business operates without large profit margins, just one lawsuit can totally wipe out a small business.

Punitive damages are capped at $250,000 or two times noneconomic damage, whichever is less, for small business. Sellers are not liable if drugs or alcohol are more than 50 percent responsible for an accident. It provides a mechanism for settlement out of court.

The bill says a small business is only responsible for the proportionate share of blame, and it provides a statute of limitations. I truly regret this veto. For the sake of small business, I implore my colleagues on both sides of this aisle to override the veto.

Mr. Speaker, these laws we talk about as being uniform are not uniform. The laws that are affected by these laws are those that are more draconian to consumers than the State laws. If the State has a more draconian law, then that law stays in effect under this legislation.

We also have a situation where joint and several liability is abolished. That is where the consumer, if he has a good case, a winning case, can sue many people and they have to decide how that damage is going to be apportioned. If this bill passes, it will be up to the consumer to try to find the unavailable defendants, those that may be insolvent. All of that will be borne by the victim.

Mr. Speaker, on this vote we should protect consumers. We should require corporate responsibility, and we should support the President's veto by voting no on the motion to override.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. DEAL], a member of the committee.

Mr. DEAL of Georgia. Mr. Speaker, I would briefly like to say that we should test this legislation by the light of reasonableness. When we do, I would ask the question, is it reasonable for a corporation to be responsible to a quarter of a million dollars or twice the compensatory damages? Most people think so.

Is it reasonable to give injuries that have multiple defendants the right to decide how much each of those defendants should have to pay rather than having the one who may be the last culpable have to pay it all? Most people think that is reasonable.

Is it reasonable to say a 2-year statute of limitations is too short? Is an action must be brought forth within that time? Most people think so. Is it reasonable to have a 15-year statute of repose?

The President had to go no further than a member of his own Cabinet, our former colleague in the previous Congress, Mr. Glickman, who led the efforts in the last Congress to try to save an industry in his district, a small aircraft industry, that was faced with a similar prospect of extinction to find that the president is certainly certain that this is not the case.

Based on the test of reasonableness, I would urge this Congress to override the President's veto. I thank the gentleman for yielding time to me.

Mr. HYDE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. GEKAS], a valued member of the committee.

Mr. GEKAS. Mr. Speaker, we have heard about costs. We ought to have savings. A lot of people are not being maimed and injured as a result of tort reform and the deterrent effect.

Mr. Speaker, these laws we talk about as being uniform are not uniform. The laws that are affected by these laws are those that are more draconian to consumers than the State laws. If the State has a more draconian law, then that law stays in effect under this legislation.
health improving, borne by some 8 million Americans currently in the use of those medical devices and who knows how many yet to come who will require them. Why? Because the suppliers of vital elements that go into these medical devices are going into one of their businesses or refusing to deal with the manufacturers of medical devices because of the large suits, liability suits that loom in front of them should they dare to supply a piece of plastic or a piece of wood or a piece of some other kind of element onto the market and hurt American families. Eliminating such products onto the market and hurt American families. So what weighty legal issues are businesses suing each other over? Let us talk about one case. McDonald's sought a temporary restraining order to prevent Burger King from airing ads comparing the Big Mac unfavorably to the Whopper. Haagen Daz sued Frusen Gladje, alleging that it had infringed on Haagen Daz's exclusive rights to Spending cream with a Scandinavian flair. Walt Disney sued the Motion Picture Academy to force a public apology for an unflattering portrayal of Snow White at the Academy Awards ceremonies. Scott Paper sued Proctor & Gamble claiming that it allegedly misled consumers about the absorptive power of Bounty paper towels by claiming Bount- ty was the quicker picker-upper. And finally, Hormel foods, maker of the lunch meat Spam sued the Muppets production company to stop them from calling a character in a new Muppets movie Spa'am, alleging that the character represented an unclean, grotesque boar that would call into question the purity and the quality of its products. So the Republicans want to give Spam the right to put the Muppets on the witness stand to re- solve these business issues, even if it takes 2 or 3 years in court. But if Joe Citizen has a defective product which has maimed him or his wife or any of his children, you are out of luck. We are putting limits on you. You are ru- ining the court system with the 1 percent of cases you bring in. The individual against businesses. But if business- ness such other businesses, no restrictions whatsoever. 

This is the world on its head. This is a special interest business protection against individual Americans making corporations responsible for their own actions when they hurt Americans in our country.

The President's veto should be sus- tained.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Louisi- ana [Mr. TAuzIN], a member of the committee.

Mr. TAUZIN. Mr. Speaker, what can we conclude about this Presidential veto? This is the second time the Presi- dent has vetoed a tort reform bill passed by this House and Senate, passed by large numbers of both Republi- cans and Democrats. In fact, the last time he vetoed a tort reform bill we did, in fact, override his veto.

What can we conclude about this veto? First of all, we can conclude the President must think this bill is ex- treme. The gentleman in the well who just spoke obviously agrees with him. But the Democratic Senator Rocke- dillers who supported the bill on the Senate side said special interests and raw political considerations of the White House have overridden sound policy judgment. Democratic Senator

Mr. Speaker, in the sense in which that line is used, a corrupt king and his followers are trying to figure out how to suspend everybody's freedoms and rights, and the only folks who could possibly stop that from happening? My colleagues guessed it: the lawyers.

So kill all the lawyers, if my col- leagues want, but what they are trying to do in this case is to stand between the Republicans and the suspensions of the rights of the people, the people in this country.

As the gentleman from Massachu- setts [Mr. MARKEY] has indicated there is no litigation explosion in product liabil- ility cases. The only litigation explosion is in business versus business cases.

We have talked a lot about, in this Congress, personal responsibility. Pun- nitive damages, and having individuals have the right to file lawsuits when they are injured by faulty products, is about corporate responsibility. If we favor personal responsibility, should we not also favor corporate responsibility?

And what about States' rights? I have talked about that before. My col- leagues have talked about it and say they supported it. But for years and years and years, product liability has been determined under State law, and here we are, federalizing product liabil- ity.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Wash- ington [Mr. WHITE], a member of the committee.

Mr. WHITE. Mr. Speaker, I would like to ask my colleagues to consider a question.

Let us say you have a neighbor who has a drinking problem, and one night
he goes out and has too many drinks, he comes home, parks in front of my colleague's house, it is a wonder how he got there in the first place. He gets out of the car, barely can walk home, and on the way to his house, in front of my colleague's house, he falls down and hits his mailbox.

Now, Mr. Speaker, do my colleagues think they should have to pay his medical expenses? I tell my colleagues something: President Clinton does. Because he vetoed this bill which solved that and many other problems we have in our legal system.

Mr. Speaker, I am a lawyer. I have great respect for the law. But the fact is anybody who has practiced law in our system recently knows it is dramatically out of whack and needs to be fixed. This bill is a modest step in that direction. We should override the President's veto and make sure this actually becomes law.

Mr. GANSKE. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE], a member of the committee.

(Me. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas, Mr. Speaker, this is a "three strikes, you're out" bill, and for my colleagues, many of our States already have contributory negligence laws to accord for the poor fellow who has lost his way. But, if this legislation were to say to someone, a woman who had been impacted in the 1980's by the Copper 7 intrauterine device by a company that knew that this particular device would keep women ultimately, because of its defect, from having children. Strike one, she would not be able to prevail under this proposed law.

Strike two: I just think of the two ladies in a Chicago elevator that fell to the ground because it had no slowing mechanism. They would not be able to prevail, though they were disabled for life, because it was older than 15 years old. How many of us get into elevators and begin to look to see when its last birthday was? Strike two.

Strike three: A farmer in 1990 was driving his tractor that he bought in 1959, it rolled over, and he went out and has too many drinks, he gets out of the car, barely can walk home, and on the way to his house, in front of my colleague's house, it is a wonder how he got there in the first place. Mr. Speaker, I urge the Members of the House to sustain the President's veto.

Mr. Speaker, I urge the Members of the House to sustain the President's veto.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. Cox], chairman of the policy committee, a member of the Committee on Commerce.

Mr. COX of California. Mr. Speaker, to respond to my colleagues, when something is 15 years old, 20 years old, 30 years old, 100 years old, at some point the manufacturer stops being liable, and that person who is responsible for maintaining the piece of equipment ought to be held liable, and that is the common sense that is in this bill.

The truth is that in my part of the country, in California, southern California, we have a lot of lawyers in West Los Angeles. I just that part of the city, there are more lawyers than in all of Japan. California, our fourth largest industry is lawyers, just judged by their legal fees. The only bigger industries are California are health care, the movie industry, and computers. No. 4 is lawyers fees.

Our system is a great wheel of fortune, and to respond to my colleague from Massachusetts about the fraction of cases that have punitive damage awards or the fraction of cases that we are talking about here, over 90 percent of all cases never get a single day of trial. Therefore, they have no judgments; therefore, they have no damages. Everybody settles on the basis of what we euphemistically call transaction costs, by which we mean some sort of discounted estimation of the lawyers fees it would take to get to the other end, and, therefore, there is not a single day of trial. If there is justice, it is entirely random.

We started out in the House of Representatives with a much broader bill. We covered services as well as products. We covered health care lawsuits. All of this now is out. We are down to products, and my colleague from Massachusetts joined with others to get everything else out of the bill, and now he says we are only covering products. In fact, he took out a rule that would have made people bringing frivolous lawsuits pay the costs of the other side so that we get all of those cases out of the courts, and now we are down to this.

The Washington Post has endorsed it. It is very reasonable. Our Democratic colleagues in the Senate have said President Clinton here is catering to special interests. I would not say that. But the truth is that the high cost of living in California, the perverse incentives, the slow cumbersome system that we have got right now, demands reform which we have not had here for 40 years.

This bill deserves to become law. Otherwise President Clinton would have made people bringing frivolous lawsuits pay the costs of the other side so that we get all of those cases out of the courts, and now we are down to this.

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This bill deserves to become law. Otherwise President Clinton would have made people bringing frivolous lawsuits pay the costs of the other side so that we get all of those cases out of the courts, and now we are down to this.
This legislation would ensure the injured parties are fully compensated for all their losses, both economic and noneconomic. But it would prevent them from hurting others by the excessive awards of punitive damages which keep people from getting the types of good services they need.

Mr. Speaker, I urge my colleagues to join me in overriding the President’s veto.

Mr. CONYERS. Mr. Speaker, I yield myself 20 seconds to respond to a question asked earlier by the chairman.

Mr. Speaker, he wanted to know the name of somebody who could get their victims rights cut off and could not even sue. I give him the name of Carla Miller because, under the statute of repose, we would cut off any ability to recover in cases of clear misconduct or negligence.

Mr. Speaker, I yield 20 seconds to the gentlewoman from California [Ms. LOFGREN], a member of the Committee on the Judiciary.

Ms. LOFGREN. Mr. Speaker, I have heard a lot of talk today about what the people want. Six weeks ago, the people of California considered whether or not they should lose their right to a recovery when wrongdoing occurred, and they voted not to do that. I think that when they find out that the tobacco companies, the NRA and others want to keep them from holding wrongdoers to account, that the Consumer Product Safety Commission, we heard about the minimum wage from more than one or two speakers. We heard it from my friend, the gentleman from Michigan, and we heard it from the other gentleman from Michigan. This has been an all-Michigan presentation, with the gentlemen from Michigan, Mr. Dingell, Mr. Bonior, and Mr. Conyers. I am sorry we could not match you in the excellence of Michigan.

The SPEAKER pro tempore (Mr. BOEHNER). Mr. Speaker, the time of the gentleman from Illinois [Mr. HYDE] has expired.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume. This has been an interesting debate, and remarkable by statements from the other side, many of whose Members know so many things that are just not so, Mr. Speaker.

The gentlewoman from Houston, TX, talked about an elevator older than 15 years falling to the ground in a building, and denying the passenger a chance to recover. My gosh, that is a negligence case. Any building that would have a faulty elevator, any lawyer that you can name would have a theory to sue on that one and take the building over for damages.

Mr. Speaker, nobody is denied a right to sue for damages. I heard that again and again. It is the runaway punitive damages. You can get your pain and suffering, your loss of use, your permanent disability, your out-of-pocket expenses. Those are all recoverable. It is the punitive damages that also are recoverable, but are restricted from running away. That is all this bill does.

Mr. Speaker, we heard about the minimum wage from more than one or two speakers. We heard it from the gentleman from Michigan, and we heard it from the other gentleman from Michigan. This has been an all-Michigan presentation, with the gentlemen from Michigan, Mr. Dingell, Mr. Bonior, and Mr. Conyers. I am sorry we could not match you in Michiganders.

But we heard about the minimum wage, we heard about the Consumer Product Safety Commission, we heard about everything but this bill. This bill protects a legitimate plaintiff. It does a good job for the plaintiff's lawyers, but they do pretty good anyway. I hate to say they are a special interest, but I do not think being a special interest is the worst thing in the world. So are teachers; so are Congressmen, for that matter.

Mr. Speaker, I suggest that if Members want to maintain the status quo, then stay with the President. But if they want to go with Senators Miller and Lieberman and other Democrats, as well as ourselves, then vote to override.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of the President's veto of H.R. 956, and I do so for a number of reasons. First and foremost, is the fact that it is far from the common sense reform that it has been advertised to be. While this legislation is bolstered by a good deal for Gingrich-Army Republican rhetoric, it is supported by little empirical need.

This bill as passed by the radical Republicans, goes against States' rights, it imposes arbitrary ceilings on punitive damages, eliminates joint liability for noneconomic damages such as pain and suffering which prevents the employee in these cases from receiving full compensation when injured, and it unjustly discriminates against the most vulnerable members of our society—the elderly, the poor, the young, and women.

Liability costs to American industries represent less than 1 percent of their total operating costs and the fact remains that all companies, both foreign and domestic, are subject to the same laws in each State as well as abroad. What the current product liability system has done is increased American innovation and our reputation for safe and reliable products—something in which we can take pride and must continue.

Mr. Speaker, H.R. 956, as passed, represents an absolute Federal power grab in an area that has historically been the province of the States. As a popular phrase in my city of Chicago states, “Stick around and the weather is bound to change,” and it seems a similar phrase could be used to refer to the manner in which my friends on the other side of the aisle continue to legislate with respect to State's rights.

Once again, the Gingrich-Army Republicans have shaved down the throats of the American public a big business special aid bill, and we are thankful for a courageous President who isn't afraid to stand up for the people as he did when he vetoed this bill.

People who have been wronged by negligence and failure of big business to address issues of safety and sanity deserve to be able to seek and get remedies that include monetary damages. This bill would only undermine the ability of courts to provide relief to victims of harmful products, and thereby take away incentives to protect the health and safety of the public.

For these reasons, I urge my colleagues to vote to sustain the President's veto of H.R. 956.

The SPEAKER pro tempore (Mr. BOEHNER). All time for debate has expired.

Pursuant to the order of the House of Monday, May 6, 1996, the previous question is ordered.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution this vote must be determined by the yeas and nays.
The vote was taken by electronic device, and there were yeas 258, nays 163, not voting 13, as follows:

Mr. EDWARDS and Mr. HEFNER changed their vote from "nay" to "yea.

So two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore [Mr. KNOBBLE] called the yeas and nays as follows:

The Clerk will notify the Senate of the action of the House.

PROVIDING FOR CONSIDERATION OF H.R. 3322, OMNIBUS CIVILIAN SCIENCE AUTHORIZATION ACT OF 1996

Ms. GREENE of Utah. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 427 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule X, XXXII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3322) to authorize appropriations for fiscal year 1997 for civilian science activities of the Federal Government, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(a) of rule XA are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Science. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as the Whole House on the state of the Union for consideration of the bill (H.R. 3322) to authorize appropriations for fiscal year 1997 for civilian science activities of the Federal Government, and for other purposes. Points of order against provisions in the bill for failure to comply with clause 2(a) of rule XA are waived.

Before consideration of any other amendment it shall be in order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Walker of Pennsylvania or his designee. That amendment shall be considered as read, may amend portions of the bill not yet read for amendment, shall be debatable for ten minutes equally divided and controlled by the proponent and an opponent, shall not be subject to a demand for division of the question in the House or in the Committee of the Whole if that amendment is adopted, the bill, as amended, shall be considered as the original bill for the purpose of further amendment. During further consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for the purpose of clause 6 of rule X. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore [Mr. KNOBBLE], Ms. GREENE of Utah, Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BELLENSON], pending which I yield myself such time as I may consume. During consideration of this resolution the time yielded is for the purpose of debate only.

Mr. Speaker, H. Res. 427 provides for consideration of H.R. 3322, the Omnibus Civilian Science Authorization Act. This is an open rule providing for one hour of debate. The resolution makes in order a manager's amendment, and gives priority recognition to Members who have had their amendments pre-printed in the Congressional Record. The resolution waives any requirement requiring a quorum in order to report a bill. The Rules Committee understands this is a technical violation, and that there was no intentional violation
of the rules. In addition, there are two technical violations in the bill relating to appropriating in a legislative bill. The resolution waives that rule as the Committee understands that the manager's amendment will address these concerns. The resolution provides for one motion to recommit.

Mr. Speaker, this is an open rule providing for consideration of a bill to authorize fiscal year 1997 appropriations for most programs and missions under the jurisdiction of the Science Committee. H.R. 3322 authorizes spending for the following programs:

- National Science Foundation
- National Aeronautics and Space Administration
- National Oceanic and Atmospheric Administration
- Environmental Protection Agency
- Various scientific and technical research programs
- Oceanic and Atmospheric Administration
- National Institute of Standards and Technology
- Federal Aviation Administration

The National Science Foundation authorizes fiscal year 1997 appropriations for most programs and missions under the jurisdiction of the Science Committee, as it did for the succeeding fiscal years. The House had much less time, and the committee had much less time, and the committee report that the entire process of authorizing in a legislative bill is seriously encumbered by the Science Committee's indifference to and disregard of the deliberative committee process. And we are disturbed that the Committee of Origin, at least as we view the record, is inadequate, giving Members little opportunity to consider broad policy issues after conscientious consideration under the committee hearing and markup process.

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

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

(Mr. BEILENSON asked and was given permission to revise and extend his remarks.)

Mr. BEILENSON. Mr. Speaker, I thank the gentlewoman from Utah [Ms. GREENE] for yielding the customary 30 minutes of debate time to me. I yield myself such time as I may consume.

Mr. Speaker, we support this open rule for H.R. 3322, the omnibus civilian science authorization bill. However, we believe this bill is seriously encumbered by the Science Committee's indifference to and disregard of the deliberative committee process. And we are disturbed that the Committee of Origin, at least as we view the record, is inadequate, giving Members little opportunity to consider broad policy issues after conscientious consideration under the committee hearing and markup process.

Frankly, we would find the way this bill was brought to the floor disturbing, whatever the rule provided. The type of rule, in this case, is not the issue. The issue is process, and it is one that should be of special concern to the Committee on Rules—the committee charged with ensuring that regular procedure and rules are followed, unless there is a very good reason for not doing so.

Mr. Speaker, one specific waiver in the rule illustrates most strongly our concerns about the way H.R. 3322 was considered, and the haste with which it was reported.

The resolution waives clause 2(l)(2) of rule X against this bill, a rule that requires that a quorum be present when a committee reports a measure. That is a rule that was never specifically waived when Democrats were in the majority.

The rule is being waived in this instance because the bill, H.R. 3322, was never actually before the Science Committee. The committee followed an unusual route, reporting out the chairman's mark of this bill, which was introduced the next day.

Chairman WALKER testified to the Rules Committee that his committee misunderstood the advice they were given on how best to proceed at that point, and we accept his explanation.

However, our point is that the waiver reflects the far too prevalent pattern of circumvention of the standard committee process in bringing bills to the floor.

If the standard process had been followed, with committee markups and the full committee considering the subcommittees' products rather than a chairman's version that few people had seen, this situation would have been averted.

Mr. Speaker, further complicating the way the bill was considered, the Science Committee, as it did for the first time this year, combined several of its major authorization bills into one omnibus measure. The bill this rule makes in order should actually be receiving the time we would have given, in past Congresses, to five bills. Merging most of the authorization bills for civilian research and development, usually considered separately, into a single, multi-billion dollar markup vehicle meant that members of the committee had much less time, and so were unable to consider all the important issues. The effect will be the same on the House floor, limiting debate and deliberations severely.

In our opinion, that is extremely unwise, especially when we are considering the direction of programs that represent major investments in our Nation's future.

The ranking member of the committee, the gentleman from California [Mr. Brown], predicted last year that this strategy would be unsuccessful in the Senate, where the separate authorizations are unlikely to be considered in one omnibus package. He was correct.

So it is especially difficult to understand why the majority decided to pursue this once again, a strategy that seems doomed to failure.

In addition, we are disturbed about the chairman's decision to bypass subcommittee markups on this bill, which instead went directly to the full committee for markup. This action was taken despite the official objections of the ranking Democratic subcommittee member, who noted in dissenting views in the committee report that the entire process by which the committee considered the bill "represents a new low point in the increasing marginalization of the committee's deliberative process."

The distinguished ranking member of the Science Committee, Mr. Brown, described the process by which the bill was considered as one that minimized, at every opportunity, careful consideration and thoughtful debate. He eloquently about the significance of the authorization process for crafting a bill that makes the necessary tough budget decisions and, at the same time, makes responsible decisions to ensure that we fund our highest priority programs.

Mr. Speaker, the substance of the bill itself is disturbing. It represents a continuation of the trend in last year's budget resolution, which called for a 33-percent cut in civilian research and development by the year 2002. It cuts more than $1.3 billion from the President's budget request, which many Members consider very modest.

The bill unfortunately continues the disinvestment in the scientific infrastructure that supports our understanding of the environment by further
cutting the programs that bring better science to bear on environmental problems. It reduces funding for key environmental research in global change by cutting NASA's Mission to Planet Earth and research at NOAA and EPA.

Unwisely in our opinion, it would effectively terminate much of the research to determine the validity of the global warming phenomenon.

It continues the attack on the National Science Foundation’s research in social and behavioral sciences without the benefit of hearings or oversight.

It damages our ability to stay competitive in international markets, by eliminating the Advanced Technology Program and severely cutting the Manufacturing Extension Program.

All in all, Mr. Speaker, this omnibus bill represents a massive disinvestment in our civilian research and development efforts, at a time when we should be doing just the opposite.

We shall be supporting the substitute to be offered by the ranking member of the Science Committee. It is a good alternative that maintains a proper level of funding in technology development and environmental research programs. We must continue our strong support for our Nation’s R&D programs, and we believe the substitute deserves support.

Mr. Speaker, to repeat, we support this open rule. It is especially important for a bill that is so seriously lacking in the type of thoughtful committee consideration that it deserved.

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

Ms. GREENE of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in terms of the process on this bill, we feel confident that there is no intentional violation of the rules, and there is not a pattern of disregard of the rules of the committee. The substance of the bill will be addressed through this open rule, and any Member who has concerns about any shortcomings they feel are present in the bill will have an opportunity to offer such amendments as they feel appropriate.

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

Ms. GREENE of Utah. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3296, ADOPTION PROMOTION AND STABILITY ACT OF 1996

Ms. PRYCE. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 428 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 428
Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3296) to help families defray adoption expenses and promote the adoption of minority children. The amendment in the nature of a substitute recommended by Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto, if offered, and the time for the consideration of the amendment shall be directly debatable for thirty minutes equally divided and controlled by the proponent and an opponent; (2) an amendment to title II of the bill, as amended, if offered by Representative Gibbons of Florida or his designee, which may be introduced only if offered by the minority leader or his designee.

The SPEAKER pro tempore (Mrs. Morella). The gentleman from Ohio [Mr. HALL], or his designee. The amendment will be considered as read and will be debatable for thirty minutes equally divided and controlled by the proponent and an opponent; (4) an amendment recommended by the Committee on Resources (applied to the bill, as amended), if offered by Representative Young of Alaska or his designee, which may be introduced only if offered by the minority leader or his designee.

The SPEAKER pro tempore (Mrs. Morella). The gentlewoman from Ohio [Ms. PRYCE] is recognized for 1 hour.

Ms. PRYCE. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to my good friend, the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Ms. PRYCE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and that I be permitted to insert extraneous materials in the RECORD on H.R. 3296.

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

There was no objection.

Ms. PRYCE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, House Resolution 428 provides for the consideration of H.R. 3296, the Adoption Promotion and Stability Act of 1996, under a modified closed rule. The rule provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule also provides for consideration of the bill without intervention of any point of order, and makes in order the amendment in the nature of a substitute recommended by the Committee on Ways and Means, now printed in the bill.

The rule provides for the consideration of an amendment to title II of the bill, as amended, if offered by Representative Gibbons of Florida, or his designee. The amendment will be considered as read, and will be debatable for 30 minutes equally divided between the proponent and an opponent.

The rule further provides for the consideration of the amendment recommended by the Committee on Resources if offered by Representative Young of Alaska, or his designee. That amendment will also be considered as read, and will be debatable for 30 minutes equally divided between the proponent and an opponent.

The rule provides for one motion to recommit, which may include instructions only if offered by the minority leader or his designee.

Madam Speaker, let me say that with respect to the amendment process, the Rules Committee has tried to be fair and balanced, allowing one amendment to be offered from each side of the aisle. Although the Committee heard testimony on several worthwhile amendments to the bill, some of which I individually supported, many of the proposals would have affected titles under the jurisdiction of the Ways and Means Committee.

As my colleagues may know, in the past the Rules Committee has observed the bipartisan custom of carefully limiting amendments to matters within the jurisdiction of the Ways and Means Committee, especially proposals that would directly affect the Tax Code and Federal revenues, as we continue to do under this rule.

Madam Speaker, today, under the terms of this fair rule, the House will consider important legislation that seeks to promote the practice of adoption. As an adoptive parent myself, I can say quite honestly that being able to provide a child with a safe, stable, and loving family environment through a successful adoption can be one of life’s most rewarding experiences.

Unfortunately, adoption in the United States is all too rare. The best available information indicates that roughly 40% of children live in foster care at any given moment.

Although Federal programs exist to support adoption, foster care, and family services, significant obstacles still remain. Adoption costs alone present a major disincentive, but in addition, parents are forced to think twice out of fear that an adoptive placement may be reversed, and a close family unit tragically torn apart.

And, on this rule, reflect our belief that Federal policy must be directed toward removing the barriers that currently discourage adoption. To that end, H.R. 3286 contains three elements that are essential to any successful pro-adoption strategy.

First, the legislation recognizes that the very costs associated with adoption, which can be as much as $15,000 or more in some cases, are a significant obstacle. To help families defray these costs, the bill includes an invaluable tax credit for up to $5,000 for qualified adoption expenses, and recommends specific revenue offsets to pay for that tax credit.
Second, H.R. 3286 seeks to remove barriers to inter-ethnic adoption. The bill would prohibit a State or any other entity that receives Federal assistance from denying or delaying a child’s adoption because of the race, color, or national origin of the child or the person seeking to adopt the child. Hopefully, this provision will help ensure that more minority children will find their way into loving homes across the country, regardless of the race of the family seeking to adopt.

Finally, this legislation addresses a subject which many of my colleagues and I believe is critical to preserving the long-term protection of children and stability of adoptive placements once they are made. Title III of the bill contains provisions to make very modest reforms to the Indian Child Welfare Act, which is the 1978 law governing the custody of Native American children.

Let me be clear about one thing, Madam Speaker: I believe the act, or ICWA, as it is also known, was well-intentioned legislation, and I remain very supportive of its original and intended objective. The former practice of placing Indian children outside of their tribes merely due to cultural differences was clearly shameful. However, the subsequent misapplication of ICWA to overturn and disrupt adoptions where the children involved have no tribal affiliation and only a minimal degree of Indian lineage, is equally shameful.

Clarification of this law is absolutely essential. The act’s overly broad interpretation by Government-paid lawyers and liberal courts has had unintended and very tragic consequences for children, adoptive parents, and birth parents alike. In many cases, voluntary adoptions, consented to by birth parents, have been prevented by courts that have misapplied ICWA. And, children with as little as 1/64 of Native American heritage have been deemed to be covered under the act, and removed from the only homes they’ve known.

As a result, the law’s broad application has encouraged adoption, even of Indian and non-Indian children alike. It has generated extensive and expensive litigation, and it has led to the heart-wrenching anguish of removing children from the only parents and homes they have ever known. Indian children are now more likely to languish in foster homes because some tribes will not allow their adoption by non-Indian parents, or because prospective parents are willing to consider adoption of children who may be subject to ICWA claims at a later point in time. This modest proposal removes one more obstacle for couples who want to offer loving homes to children, but don’t because they fear the next front page news story of an adoption tragedy.

Madam Speaker, I know that the distinguished chairman of the Resources Committee, Mr. Young, and I have different views on the ICWA issue. Under this rule, the gentleman from Alaska will have the opportunity to be heard on his amendment to the bill. But, I hope my colleagues will understand that the language in title III provides nothing more than a common sense clarification of ICWA, to the benefit of all children in need of loving, permanent homes, without infringing upon the sovereignty and rights of the Native American community.

My concern is simply that we have lost sight of what is in the best interests of the children involved. Children are not chattel, Mr. Speaker, nor are they the personal property of Indian tribes or their parents. They are individuals who have precious, unique, fundamental rights and needs. Above all, they have the right to permanency in a loving, nurturing family environment with stability and security. They have these rights regardless of their race, as do all American children. So, I would ask my colleagues to do what is right for the children, and keep this essential title part of the pro-adoption package.

In closing, Madam Speaker, let me urge Members on both sides of the aisle to support this resolution. It is an appropriate and fair rule which is consistent with our past bipartisan practices. We have the opportunity to strengthen the American family by passing this adoption legislation today, and I urge every Member to vote “yes” on the rule, and to vote “yes” on the bill.

Madam Speaker, I include the following for the Record.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS V. 104TH CONGRESS

(as of May 8, 1996)

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1 This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered as an open amendment process under House rules.

2 An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to the total time limit on the amendment process and/or a requirement that the amendment be presented in the Congressional Record.

3 A modified open rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

4 A closed rule is one under which no amendments may be offered (other than amendments recommended by the chairman of the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

(as of May 8, 1996)

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| H. Res. 18 (1/18/95)    | O         | H.R. 5  | Unfunded Mandate Reform | A: 255-171 (1/18/95).
| H. Res. 51 (1/31/95)    | O         | H.R. 101 | Budget Reform | A: voice vote (1/25/95). |
| H. Res. 51 (1/31/95)    | O         | H.R. 446 | Land Conveyance, Butte County, Calif | A: voice vote (1/25/95). |
| H. Res. 51 (1/31/95)    | O         | H.R. 2  | Line Item Veto | A: voice vote (1/25/95). |
| H. Res. 91 (2/21/95)    | O         | H.R. 889 | Def Program | A: voice vote (2/21/95). |
| H. Res. 91 (2/21/95)    | O         | H.R. 450 | Social Security | A: voice vote (2/21/95). |
| H. Res. 91 (2/21/95)    | O         | H.R. 1012 | Housing and Community Development | A: voice vote (2/21/95). |
| H. Res. 91 (2/21/95)    | O         | H.R. 926 | Social Security | A: voice vote (2/21/95). |
Ms. PRYCE. Madam Speaker, I reserve the balance of my time.

Mr. HALL of Ohio, Madam Speaker, I yield myself such time as I may consume.

(Mr. HALL of Ohio asked and was given permission to revise and extend his remarks.)

Mr. HALL of Ohio, Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I thank my colleague from Ohio, Ms. PRYCE, for yielding me the time. I recognize the very special importance this bill has to my Ohioesse.

House Resolution 428 is a modified closed rule which will allow consideration of H.R. 3286, the Adoption Promotion and Stability Act of 1996.

As an example of Ohio’s expertise, I must say that in my brief, but long, career of government service, I have found my state to be a leader in this important field. It provides for only two amendments. Representative Gibson or his designee may offer one amendment to title II of
the bill, Representative Young of Alaska or his designee may offer the other amendment.

The rule provides for one motion to recommit, which may include instructions, if offered by the minority leader or his designee.

H.R. 3286 provides a tax credit to parents of an adopted child of up to $5,000 to cover certain adoption-related expenses. H.R. 3286 aims to bring more children from foster homes into loving families, which is an important goal of our Nation.

Under the rule, no floor amendments may be offered to titles I and IV of the bill. This continues the custom of closed rules for tax-related bills from the Ways and Means Committee.

However, neither title II nor title III deals with tax matters, and title III falls under the jurisdiction of the Resources Committee. For these reasons, titles II and III should be subject to an open rule and fully amendable on the House floor.

Unfortunately, the Rules Committee chose to make only two amendments in order. Madam Speaker, this bill makes an important contribution to strengthening American families by promoting adoption. I regret that under this rule, the House will be denied the full opportunity to amend the bill and add to the contribution that the bill makes.

Madam Speaker, I reserve the balance of my time.

Ms. PRYCE. Madam Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], my good friend who has been such a great help on this bill and the chairman of the Committee on Rules.

Mr. SOLOMON. Madam Speaker, I certainly thank the gentlewoman from Ohio [Ms. PRYCE] for yielding the time and I commend her for her leadership in bringing this legislation to the floor, along with the gentlewoman from New York [Ms. MOLINARI] and others, like the gentleman from Kansas [Mr. TIAHRT], because without all of this effort this bill would not be here today.

It is so terribly, terribly important to the children of this Nation, Madam Speaker, that are really the future backbone of our Nation.

Madam Speaker, I am not going to bother to explain the rule and the contents of all of this legislation, except to say that there is one section in this bill, title III, that addresses what I consider overly broad interpretations of the Indian Child Welfare Act of 1978, and that needs to be clarified because its broad interpretations has prevented even voluntary adoptions by birth parents to other families. That is the part that is so sad.

This has caused the removal of children already settled in caring, in secure adoptive homes because the child may design little as 1/2 Native American blood or even 1/4, and that is such a shame because, Madam Speaker, the Indian Child Welfare Act was passed in response to a terrible problem that existed back at that time because of unwarranted removals of children from public and private agencies.

Madam Speaker, this was clearly an unjust situation that needed to be corrected in order to protect the sanctity of the Native American family. But the way the Indian Child Welfare Act has been implemented has been, even voluntarily, extremely difficult. As a matter of fact, it has been impossible.

Therefore, we should fix that problem, and this is so important if Members are listening back in their offices, or whenever they are, because by exempting from tribal court those Indian child custody proceedings involving Indian children whose parents do not maintain significant social, cultural, or political affiliation with the tribe of which the parents are members, whether it is reining in government spending, providing tax breaks for families, providing a healthy home life for all American children, this Congress has not lost its focus on ensuring a prosperous future for our children and our grandchildren.

Madam Speaker, let me speak from a personal experience. I almost never do this, Madam Speaker, but my dad walked out on me and my mom when I was born and we never laid eyes on him again. This was in 1990, back in the very beginning of the Depression. Because of extenuating circumstances, I was separated from my mother for many, many years, 15 years. I recall being shuttled from one home to another and then I do not remember the most was when I went to some other children's house and there was a mother and father there, I looked at them with such envy.

And then I look today at all of these children that live in foster homes, and Madam Speaker, there are 2 million of them that are homeless that need homes, not just 600,000. And only 10 percent of those in foster care today have any kind of chance of being adopted.

Madam Speaker, that is not right. This legislation will correct that from the $5,000 tax credit, from the inter-racial problem that we are straightening out, and by saying to Indian children, even if you are registered with a tribe, that is fine. But you cannot come 6 months or 5 years later and snatch the children away from these loving, caring parents. That is not what is right, and that is what we are trying to correct here today.

Madam Speaker, I say to my colleagues, please, please come over here and vote for this rule. But more important than that, vote against the amendment by the gentleman from Alaska [Mr. Young], my dear friend, that would leave things exactly as they are, leave the status quo, and nothing would improve for all of these homeless children in America for another 4 or 5 years. We cannot let that happen.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT], our very distinguished minority leader.

Mr. GEPHARDT. Madam Speaker, I rise to urge my colleagues to support this rule and to support this bill to make it easier and more affordable to adopt a child in this country.

We talk a lot about the issue of families in this Chamber, and what we can do to strengthen them, support them, and help them. This is a bill with broad bipartisan support that will actually make it easier to create families.

Many precious young children grow up in foster care, shutting from foster home to foster home without even one real parent to raise them to teach them basic values and decency, indeed to love them.

Right now, there are more than 5,000 children in foster care in my State of Missouri, over 1,100 in St. Louis city and County alone. But the simple fact is that there are parents longing to adopt them and care for them who simply cannot afford or think they cannot afford to do it.

Imagine this, that there are couples who are desperate to open their homes to children without families, yet they simply cannot meet the price tag. An adoption can cost as much as $20,000 in this country. I do not know of many families who can afford that kind of money. If we as a society really believe in family values, if we really want to put families first and fight for the children who will inherit this country, we have got to do all we can to encourage adoption to make it cheaper and to make it easier.

This bill will not solve all the problems, but it is an important start. A $5,000 tax credit could make the crucial difference for many middle-class families, families trying to get in the middle-class who want to adopt a child. By voting for this bill, we put our money where our mouths are. We create thousands of loving families where today there is nothing. When they ask me, these are the kind of votes that we ought to have in this Chamber.

So, I urge my colleagues to support this rule, support this bill, and give children a chance at the kind of family life they need and so richly deserve.

Ms. PRYCE. Madam Speaker, I yield 2 minutes to my friend, the gentlewoman from Utah [Ms. GREENE].
Madam Speaker, I rise tonight to join Senator Metzenbaum and others in supporting this legislation. While we have spent the night with little or no notice, I have copies of the documents. He特意不提出我们是否会建议我们是否可以对这些部落采取行动，是否可以将这些部落的儿童带入该国，并将其作为永久性家庭成员。如果我们能够解决这个问题，那么我们将继续这项法案。我希望主席能够满足我们的要求，因此我们不再急于对立法进行投票。我们需要通过这项法案，以便更好地管理这些部落的儿童。
with it because there are parents who are waiting for the opportunity and families who are waiting for the opportunity that the rest of this bill provides.

With respect to the custody of Indian children and the adoption of Indian children, we ought to just pause for a minute, because we are speaking in much broader terms here, much broader terms than can be justified under the most difficult cases.

I just want to say, in closing, let us not pretend that somehow the State courts do adoptions right, that people do not show up late in the process, that parents do not change their mind. So we are not going from an imperfect system to a perfect system. We are going to a process that we all know pains us all. It is a most difficult process.

Ms. PRYCE. Madam Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. BURTON], who does so much work for adoption.

Mr. BURTON of Indiana. Madam Speaker, I want to compliment the gentlewoman from Ohio for her participation and hard work on this. I know she has done an outstanding service.

Let me just say that we also ought to thank a fellow who started with nothing, who became one of the greatest entrepreneurs in the world, started at 15 as an orphan, almost, Dave Thomas of Wendy's. He came up here on the hill a number of times and testified. Without his help, I am not sure we would be here tonight with this bill. So, Dave, if you are watching, thanks a lot for all your help.

I spent some time in the Marian County Guardians Home. Kids who are in foster care in a guardians home want to get out. They want a loving home, and they want loving parents. And to keep them incarcerated, incarcerated in foster homes for long periods of time is just wrong.

We had a hearing this week and the gentlewoman from Ohio [Ms. PRYCE] brought in a gentleman to testify. I want to tell you a story, a practical story about what happens because of the problem we are having with the tribes as far as adoption is concerned.

This fellow adopted a child who was 1/8 Indian. I believe, 2 children, twins that were 1/8 Indian. He had complete cooperation from the parents. I do not think he knew at that time that they had any Indian blood in them. Nevertheless, he adopted them. Two years later, 2 years later actions were taken to try to take those children away from him because they were 1/8 Indian.

Let me tell you what happened to that family. He has spent $300,000 trying to keep his children; the children love him. He loves them. The mother loves the kids. They love her. And the children are in constant danger of being taken away from that family. The family is just about bankrupt. I think they have even mortgaged their home.

That is not right. That has to be changed. There ought to be some constraints, some limits on how long any Indian tribe or any group has to take a child back in that kind of a case.

I tell you, to take a child that has its roots established like a tree in a family for 2 years out of that family is just absolutely unconscionable. So this law needs to be passed in its entirety right now. It does not need the amendment.

I love the gentleman from Alaska, DON YOUNG. I have great respect for the gentleman from California. But we need to think about the families who adopted these kids. We need to think about the children who we want to get out of foster care into loving homes and after 2 years and $300,000 and taking a second mortgage on your home and losing everything and still have the possibility of having those children taken away from you is wrong.

People across the country who watch television, who have seen these heart-rending cases where children are taken out in the middle of night by sheriffs because of a law in one State or another or because of a tribal law, people in this country do not like that. They want to change it.

This is a good law. It needs to be kept intact. I love DON YOUNG. He is a good friend of mine. We are working on other legislation. But, DON, you are wrong on this one. Let us let this thing as it is.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. MORELLA). The Chair must remind all Members that remarks in debate should be addressed to the Chair and not to the viewing audience.

Mr. MILLER of California. Madam Speaker, I yield 30 seconds to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Madam Speaker, I just want to say to the gentleman from Indiana, we ought not to base this one bill and pecuniary cases. We all witnessed a young child in State court where TV cameras were there and as she was screaming for her adoptive parents, screaming and taken away and put in a car. That was in State court. We know that adoptions are tough and difficult and people change their minds and now you have got unrelated parties.

This is about the forum. There is nothing that prevents the Indian court from awarding the child to those individuals. I just think you have got to be very careful here. This is not about who is right or wrong. It is about being careful with respect to what we are doing.

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Ms. PRYCE. Madam Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. TIAHRT], the coauthor of title III of this bill.

Mr. TIAHRT. Madam Speaker, I want to thank the gentlewoman from Ohio for spearheading this effort. I really appreciate her efforts for the children who I think are the most neglected Americans, the children without parents.

Madam Speaker, I think this bill is very important because it does remove the barriers that have hampered us from putting children into loving homes. I support the three major provisions of this bill: The $5,000 adoption tax credit, and also the portion that removes interracial barriers from adoption so the kids are not trapped in foster care, waiting for a little racial home. But most probably the most controversial part and the one that I most strongly support is the reform to the Indian Child Welfare Act.

I know there was a grave need for this act, and I think it has just gone beyond the scope of it. In the State of Kansas where I am a Representative, we have seen Kansas State courts try to put some boundaries on the Indian Child Welfare Act and bring some common sense into it. For example, we abolished the bill, and I am anxious to encourage adoption in America, that we remove some of these legal barriers, remove these financial barriers, and make it easy to transition them out of child care or out of foster care into loving, warm homes where they have a bright future.

There are many tremendous success stories that I think about Don Ben Reifel, who was an adopted child, who represented the State of South Dakota in the early 1950's and early 1960's. Because he had warm, loving parents who took him in, gave him a bright future, he served this body right here on the floor of this House. I think there are other wonderful stories out there waiting to be created if we can only remove the barriers that exist today in this adoption language and adoption law.

Madam Speaker, I support this rule, I support this bill. I am anxious to pass it in whole, and not take out any part.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Madam Speaker, first of all, this is a good bill. We are doing the right thing by passing this bill. I commend the author of this bill.

Madam Speaker, I am going to vote against the rule because of the provision on Indian adoptions. First of all,
Madam Speaker, the gentleman from Alaska [DON YOUNG] chairs the Committee on Resources. In our committee, we unanimously, Republican and Democrat, took out the provision that deals with Indian adoptions. The last time we were here, Mr. Chairman, the Committee on Resources Rules does not have the job of creating American Indian policy. The rule dictates to 557 sovereign Native American nations what is best for their children.

I think what we are doing here with respect to Indian adoptions is a tragic mistake. There are 20 glaring cases, they are tragedies, and I am sure they will be discussed here, but that should not dictate what we impose on tribes. Tribes care for their children. Not one Native American tribe was consulted on this provision.

Can Members imagine first Americans, sovereign nations; we have sovereign treaties with them. Yet, not one tribe is supporting this provision. I think that is a lack of respect. What we are doing here, Madam Speaker, is affecting the Indian family, the Indian culture. The extended family has a special role in caring for Indian children. In nearly every instance when the extended family has knowledge of a child needing care, they care for that child. Unlike many other minority adoption cases, in Indian country there are more than enough relatives and families who are willing to assume custody of children.

The provisions included in this rule undermine the basic rights of Indian tribes to ensure the survival of Indian culture and the future of their children. If we are going to have family values in Indian country, it is best for Indians to make those determinations.

Madam Speaker, we have a trust responsibility with our tribes. I am not saying that the current system works. We need to improve it. The gentleman from Alaska [DON YOUNG] has called for hearings, and the middle ground will be the best way to improve Indian adoptions. Many of the tribes were told, “Let us make june the month that we come up with legislation that deals with some of these very egregious cases that very clearly have been pursued by those that are authoring this bill.” But let us not jeopardize this legislation, which will be contested by the tribes; it will go all the way to the Supreme Court; the entire bill may be jeopardized. I hope not. But this is not a good provision, and we should defeat the provision and move forward.

Ms. PRYCE. Madam Speaker, I yield 2½ minutes to my friend, the gentleman from Florida [Mr. STEARNS].

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Madam Speaker, I thank my distinguished colleague from Ohio for yielding time to me.

Madam Speaker, we heard the gentleman from Alaska [Mr. Young] say, do not give me anecdotal information. Remember when he said that? What in a sense he is saying is, do not give me the facts. The speaker before me said that this program is not working. We have here for the first time a program that is going to work. That is why I support the rule. I would like to commend all those who are involved for all the hard work they have done on this bill.

I think it is now important that we pass this rule and move on to this legislation. It will bring stability into the lives of almost 500,000 children who are currently in the foster care system waiting to be adopted, waiting for a family that will truly understand and be able to take care of them. Many times couples are desperately seeking to adopt, it is clearly apparent that the current adoption system is not working, and clearly, the current system ignores the best interests of the children. By implementing the simple changes we have in this bill, we will provide children with loving parents, a healthy home environment, and something that every child needs and deserves.

Madam Speaker, let us enable couples to adopt Indian children by streamlining the burdensome costs and complex regulations now associated with the option. I think this clearly does it with this bill. We all know that the American family is the backbone of our Nation, so we should encourage the creation of American families, not impede them. I urge my colleagues to vote for the rule.

Mr. HALL of Ohio. Madam Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Madam Speaker, this is a closed rule. Therefore, I am opposed to it. I do support the adoption bill, but it simply does not go far enough. What about the 400,000 children in foster care who are not candidates for adoption?

As David Lawrence, the chairman of the Child Welfare League writes in today’s New York Times: “Many foster children have emotional and physical disabilities. The adoption of these kids will require more than just a one-time tax credit.”

Madam Speaker, I proposed several amendments to the Committee on Rules that would have helped build important bridges between foster care and adoption. My amendments would have streamlined the bureaucracy, which too often keeps children languishing in foster care when there are people ready to adopt them. My amendments would have strengthened the ability of caring relatives and standby guardians to step in and care for and, in some cases, adopt foster children.

I favor a bill to expedite adoption. This is a good first step in our efforts to move children from the care of the State to the care of loving families, but a simple tax credit is not the whole answer. It would be a tragedy if we did not use this important opportunity to move forward and reform a foster care system that is and that leaves thousands of children in difficult and dangerous environments.

Mr. GANSKE. Madam Speaker, prior to November 1994, as a practicing physician, I counseled parents who were the best parents they could be, they would bring those children to the United States and we would work with them to make them whole.

But I also saw a lot of children in foster care, so while I was seeing the children that were being brought into the country for adoption, I was wondering, why are these children who are in foster care not getting homes? Foster care many times is a wonderful thing. The foster parents do a good job. The tragedy is that some of them do such a good job that they attach, they form attachments to those children, and the children also, but it is a temporary situation, and then they are torn apart.

So part of what we are doing is this bill, and I speak in favor of the rule because it is a first step in our efforts. The Happy Foster bill is that we are doing to address one of the impediments, and that is the issue of race matching that I think has kept many of those children who are in foster care from getting the permanent home that they need. I am very, very pleased that this bill is coming to the floor. It is one of the best things we have done in Congress.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from American Samoa [Mr. FALEOMAVAEGA].

Ms. PRYCE. Madam Speaker, I want to say, preliminarily, that I certainly have the highest respect for the gentlewoman from Ohio, Ms. PRYCE, as we have tried earnestly to determine where we can resolve this very important issue.

Madam Speaker, I rise today in strong opposition to title III of H.R. 3265 which amends the Indian Child Welfare Act. If enacted, title III will harm helpless Indian children, damage the Federal relationship with Indian tribes, and allow States to decide who is and is not Indian.

In 1978, Congress passed the Indian Child Welfare Act to stop the hemorrhage of Indian children being separated from their families. This act was passed after long and careful deliberation which included all affected parties. Hearings were held, drafts were circulated, and questions were asked. On the other hand, the provisions before us today have never been given a comprehensive hearing and not one Indian tribe was consulted or included in any discussion. The proponents of the language are taking a shotgun approach in reaction to a couple of badly handled adoptions.

Democrats and Republicans alike on the Resources Committee rejected the method and the language used in this
title by striking the language from the bill before reporting it. The Resources Committee has the jurisdiction and the expertise over Indian matters yet the
Chairman had to fight just to have the bill referred to the committee for only 6 days. The leadership plan was to once again bring an important piece of legislation to the floor without benefit of Member or committee involvement. The Resources Committee takes the Federal trust responsibility toward the Native and American Indian tribes very seriously. As I said the committee overwhelmingly supported removing the offensive language that was reinstated in the floor package before us today.

Title III of this bill would require that a child’s significant cultural, social, and political contacts with a tribe determine his or her “Indian-ness” instead of tribal membership. It ignores the important role of the extended family in Indian culture and would lead to increased litigation.

The outrage that prompted the passage of the Indian Child Welfare Act were numerous. Prior to its enactment, the rate of adoptions of Indian children was wildly disproportionate to the adoption rate of non-Indian children. Indian children in Montana were being adopted at a per capita rate 13 times that of non-Indian children, in South Dakota 16 times that of non-Indian children, in Minnesota 5 times that of non-Indian children. The act’s principal sponsor and my good friend, Chairman Mo Udall, said during the floor debate, “Indian tribes and Indian people are being drained of their children and, as a result, their future as a tribe and a people is being placed in jeopardy.”

I realize that there are problems with the Indian Child Welfare Act. I know that one problem is with adoption attorneys who pressure parents not to acknowledge their Indian heritage or adoption forms. But I also know that there have only been problems with less than one-half of 1-percent of the total number of Indian adoptions since the act was passed. Lest we work together to solve any problems with the current act. During the last several decades this body has worked hard not to be paternalistic toward Indian tribes. We must allow tribes to be involved when important issues are considered. I am not amending an act of such magnitude. I implore my colleagues to strip the Indian language from this bill.

I urge my colleagues to strike out title III of this legislation.

Ms. PRYCE. Madam Speaker, I yield 2 minutes to my friend, the gentleman from Washington [Mr. NETHERCUTT].

Mr. NETHERCUTT. Madam Speaker, I thank the gentlewoman for her leadership on this very important issue.

Madam Speaker, before I was elected to Congress, I was a practicing attorney in Spokane, WA.

I estimate that I have handled well over 1,000 adoptions and well over 1,000 children of those adoption cases. Certainly it is the most important thing. I believe, any human being can do for another, and that is to adopt a child and provide a stable, loving home for that child. An environment of stability is extremely important.

I have handled not only foreign adoptions, I have handled many, many Indian child welfare cases, and my experience is this: The Indian Child Welfare Act needs adjustment.

Many Indian Child Welfare Act cases I handled were handled perfectly, and the Indian tribe’s heritage and the interest of the Indian tribe was fully protected, but there were many cases that had not only problems that prevented a final adoption but problems that resulted in delays. For a child who is waiting to be adopted and waiting to have the finality of an adoption and a loving home, the wait is as bad as anything. The uncertainty for a young child is extremely detrimental.

What we have to keep our eyes focused on, I believe, today on this particular legislation, which I think is good legislation, provides an appropriate adjustment to the Indian Child Welfare Act, we have to keep our eyes on who is most important here. Is it the child and the interests of the child, or is it the tribe?

There is no reason that the Indian Child Welfare Act should impede a loving family placement in a non-Indian home or perhaps with an adoptive parent who is maybe not of the same affiliation, tribal affiliation. My experience is that many adoptive parents have recognized that Indian child welfare connection and the tribal connection.

This is a good bill, a good rule, and we should support it.

Mr. HALL of Ohio, Madam Speaker, how much time do we have remaining on both sides?

The SPEAKER pro tempore (Mrs. MORELLA). The gentleman from Ohio [Mr. HALL] has 5 minutes remaining, and the gentlewoman from Ohio [Ms. PRYCE] has 5½ minutes remaining.

Mr. HALL of Ohio. Madam Speaker, I reserve the balance of my time.

Ms. PRYCE. Madam Speaker, I yield 2 minutes to my friend, the gentleman from Iowa [Mr. LIGHTFOOT].

(Mr. LIGHTFOOT asked and was given permission to revise and extend his remarks.)

Mr. LIGHTFOOT. Madam Speaker, I thank the gentlewoman for yielding me the time, and I rise in strong support of not only the rule but the bill as well. I think it is gratifying to know that we are finally doing something to make adoption easier and more affordable. A child who does not go home with his or her birth parents is very lucky to be given a home with a loving mother and father who want to be parents and want to give that child a happy and healthy environment in which to grow up. I know how lucky such children are because I am one of them. I had the good fortune to be given a home with two people who have been very wonderful, loving parents; in their eighties, they are retired today on the farm and I hope enjoying it.

But as we have heard tonight, there are many children who are waiting for the chance right now. We know that about 40 percent, 50,000 of them, are going to get that chance, and one of the biggest reasons they are not getting that chance is because of the case cost of adoption, up to $20,000 or more.

It seems to me when there are so many children that are waiting and there are so many parents who want these children, why should we not remove the roadblocks and let it happen? We as a society pay a far greater human cost in allowing those children to languish and those parents to agonize than anything that we could ever put in a checkbook.

And as a result, I think that no child should be kept from being placed in a home in which that child could thrive. It should not be held up because there may be some ethnic difference between that child and the prospective adoptive parents. If there is love and there is understanding and there is desire to work together, what difference does it make what color their skin is?

So I would like to thank Susan Molinari for offering this piece of legislation, DEBORAH PRYCE for her leadership in the Committee on Rules. I think it proves that Republicans and Democrats can work together to come up with a good solution to a very difficult problem, and I urge strong support of not only the rule but the bill, as well.

Madam Speaker, I rise in the strongest support for H.R. 3286, the Adoption Promotion and Stability Act. It is gratifying to know we are finally doing something to make adoption easier and more affordable. A child who does not go home with his or her birth parents is very lucky to be given a home with a loving mother and father who want to be parents and want to give that child a happy and healthy environment in which to grow up. I know how lucky such children are because I am one of them. I had the good fortune to be given a home with two people who have been wonderful, loving parents.

But I know there are about 500,000 children in this country who are waiting for that chance right now. But they are not getting that chance because so many couples cannot afford the average $20,000 cost associated with adoption. And nearly half of those children are minority children who will wind up waiting twice as long to find a home. When there are so many children waiting, no couple should be kept from taking those children in simply because of cost. We as a society pay a far greater human cost when we stand in the way of putting needy children in loving homes. And no child should be kept from being placed in a home in which that child would thrive simply because of the ethnic group to which the child and prospective adoptive parents belong. It is in the best interest of the children to parents who will be responsible, loving, and attentive. This bill is very much needed. This is one of the best ways we can show that we
do care about children and that we are able to work together, Democrats and Republicans, to really make a difference. I strongly urge my colleagues to support this measure and I thank Ms. MOLINARI for bringing this measure in front of the House and I thank the leadership for putting the floor together.

Mr. HALL of Ohio, Madam Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Madam Speaker, I thank the gentleman for yielding.

Mr. OBERSTAR. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, we have been aware, as I do, that the Committee on Rules did not make in order my proposed amendment to equalize the paid leave provisions of the Family and Medical Leave Act for both families and adoptive families. I listened with great interest, captivated by the chairman of the Committee on Rules speaking with such passion and giving such personal witness. I do not think anyone has ever spoken so warmly and so convincingly about his own experience.

So I think clearly with three committees involved, clearly my amendment could have been made in order, but we will make a bill effort to go back to the Committee on Educational and Economic Opportunities and try to work it in that aspect.

What I really am disappointed about, though, is that this language I proposed was not made in order. There is language, title III, made in order, that I have heard from the reservation leadership in my district, of which I have six tribal councils, all calling this an affront to the Indian community. Let me pick up those words, not my words.

Marge Anderson, who is chairman of the Blacks Band: "For years the BIA put Indian children into boarding schools to cleanse them of their Indian blood. For years children have been lost souls as a result of the effort to assimilate them into the white community. They often become alcoholics."

Myron Ellis, the chairman of the Leech Lake Tribal Council, said: "The Indian Child Welfare Act has stopped the raids on Indian children. It is bringing stability to Indian families. It is strengthening the future of Indian tribes. Title III language, page 2130, sets the clock on those factors in the future."

I think we ought to listen more to those who are on the front line, those whose families, whose lives and livelihoods, are caught up in this adoption issue, those of the Indian tribes themselves. I put their words out, not mine, not anecdotal stories, because I think they are the ones who understand their situation best.

I want to make this be the effort by the Committee on Resources tomorrow to strike this language and to hopefully ameliorate the bill.

Ms. PRYCE. Madam Speaker, I yield 2 minutes to my friend, the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Madam Speaker, I rise in strong support of the rule and the bill, H.R. 3286, a measure which I would hope would help to defray adoption costs and promote the adoption of minority children.

Today, there are more couples who want to adopt and more children in need of a loving home than ever before. Before. According to estimates by the National Council for Adoption, at least 2 million couples would like to adopt. Yet only about 50,000 adoptions occur annually.

Madam Speaker, the prospect of adoption is one that hits very close to our office. My legislative director is herself adopted. She described her feelings on adoption to me in the following eloquent words:

"Mom and Dad took me home, gave me their name, their protection and their love. They shared with me their family—brothers, aunts, uncles, cousins and grandparents—no clearer than one ever could. Together they provided a foundation from which I have been able to return a small portion of the abundant love and care that they have given me to the world I live."

Madam Speaker, that every child in America be able to make such a statement. I urge the swift passage of H.R. 3286.

Mr. HALL of Ohio, Madam Speaker, I yield 3 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Madam Speaker, I rise to speak on this bill with a very unique association with the subject matter. On February 3, 1993, after a frantic day as a Member of Congress representing the State of North Dakota, I went to National Airport, met my wife who also had gone to the airport, and we eagerly, anxiously awaited the arrival of our soon-to-be-daughter, an infant born in Korea, flown over and placed with us and now an adopted part of our family.

To tell my colleagues that this has so profoundly, fundamentally changed my life is such an understatement of the glory we have experienced as adoptive parents, and I am very pleased to tell the House tonight that we are within two weeks or three weeks of going back to National Airport and coming home with a son, also born in Korea.

As I looked at what the legislation before us is trying to accomplish in terms of breaking down barriers of interstate adoption, I thought of a daughter who is a member of another race. I cannot speak passionately enough in terms of the importance of breaking these barriers down. Children need families. Families need children. Some notion of political correctness would have nothing to do with things that we can be for, and some of the things we cannot be for, try to set them aside. But this is one of the things where we have good bipartisan support.

Ms. PRYCE. Madam Speaker, I support the rule and the bill.

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

Ms. PRYCE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I certainly appreciate the words from the gentleman from Ohio [Mr. HALL].

Ms. PRYCE. Madam Speaker, I yield such time as I may consume.

Madam Speaker, if this is a good bill. It will do good things. The changes to the Indian Child Welfare Act are common sense and minor. They keep fully intact the original well-meaning intention of protecting Indian culture and heritage.

But, Madam Speaker, the Congress wrote this law, and it is morally responsible for correcting it in this minor way, to avoid the continuous
disastrous tragedies of broken homes and children languishing in foster care. This is not just a handful of stories. There are many, many, many from all across the country.

Madam Speaker, this issue did not just just spring up. I have been trying since the beginning of this Congress to get the Committee on Resources and the native American community to help me to address this issue. If the Indian community is afflicted, I am sorry. I wish they would have given me letters and come to my meetings. But, as it is, we did the best that we could to try to develop a fair solution.

Madam Speaker, as was said before, this is a happy bill. It is a good day for this Congress. I would urge all my colleagues to cast a vote in strong support of adoption and in support of keeping loving families together. Vote “yes” on the rule and the bill, and vote “no” on any attempt to weaken this legislation.

Madam Speaker, I rise today to express my concerns regarding the modified closed rule for H.R. 3286. While I applaud the fact that this legislation would make it possible for more families to provide a loving and permanent home for fewer children, I am concerned that this bill might not recognize that cultural sensitivity, without delaying adoption, is important to give the child the full measure of their background.

Madam Speaker, approximately one-half of the children awaiting adoption today are minorities. In my home State of Texas, the number of children under the age of 18 living in foster care in 1993 was 10,880. This represents an increase of 62.4 percent from 1990, and the number continues to climb. Similarly, the number of children living in a group home in 1990 was 13,434. Approximately one-half of these 13,434 children are minorities. There are wonderful foster care parents but these numbers of children in nonpermanent homes are way too high.

The sponsors of this legislation argue that current law, which states that race cannot be used as the sole factor in making an adoption placement but can be used as one of multiple factors in the decision, has resulted in adoptions being delayed or denied because of race. This is not color blind, and therefore States and agencies must ensure that adoptive parents of different race are sensitive to the child's heritage. Unfortunately, our society is not color blind, and therefore States and agencies must ensure that adoptive parents of different race are sensitive to the issues that may arise as the child gets older, including discrimination and questions the child may have about his or her cultural background.

In no way, however, should this policy result in children languishing in foster homes for extended periods of time or in adoptions being delayed or denied when loving, caring parents are ready to adopt.

I urge my colleagues to consider these issues so that we can make better adoptions for all children, including minority children, while not delaying or denying adoptions.

Mr. PRYCE. Madam Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered. The resolution was agreed to. A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H. R. 3230, DEPARTMENT OF DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104-570) on the resolution (H. Res. 430) providing for consideration of the bill (H.R. 3230) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT REGARDING REMEDY PROCESS FOR BUDGET RESOLUTION

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Madam Speaker, the Budget Committee is expected to order the budget resolution reported later tonight. Copies of the resolution approved by that committee will be available for review in the office of the Budget Committee.

The Rules Committee is planning to meet next Wednesday, May 15, to grant a rule which may limit the kind of amendments offered to the concurrent resolution on the budget for fiscal year 1997.

Members are strongly advised to submit only amendments in the nature of a substitute which provide for a balanced budget not later than the year 2002.

Any Member who is contemplating an amendment to the budget resolution should submit 55 copies and a brief explanation by noon on Tuesday, May 14, to the Rules Committee, room H–312 in the Capitol.

Members should use the Office of Legislative Counsel and the Congressional Budget Office to ensure that their amendments are properly drafted and should check with the Office of the Parliamentary Counsel to determine whether their amendments comply with the rules of the House.

ADOPION PROMOTION AND STABILITY ACT OF 1996

Mr. ARCHER. Madam Speaker, pursuant to House Resolution 428, I call up the bill (H.R. 3286) to help families defray adoption costs, and to promote the adoption of minority children, and ask for its immediate consideration.

The Clerk read the title of the bill. The SPEAKER pro tempore. Pursuant to House Resolution 428, the amendment in the nature of a substitute printed in the bill is adopted.

The text of H.R. 3286, as amended, is as follows:

H.R. 3286
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.
This Act may be cited as the “Adoption Promotion and Stability Act of 1996”.

SEC. 2. TABLE OF CONTENTS.
The table of contents of this Act is as follows:
1. Short title.
2. Table of contents.

TITLE I—CREDIT FOR ADOPTION EXPENSES
Sec. 101. Credit for adoption expenses.

TITLE II—INTERETHNIC ADOPTION
Sec. 201. Removal of barriers to interethnic adoption.

TITLE III—CHILD CUSTODY PROCEEDINGS AFFECTED BY THE INDIAN CHILD WELFARE ACT OF 1978
Sec. 301. Inapplicability of the Indian Child Welfare Act of 1978 to child custody proceedings involving a child whose parents do not maintain affiliation with their Indian tribe.

Sec. 302. Membership and child custody proceedings.

Sec. 303. Effective date.

TITLE IV—REVENUE OFFSETS
Sec. 400. Amendment of 1986 Code.

Subtitle A—Exclusion for Energy Conservation
Sec. 410. Exclusion for energy conservation subsidies limited to subsidies with respect to dwelling units.

Subtitle B—Foreign Trust Tax Compliance
Sec. 421. Improved information reporting on foreign trusts.

Sec. 412. Comparable penalties for failure to file return relating to transfers to foreign entities.

Sec. 413. Modifications of rules relating to foreign trusts having one or more United States beneficiaries.

Sec. 414. Foreign persons not to be treated as owners under grantor trust rules.

Sec. 415. Information reporting regarding foreign gifts.

Sec. 416. Modification of rules relating to foreign trusts which are not grantor trusts.

Sec. 417. Residence of trusts, etc.
(a) IN GENERAL.—Subpart A of part IV of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. ADOPTION EXPENSES.

"(a) QUALIFIED ADOPTION CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed $15,000.

"(2) DOLAR LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph) as the taxpayer's adjusted gross income for the taxable year bears to $75,000.

"(c) ENFORCEMENT.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) for any taxable year with respect to the adoption of a child by the taxpayer shall not exceed $15,000.

"(d) DEFENSES.—For purposes of this subsection, if a credit is allowable for any adoption expenses which are paid or incurred during the taxable year in which such adoption becomes final, the amount of such credit shall be reduced by the amount of the credit so allowed.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section and section 137, including regulations which treat unmarried individuals who pay or incur qualified adoption expenses with respect to the same child as taxpayers for purposes of applying the dollar limitation in subsection (b) of this section and in section 137(b)(1).

"SEC. 24. ADOPTION ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—A noncustodial parent of a child who is the child of such individual's spouse shall be treated as used on a first-in first-out basis.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount excludable from gross income under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed $5,000.

"(2) DOLLAR LIMITATION.—The amount excludable from gross income under subsection (a) for any taxable year with respect to the adoption of a child by the taxpayer shall not exceed $5,000.

"SEC. 25. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

"(a) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption expenses paid or incurred by the taxpayer for the adoption of a child by the taxpayer for purposes of this section.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount excludable from gross income under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed $15,000.

"(2) DOLLAR LIMITATION.—The amount excludable from gross income under subsection (a) for any taxable year with respect to the adoption of a child by the taxpayer shall not exceed $15,000.

"(c) DEFINITIONS.—For purposes of this section:

"(1) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption expenses paid or incurred by the taxpayer for the adoption of a child by the taxpayer for purposes of this section.

"(2) ELIGIBLE CHILD.—The term 'eligible child' means—

"(A) a child who is physically or mentally incapable of caring for himself.

"(B) a child with special needs.—The term 'child with special needs' means any child if such child cannot be placed with adoptive parents without providing adoption assistance to such parents.

"(c) IN GENERAL.—The term 'qualified adoption expenses' has the meaning given such term by section 23(d).

"(d) CERTAIN RULES TO APPLY.—Rules similar to the rules of the sections referred to in paragraphs (2) and (3) of section 23 shall apply for purposes of this section.
any person, then, notwithstanding subsection (a) of this section and any regulations promulgated under section 1123(b)(3), the Secretary shall reduce the amount otherwise payable to the State, for the quarter and for each subsequent quarter before the 1st quarter for which the State program is found, as a result of such a review, not to have violated section 471(a)(18) with respect to any person, by—

"(A) 2 percent of such otherwise payable amount, in the case of the 1st such finding with respect to the State;

"(B) 5 percent of such otherwise payable amount, in the case of the 2nd such finding with respect to the State; or

"(C) 10 percent of such otherwise payable amount, in the case of the 3rd or subsequent such finding with respect to the State.

(2) Any other entity which is in a State that receives funds under this part and which violates section 471(a)(18) during a quarter with respect to any person shall remit to the Secretary all funds that were paid by the State to the entity during the quarter from such funds.

(3)(A) Any individual who is aggrieved by a violation of section 471(a)(18) by a State or other entity may bring an action seeking relief from the Secretary in any United States district court.

(B) An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.

(4) This subsection shall not be construed to affect the application of the Indian Child Welfare Act of 1978.

(c) General:

(1) PROHIBITED CONDUCT.—A person or government that is involved in adoption or foster care placements may not—

"(A) deny to any individual the opportunity to become an adoptive or foster parent, on the basis of the race, color, or national origin of the individual, involved individual; or

"(B) delay or deny the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) ENFORCEMENT.—Noncompliance with paragraph (1) is deemed a violation of title VI of the Civil Rights Act of 1964.

(3) NO EFFECT ON THE INDIAN CHILD WELFARE ACT OF 1978.—This subsection shall not be construed to affect the application of the Indian Child Welfare Act of 1978.

(d) Rulemaking—

(1) Secretary.—Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 (42 U.S.C. 5115a) is repealed.

TITLE III—CHILD CUSTODY PROCEEDINGS

SEC. 301. INAPPLICABILITY OF THE INDIAN CHILD WELFARE ACT OF 1978 TO CHILD CUSTODY PROCEEDINGS INVOLVING A CHILD WHOSE PARENTS DO NOT MAINTAIN AFFILIATION WITH THEIR INDIAN TRIBE.

Title I of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.) is amended by adding at the end the following:

"Sec. 16. [404A] (a) This title does not apply to any child custody proceeding involving a child who does not reside or is not domiciled within a reservation unless—

"(1) at least one of the child's biological parents is of Indian descent; and

"(2) at least one of the child's biological parents maintains significant social, cultural, or political affiliation with the Indian tribe of which either parent is a member.

"(b) The factual determination as to whether a biological parent maintains significant social, cultural, or political affiliation with the Indian tribe of which either parent is a member shall be based on such affiliation as of the time of the child custody proceeding.

"(c) It is declared hereby that this title does not apply pursuant to subsection (a) is final, and, thereafter, this title shall not be the basis for determining jurisdiction over any child custody proceeding involving the child."

SEC. 302. MEMBERSHIP AND CHILD CUSTODY PROCEEDINGS.

Title I of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.), as amended by section 301 of this title, is further amended by adding at the end the following:

"Sec. 115. In the event that a person who attains the age of 18 years before becoming a member of an Indian tribe may become a member of an Indian tribe only upon the person's written consent.

"(1) For the purposes of any child custody proceeding involving an Indian child, membership in an Indian tribe shall be effective from the actual date of admission to membership in the Indian tribe and shall not be given retroactive effect.

"(2) It is declared hereby that this title shall not be the basis for determining jurisdiction over any child custody proceeding in which a final decree has not been entered as of such date.

TITLE IV—REVENUE OFFSETS

SEC. 400. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section of the code, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Exclusion for Energy Conservation Subsidies Limited to Subsidies With Respect to Dwelling Units

SEC. 401. EXCLUSION FOR ENERGY CONSERVATION SUBSIDIES LIMITED TO SUBSIDIES WITH RESPECT TO DWELLING UNITS.

(a) In general.—(1) If a United States person owns, directly or indirectly, a limited partnership, limited liability company, or other entity which sets forth a full and complete accounting of all trust activities and operations for the calendar year, the name of the United States agent for such trust, and such other information as the Secretary may prescribe, the United States agent shall be responsible to ensure that—

"(A) the grantor in the case of the creation of any foreign trust,

"(B) the transferor in the case of a reportable event described in paragraph (3)(A)(iii) other than a transfer by reason of death, and

"(C) the executor of the decedent's estate in any other case.

"(b) United States Grantor of Foreign Trust.—

"(1) In general.—If, at any time during any taxable year of a United States person, taxable income is treated as the owner of any portion of a foreign trust under the rules of subpart E of part I of subchapter J of chapter 1, such person shall be responsible to ensure that—

"(A) such trust makes a return for such year which sets forth a full and complete accounting of all trust activities and operations for the calendar year, the name of the United States agent for such trust, and such other information as the Secretary may prescribe, and

"(B) such trust furnishes such information as the Secretary may prescribe to each United States person (i) who is treated as the owner of any portion of such trust (or (ii) who receives (directly or indirectly) any distribution from the trust.

"(2) Trusts not having United States agent.—

"(A) In general.—If the rules of this paragraph apply to any foreign trust, the determination of amounts required to be taken into account with respect to such trust by a United States person under the rules of subpart E of part I of subchapter J of chapter 1 shall be determined by the Secretary.

"(B) United States agent required.—The rules of this paragraph shall apply to any foreign trust to which paragraph (1) applies, except that such trust agrees in such manner, subject to such conditions, and at such time as the Secretary shall prescribe to authorize a United States person to act as such trust's limited agent solely for purposes of applying sections 7602, 7604, and 7609A with respect to—

"(i) any request by the Secretary to examine records or produce testimony related to the
proper treatment of amounts required to be taken into account under the rules referred to in subparagraph (A), or

(ii) any summons by the Secretary for such purpose described in the preceding sentence continues for more than 90 days after the day on which the notice was mailed, the person required to produce the records by reason of a United States person who is subject to subparagraph (A), or

(c) THE Appearance of persons or production of records by reason of a United States person being such an agent shall not subject such persons or records to legal process for any purpose other than those described in the preceding sentence and shall not be considered to have an office or a place of business within the United States for purposes of service of process.

(2) INCLUSION IN INCOME IF RECORDS NOT PRODUCED.—(A) IN GENERAL.—If adequate records are not required to be kept by the Secretary under section 6048(a), any person who was subject to such requirements shall be treated as a foreign trust for purposes of section 6711 and section 6677 if such trust has sub-

(b) SPECIAL RULES FOR RETURNS UNDER SECTION 6048(b).—In the case of a return required under section 6048(b),—

(i) the United States person referred to in section 6771, if such person is treated as a foreign trust, is treated as an agent of the United States person with respect to any transfer described in section 6771 if such trust has substantial business activities in the United States and is engaged in the business of distributing property to United States persons.

(2) DETERMINATION OF WHETHER UNITED STATES PERSON MAKES TRANSFER OR RECEIVES DISTRIBUTION.—For purposes of this section, in determining whether a United States person makes a transfer to, or receives a distribution from, a foreign trust, that person shall be treated as owning such trust if—

(i) the person is a trust, or

(ii) to the extent provided in regulations, any obligation which is guaranteed by a person described in subparagraph (B), and

(iii) any trust, any estate, any gift, or any other transfer by a United States person in the case of a failure relating to section 6711(c).

(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by this section on any failure which is shown to be due to reasonable cause and not due to willful neglect. The fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the required information is not reasonable cause.

(4) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by this section on any failure which is shown to be due to reasonable cause and not due to willful neglect.

(b) TRANSFERS AT FAIR MARKET VALUE.—To any transfer of property to a trust in exchange for consideration of at least the fair market value of the transferred property. For purposes of the preceding sentence, consideration other than cash shall be taken into account at its fair market value.

(2) Subsection (a) shall apply to transfers after the date of the enactment of this Act.

(3) CERTAIN OBLIGATIONS NOT TAKEN INTO ACCOUNT UNDER FAIR MARKET VALUE EXCEPTION.—(A) IN GENERAL.—In determining whether paragraph (2) applies to any transfer by a person described in clause (ii) or (iii) of subparagraph (C), there shall not be taken into account—

(i) except as provided in regulations, any obligation which is guaranteed by a person described in subparagraph (C).

(ii) any grantor or beneficiary of the trust, or

(iii) any person who is related (within the meaning of section 6631(c)(2)(B)) to any grantor or beneficiary of the trust.

(2) Exemption of Transfers to Charitable Trusts.—Subsection (a) of section 679 is amended by striking “section 404(c)” and inserting “section 404(a)(4) or 404A”.

(3) Other Modifications.—Subsection (a) of section 679 is amended by adding at the end the following new paragraph:

(C) Special Rules Applicable to Foreign Grantor Who Later Becomes a United States Person.—
"[A] IN GENERAL.—If a nonresident alien individual has a residency starting date within 5 years after directly or indirectly transferring property to a foreign trust, this section and section 643 shall apply only to the extent such application results in the application of any rule similar to the rule of paragraph (4)(B) to carry out the purposes of this section.

"(B) TREATMENT OF UNDISTRIBUTED INCOME.—For purposes of this section, undistributed net income for periods before such individual's residency starting date shall be taken into account in determining the portion of the trust which is attributable to property transferred by such individual to such trust but shall not otherwise be taken into account.

"(C) RESIDENCY STARTING DATE.—For purposes of this paragraph, an individual's residency starting date is the residency starting date determined under section 7701(b)(2)(A).

"(5) OUTBOUND TRUST MIGRATIONS.—If—

"(A) an individual who is a citizen or resident of the United States transferred property to a trust which was not a foreign trust, and

"(B) such trust becomes a foreign trust while such individual is alive, then this section and section 6048 shall be applied as if such individual transferred to such trust a portion of such trust an amount equal to the portion of such trust attributable to the property previously transferred by such individual to such trust.

"SEC. 414. FOREIGN PERSONS NOT TO BE TREATED AS OWNERS UNDER GRANTOR TRUST RULES.

"(a) GENERAL RULE.—

"(1) Paragraph (f) of section 672 (relating to disregarding a trust for purposes of this paragraph) shall be treated as owner of any portion of a trust, and

"(2) such trust has a beneficiary who is a United States person, such beneficiary shall be treated as the grantor of such portion to the extent such beneficiary or any member of such beneficiary's family (within the meaning of section 267(c)(4)) has made (directly or indirectly) transfers of property (other than in a sale for full and adequate consideration) to such foreign person. For purposes of the preceding sentence, any gift shall not be taken into account to the extent such gift would be excluded from taxable gifts under section 2503(b).

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any transfer after December 31, 1995.

SEC. 415. INFORMATION REPORTING REGARDING FOREIGN GIFTS.

"(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6039 the following new section:

"(b) FOREIGN GIFT.—For purposes of this section, the term 'foreign gift' means any amount received from a person other than a United States person which the recipient treats as a gift on or before the date such gift is reported to the Secretary.

"(c) FOREIGN GIFTS RECEIVED FROM FOREIGN PER-SONS.—

"(A) IN GENERAL.—If the value of the aggregate foreign gifts received by a United States person (other than an organization described in section 501(c)) and exempt from tax under section 501(a)) during any taxable year exceeds $10,000, any such United States person shall furnish (at such time and in such manner as the Secretary shall prescribe) such information as the Secretary may prescribe with respect to each foreign gift received during such year.

"(2) REGULATIONS.—The amendments made by this section shall apply to any foreign person which the recipient of a foreign gift treated as such by the Secretary in the case of any foreign gift treated as such by the Secretary in the case of any foreign gift transferred to a foreign trust of which the payor is not the grantor shall be deemed in the year of payment to have been directly paid by the foreign trust to such United States person.

"(3) EFFECTIVE DATE.—The amendments made by this section shall apply to any foreign gift transferred to a foreign trust between September 1, 1995, and December 31, 1996.

"SEC. 416. APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES.

"(a) IN GENERAL.—For the Department of the Interior and Related Agencies, there is appropriated out of any funds in the Treasury not otherwise appropriated $70,000,000 for fiscal year 2001.
equal to the product of such amount and the cost-of-living adjustment for such taxable year under section 1(f)(3), except that subparagraph (B) thereof shall be applied by substituting 1995 for 1985 for "1995" for "1985" in the preceding sentence.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the last entry relating to section 639E the following new item:

"Sec. 639F. Notice of large gifts received from foreign persons.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act.

SEC. 416. MODIFICATION OF RULES RELATING TO FOREIGN TRUSTS WHICH ARE NOT GRANTOR TRUSTS.

(a) MODIFICATION OF INTEREST CHARGE ON ACCUMULATION DISTRIBUTIONS.—Subsection (a) of section 667 (relating to interest charge on accumulation distributions from foreign trusts) is amended to read as follows:

"(a) GENERAL RULE.—For purposes of the tax determined under section 667(a)—

"(1) INTEREST DETERMINED USING UNDERPAYMENT RATES.—The interest charge determined under this section with respect to any distribution in the amount of which would be determined on the partial tax computed under section 667(b) for the period described in paragraph (2) using the rates and the method under section 6651 applicable to underpayments under section 667(a) for any taxable years ending after such date.

"(2) PERIOD.—For purposes of paragraph (1), the period described in this paragraph is the period which begins on the date which is the applicable number of years before the date of the distribution and which ends on the date of the distribution.

"(b) APPLICABLE NUMBER OF YEARS.—For purposes of paragraph (2)—

"(A) IN GENERAL.—The applicable number of years with respect to a distribution is the number determined by dividing—

"(i) the sum of the products described in subparagraph (B) with respect to each undistributed income year, by

"(ii) the undistributed net income for such year, and

"(III) the sum of the number of taxable years between such year and the taxable year of the distribution (counting in each case the undistributed income year but not counting the taxable year of the distribution).

"(4) UNDISTRIBUTED INCOME YEAR.—For purposes of this subsection, the term ‘undistributed income year’ means any prior taxable year of the trust for which there is undistributed net income, other than a taxable year during all of which the beneficiary receiving the distribution was not a citizen or resident of the United States.

(b) ABUSIVE TRANSACTIONS.—Section 643(a) is amended by inserting after paragraph (6) the following new paragraph:

"(7) ABUSIVE TRANSACTIONS.—The Secretary shall prescribe regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations to prevent avoidance of such purposes.

(c) TREATMENT OF FOREIGN TRUSTS.—

"(1) IN GENERAL.—Section 643 (relating to definitions applicable to subparts A, B, C, and D) is amended by adding at the end the following new subsection:

"(2) LOANS FROM FOREIGN TRUSTS.—For purposes of subparagraphs B, C, and D—

"(G) GENERAL.—A loan by a trust to a grantor or beneficiary is not treated for purposes of this subsection as a distribution by such trust to such grantor or beneficiary, if the amount of such loan shall be treated as a distribution by such trust to such grantor or beneficiary (as the case may be).

"(2) DEFINITION OF GENERAL RULES.—For purposes of this subsection—

"(A) CASH.—The term ‘cash’ includes foreign currencies and cash equivalents.

"(B) RELATION TO TREATMENT OF FOREIGN TRUSTS.—(i) IN GENERAL.—A person is related to another person if the relationship between such persons would result in a disallowance of losses under subparagraph (B) with respect to the foreign trust.

"(2) ALLOCATION.—If any person described in paragraph (1)(B) is related to more than one person, the portion of such treatment under this subsection applicable shall be determined under regulations prescribed by the Secretary.

"(3) EXCLUSION OF TAX-EXEMPTS.—The term ‘United States person’ does not include any entity exempt from tax under this chapter.

"(4) TRUST NOT TREATED AS SIMPLE TRUST.—Any trust which is treated under this subsection as making a distribution shall be treated as not described in section 651.

"(5) SUBSEQUENT TRANSACTIONS REGARDING LOAN PRINCIPAL.—If any subsequently the treatment determined under paragraph (1), any subsequent transaction between the trust and the original borrower regarding the principal of the loan (by way of completion of the transaction, satisfaction, cancellation, discharge, or otherwise) shall be disregarded for purposes of this title.

"(6) TECHNICAL AMENDMENT.—Paragraph (8) of section 772(f)(1) is amended by inserting ‘, 643(i),’ before ‘or 1274’ each place it appears.

"(7) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after the date of the enactment of this Act.

"(8) ABUSIVE TRANSACTIONS.—The amendment made by subsection (a) shall apply to loans of cash or marketable securities made after September 19, 1995.

SEC. 417. RESIDENCE OF TRUSTS, ETC.

(a) TREATMENT AS UNITED STATES PERSON.—(1) IN GENERAL.—Paragraph (30) of section 7701(a) is amended by striking ‘and’ at the end of subparagraph (C) and by striking subparagraph (D) and by inserting the following new subparagraph (D)—

"(D) any estate (other than a foreign estate, within the meaning of paragraph (31)), and

"(E) any trust if—

"(I) a court within the United States is able to exercise primary supervision over the administration of the trust, and

"(ii) the sum of the number of taxable years between such year and the taxable year of the distribution (counting in each case the undistributed income year but not counting the taxable year of the distribution),

"(4) DETERMINATION OF UNDISTRIBUTED NET INCOME.—Notwithstanding section 666, for purposes of this subsection, an accumulation distribution from the trust shall be treated as reducing the undistributed net income in the amount of a taxable year during all of which the beneficiary receiving the distribution was not a citizen or resident of the United States.

"(5) DETERMINATION OF UNDISTRIBUTED NET INCOME.—Notwithstanding section 666, for purposes of this subsection, an accumulation distribution from the trust shall be treated as reducing the undistributed net income in the amount of a taxable year during all of which the beneficiary receiving the distribution was not a citizen or resident of the United States.

"(6) PERIODS BEFORE 1996.—For purposes of the portion of the distribution described in paragraph (5) which occurs before January 1, 1996, shall be determined—

"(A) by using an interest rate of 6 percent, and

"(B) without compounding until January 1, 1996.

"(ii) one or more United States fiduciaries have the authority to control all substantial decisions of the trust.

"(ii) one or more United States fiduciaries have the authority to control all substantial decisions of the trust.

"(3) FOREIGN ESTATE OR TRUST.—The term ‘foreign estate or trust’ means any trust other than a trust described in subparagraph (E) of paragraph (3)."
For these reasons, I encourage my colleagues to support the Adoption Promotion and Stability Act of 1996. This legislation will help not only adopting parents economically with the $5,000 tax credit, but will also put an end to the practice of delaying adoption, often just to find racially matched children waiting to be adopted.

The committee provision on interethic adoption is an excellent complement to the tax credit in promoting adoption. The evidence shows that more than two-thirds of the children waiting to be adopted are black but less than one-third of the families waiting to adopt are black. There is a tremendous economic bias that also happens to match adoptive children with families of the same race. There are two obvious problems with this practice. First, it discriminates against children. During this floor debate, we will show that black children wait for adoptive placements for at least twice as long as white children.

Consider the statistical situation faced by black children today: More than two-thirds of the children waiting to be adopted are black but less than one-third of the families waiting to adopt are black. Given these mathematical facts, it is certain that if our society demands that children be matched by race with adoptive parents, black children will continue to languish in foster care. Many of them will never be adopted. This is truly an American tragedy.

The second problem with current practice is that it discriminates against parents whose race differs from that of the child they want to adopt because they may have to wait longer than other parents or may even by denied an adoption. This discrimination is especially terrible when the parent has served for a year or more as the child’s foster parent. The committee has been informed of many cases, including one in my own State of Texas, in which foster parents who had formed a loving bond with a child of another race were denied the opportunity to adopt the child.

I am delighted, as have so many others, at the opportunity to make this very good legislation possible for these children who are waiting for adoption. However, there is a second problem: How is this bill going to affect the children? Many of them will never be adopted. This is truly an American tragedy.

Let’s make adoption easier and help find loving homes for hundreds of thousands of children in need.

I want to call to the floor again the importance of adoption. This legislation provides that qualified adoption expenses are reasonable and necessary adoption fees, court costs, attorneys fees, and other expenses that are directly related to the legal adoption of an eligible child. Is it your understanding that the legislation that qualified adoption expenses includes any reasonable and necessary expenses that are required by this bill where the expenses occur as a condition of the adoption?

Mr. ARCHER. Yes, the gentleman is correct. The credit would be available...
for all reasonable and necessary expenses required by a State as a condition of the adoption. By way of example, expenses could include the cost of construction, renovations, alterations, or purchases specifically required by the State or by the new family of a child as a condition of the adoption.

Mr. CARDIN. I thank the gentleman. Madam Speaker, I ask unanimous consent that I may yield the remainder of my time to the gentleman from Kentucky [Mr. BUNNING], the chairman of the Subcommittee on Social Security, and that he be allowed to allocate that time.

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

There was no objection.

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

Madam Speaker, I rise in heartfelt support for this bill. Passing it today is the least we can do to help save some of the half million kids who are stranded in foster care.

When it comes to matters involving family, I usually hold fast to the position that Government should butt out and mind its own business. But, making adoption simpler and more affordable is one instance in which the Government can, and should, step in to make a difference. I was pleased to see last weekend that the President endorsed our bill. Even though he twice vetoed transracial adoption reform as part of our welfare bill, and even though he previously signed the adoption tax credit when he vetoed the balanced budget bill, we welcome him to the fight.

Better late than never.

Last year when Congress was working on welfare reform, the President called me about transracial adoption and offered to help any way he could. I sincerely appreciated that, but, he could have really helped by not vetoing welfare reform.

By passing this bill, the President can still make a difference for kids who are stranded in foster care.

Better late than never.

Back in 1987 I know that Arkansas enacted a law that required race to be used in making adoptions. Section 9-9-102 of the Arkansas Code says that in placing a child of minority heritage, if the child cannot be placed with relatives, the court shall give preference to “a family with the same racial or ethnic heritage as the child * * *.”

Now which Bill Clinton should we believe?

So I’m more than a little bit skeptical about the President’s endorsement of this bill, but I have read his letter of support, and I am glad to see that he has converted.

Better late than never.

Madam Speaker, I think that many Members are aware that two of my daughters have adopted children of different races. I personally attest to obstacles that they faced before bringing these children into our family.

These kids were lucky. They ran the gauntlet. Today they are not languishing in foster care, and our family is more blessed because of it.

For these two children, it was better late than never.

But, Madam Speaker, unless we pass this bill today, tens of thousands of kids will not escape the twilight of foster care. They will continue to suffer from discrimination, victims of race-matching.

Unless we pass this bill, their day will never come.

For them we won’t even be able to say better late than never. It will always just be never.

The color of a child’s skin should not be an impediment to adoption, and it’s wrong that this is used to deny children the embrace of a loving home.

I urgently ask my colleagues for their vote on H.R. 3286.

Madam Speaker, I include for the RECORD chapter 9 of the Arkansas Code of 1987:

9-9-102. [Repealed.]

2145

Madam Speaker, I reserve the balance of my time.

Mrs. KENNELLY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I just want to set the record straight on something. I began my remarks by mentioning that the President of the United States had endorsed this bill, and it was mentioned that maybe he had come a little late to the party. That is far from true. I would like to make it known, and I think it is obviously already part of the record but I would like to say it tonight, that this administration, Mr. Clinton’s administration, has worked hard to promote adoption in general and special needs adoption of children with special needs in particular.

First of all, when the President became President, he first championed the Family and Medical Leave Act which enables parents to take time off to adopt a child without losing their job or their health insurance. We all, well, many of us strongly supported that.

The administration then supported the Multi-Ethnic Placement Act to help increase the number of adoptions by prohibiting discriminations based on ethnicity. We remain committed to that and enforcing the law that is about to become law before us tonight.
I also would like to remind Members this evening that as part of our 1993 deficit reduction package, a provision was signed into law that requires ERISA plans to provide the same health care coverage for adopted children as for biological children of plan participants.

This administration has worked for Federal support for adoption of children with special needs, and increased by 60 percent the number of children with special needs who have been adopted with Federal assistance.

So, Madam Speaker, I just really want to mention that the administration, the Clinton administration, has been here from the moment that Mr. Clinton became President of the United States. I also want to take up one other issue, Madam Speaker, and that is my concern about one of the revenue raisers in this legislation. This bill would fully tax the subsidies provided by utility companies to businesses taking steps to conserve energy.

I am familiar with the legislation that is being eliminated by this bill because I happen to have been the author of it and worked on it for some years, and I understand that during a time when we are talking about the rising costs of energy, I do not think it makes sense to eliminate incentives to promote energy conservation.

The President, in this letter that I have been referring to, did mention that he was concerned about the same thing, and he suggested that he would be more than willing to work with the conferees on this bill as they eventually are appointed to see if another revenue raiser could be found instead of this one. It was really very encouraging for conservation.

Madam Speaker, I would like to end by saying that Democrats, Republicans, anyone agrees that finding loving homes for needy children is a goal that government should take every opportunity to pursue, and in this regard, this bill does this tonight. I think everyone who has been involved in this legislation is very pleased it is on the floor tonight and that many more children will find loving homes.

Madam Speaker, I reserve the balance of my time.

Mr. BUNNING of Kentucky. Madam Speaker, I yield 3 minutes to the gentleman from Alaska. (Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Madam Speaker, H.R. 3286 is intended to promote family values, avoid prolonged unnecessary litigation in adoptions and to get away from race-based tests in child placement decisions. I support families, but title III of the bill is an antifamily legislation and fails to accomplish these goals.

When the Resources Committee considered H.R. 3286, it voted on a bipartisan basis to strike title III of the bill because it fails to put an end to protracted litigation over Indian child adoptions, will create new impediments to protect abused and neglected Indian children, and raises constitutional issues.

The Indian Child Welfare Act (ICWA) was enacted in 1978 to address a long-standing problem unique to Indian children. At the time, at least 25 percent of all Indian children were either in foster homes, adoptive homes, or boarding schools. Private and public welfare agencies were pulling Indian children from their homes at unprecedented rates. And in many cases, where removal was warranted, agencies were ignoring available homes in Native communities. Many of these Indian children have grandparents, aunts and uncles who are willing and able to provide good homes, but were denied placement because they didn’t know the children were in need of placement.

As a result, Indian children were being removed from their tribal communities and placed in distant, often socially and culturally inappropriate environments. The Select Committee on Indian Affairs of this Congress has looked into this problem and endorsed Indian Child Adoption Act; it also applies to ICWA remedies this situation and my message is that ICWA works to keep families together, and that is something that is worth saving.

I hear the concerns of the bill’s sponsor over prolonged litigation which ties up some adoptions. But ICWA is not the problem. Many of you have heard of the Rost case. It is a tragic case. But it was caused by an attorney who tried to cover up the natural parents’ tribal membership and purposefully avoided being retried from their tribal communities had been placed in homes outside the familiar environment of their villages and extended families.

It is difficult for me to explain the shock these children experience when they are uprooted from their villages and families and thrust into these unfamiliar surroundings. These children already suffer the heartache of separation from their families, and the difficulties which cause that breakup. In this situation and my message is that ICWA works to keep families together, and that is something that is worth saving.

I hear the concerns of the bill’s sponsor over prolonged litigation which ties up some adoptions. But ICWA is not the problem. Many of you have heard of the Rost case. It is a tragic case. But it was caused by an attorney who tried to cover up the natural parents’ tribal membership and purposely avoided being retried from their tribal communities. The attorney in this case was later abused in foster care. Today, that child is living with his extended family in a Yukon River village, far removed from the ravages of which took his mother’s life. In another case, an interior Yukon River village intervened in a Nevada case involving a 7-month old baby, who was physically abused by its drug-addicted non-Native mother. The baby languished in a Nevada receiving home with 20 other infants until the father’s tribe was able to return the baby to Alaska. Today, the child is with tribally licensed nonNative foster parents, who are specially trained to deal with drug-affected children, and live near the extended family’s village.

The rescue of these children could not occur without ICWA, and under the proposed title III could not occur in a timely manner because in this case the Interstate placements of the children had severed their ties to the tribes. In each case, however, the only hope that these children had for rescue was their tribe.

I am sure that, if enacted, title III will ultimately make one or more Indian children available for adoption. However, far more abused and neglected Indian children will needlessly languish in foster care, or worse yet, not receive needed child protection services while States continue to haggle over conflicting facts, trying to apply a vague subjective test, while the children languish in limbo.

Second, the amendments don’t just apply to adoptions. ICWA is not the Indian Child Adoption Act; it also applies to custody proceedings for child abuse and neglect cases. Under ICWA, tribes often intervene in these cases to protect abused and neglected Indian children.

For example, in my region of interior Alaska, a young girl who was adopted out to a family who sexually abused her, drove home drunk, and also was pregnant from incest. The Rost case. It is a tragic case. But it was caused by an attorney who tried to adopt her baby to repeat the cycle. In a third case, another interior Athabaskan tribe intervened in a Nevada case involving a 7-month old baby, who was physically abused by its drug-addicted non-Native mother. The baby languished in a Nevada receiving home with 20 other infants until the father’s tribe was able to return the baby to Alaska. Today, the child is with tribally licensed nonNative foster parents, who are specially trained to deal with drug-affected children, and live near the extended family’s village.

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I am sure that, if enacted, title III will ultimately make one or more Indian children available for adoption. However, far more abused and neglected Indian children will needlessly languish in foster care, or worse yet, not receive needed child protection services while States continue to haggle over conflicting facts, trying to apply a vague subjective test, while the children languish in limbo.

Finally, title III raises constitutional problems which were addressed in the original ICWA. In 1977, the Justice Department commented that early drafts of ICWA employed race-based tests for Indian status. Courts have generally held that distinctions based solely on race are unconstitutional. The opposite is true. However, courts have also held that distinctions based on tribal membership are based on the sovereign political status of Indian tribes who
enjoy a government to government relationship with the Federal and State governments. The distinctions within ICWA are constitutionally permissible to the extent that they rely upon tribal membership or the eligibility for tribal membership. The Supreme Court has held that title III is not committed out of his committee. That is understandable. If we were on the committee and had the same parochial and cultural ties to an Indian community as constitutionally suspect as a racially based test. Title III employs this latter category of tests, and may be constitutionally defective and are inconsistent with the other portions of the bill.

Finally, title III of H.R. 3286 is one more example of the Federal Government imposing its arbitrary will on our families without taking any input or advise from the people most directly affected by the decision. This bill is a response to lawyers and lobbyists from the adoption industry whose cause the problem. I have heard from countless individuals and parents who have been helped by ICWA, this goes far beyond, as I have said, the other purposes of ICWA. It goes far beyond just ICWA. This gets into the concept of the constitutionality of our responsibility to the American Indian tribes, and it is our responsibility.

When you transfer it to the State courts to make the decisions, then I think, very frankly, you have gone too far. I suggest that to you. I will argue that case tomorrow before the amendment because what you have done is exceed ICWA. It gets into the whole concept of sovereignty and the constitutional role of the Congress to the American Indian tribes.

If you would strike that provision out of the bill, I would be much more sympathetic to what you are trying to do.

Mr. SOLOMON. Reclaiming my time, Madam Speaker, let me say that once the child has left the reservation, once they are out into the rest of the United States, that is the problem we are dealing with, where a child has been given up by 2 parents, whether married or not, to an adoptive family. Then they are off the reservation. Those are the problems we need to deal with. It is not fair to years later take these children away. That is what happens.

Mr. YOUNG of Alaska. Madam Speaker, if the gentleman will continue to yield, I will agree with the gentleman. But that can be rectified by taking away the authority of the State court making the decision who is an Indian, who is not an Indian. That is the objection I have most of all.

Mrs. KENNELLY. Madam Speaker, I reserve the balance of my time.

Mr. BUNNING of Kentucky. Madam Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Madam Speaker, if I could just say to the gentleman from Alaska, my good friend, and he is one of my closest friends here because he and I fight the battle of property rights time and time and time again, and I just want to tell the gentleman how much I really respect him, but I would just say to him that we do not want to disrupt the 1978 legislation that the gentleman was so instrumental in passing. It was a good piece of legislation.

The problem is that there have been problems that have arisen since then. The gentleman has just spoken of several of those problems that we want to try to improve the bill just a little bit to keep these terrible situations from occurring.

I just have to say this, because my friend is so good as the chairman of that committee, but the gentleman will always have a parochial interest. We ran into that in the Committee on Agriculture where those that serve on the Committee on Agriculture could never look to bring the end of subsidies for farmers in the agricultural industry. The gentleman is in the same boat.

Madam Speaker, I understand that. But the truth of the matter is, if we do not pass this bill today, the status quo will remain for another 2, 3, 4, 5 years, because the gentleman knows he will never be able to get the legislation out of his committee. That is understandable. If I were on the committee and had the same parochial interests, I could not vote for it either.

So it is the question of doing it now. Let us improve it a little bit. I have the deepest respect for the gentleman from Alaska. He is one tremendous fighter, and he is out here fighting for his State and for his interests.

Mr. YOUNG of Alaska. Madam Speaker, will the gentleman yield? Mr. SOLOMON. Yes, Mr. Young.

Mr. YOUNG of Alaska. Madam Speaker, I understand that. The gentleman should keep in mind, although I will admit there have been mistakes by ICWA, this goes far beyond, as I have said, the other purposes of ICWA. Members, it goes far beyond just ICWA. This gets into the concept of the constitutionality of our responsibility to the American Indian tribes, and it is our responsibility.

Department of the Treasury, Internal Revenue Service, Washington, D.C., May 9, 1996.

Congressman PETE GEREN, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN GEREN: Jim Feroli of your office asked me to address the issues you raised regarding the difficulties that some adopting parents face in obtaining a Social Security Number ("SSN") for their adoptive child and thus timely claiming the dependency exemption on their federal income tax return. I understand that this situation occurs in both foreign and domestic adoptions where the parents satisfy all of the dependency support requirements of section 152 of the Code but the adoption is not yet final.

Treasury and the IRS are currently looking into the SSN difficulties faced by such adopting parents. As you may be aware, Treasury Assistant Secretary Samuels told the House Ways and Means Committee last week that the Adoption Modernization Act of 1993 already provides for a Social Security Number ("SSN") for their adoptive child and thus timely claiming the dependency exemption on their federal income tax return. I understand that this situation occurs in both foreign and domestic adoptions where the parents satisfy all of the dependency support requirements of section 152 of the Code. (sic)

With regard to foreign adoptions, the Social Security Administration ("SSA") told me that they will issue an SSN to adopting parents upon receipt of the Certification of Adoption and Naturalization Service ("INS") documentation required to legally bring a foreign child into the United States. If the adopting parents satisfy the support requirements for their adoptive child, but the child does not yet qualify for an SSN, (e.g., the parents do not have the appropriate INS documentation) the adopting parents will still be able to obtain an Individual Taxpayer Identification Number ("ITIN") to claim the dependency exemption for the foreign adoptive child. ITINs are a new taxpayer numbering system that the IRS expects to implement by July 1996 for non-resident aliens unable to obtain SSNs. Individuals eligible to receive an SSN may not receive an ITIN.

With regard to domestic adoptions, the situation is more complex because an adoptive child may have an SSN as a result of actions taken by the child's birth state or an adoption agency. We are currently trying to assess when such SSNs are available.
to the adopting parents and when they are not available because of the privacy concerns of either the birth parents or the adopting parents. We also understand from the Social Security Administration that it will issue an SSN for a child to a state or an adoption agency which is acting on behalf of the adopting parents, but who will not confirm the new SSNs are issued in such situations. We are thus currently assessing different possibilities to resolve the potential problems adopting parents have in the domestic context, and we will certainly keep you informed of our progress.

I hope you find this information helpful. Please call me if you have any questions.

Sincerely,

JOHN M. STAPLES, Assistant to the Commissioner.

Further, Madam Speaker, I would like to tell a small story. In the fall of 1945, Bertha and Harry Holt, Oregon farmer, attended a missionary conference in which they learned about the plight of Korea's war orphans, especially those that had been fathered by American GI's. The Holts, who already had 6 adolescent and young adult children, were so moved by what they saw and heard that they decided to start sending money to Korea to meet the needs of these children. If they could, Over the months, they felt the tug of the plight of those children and decided to adopt several biracial GI babies. In fact, they decided to adopt not two or three but eight children.

At that time immigration law only allowed Americans to adopt two children from overseas. So a special bill was needed. Though Senator Neuberger introduced it promptly, no action was taken for the wee hours of the closing night of that session.

All seemed lost, when Senate passage happened. And in the House Representative Green had been promised the bill would be called up for action as soon as it was ready. But that Saturday morning, the clerks could not find the bill and its accompanying report anywhere.

Mrs. Green started digging. And with the help of Speaker Sam Rayburn, they dug through stacks of bills and reports that were flooding in from the Senate and finally, late in the afternoon, she found the bill. And before sundown it was passed and sent to the White House.

Several years later, haunted by the memory of the children who had been left behind, the Holts established an orphanage in Korea. From that humble beginning, the great tradition of inter-country adoption was established.

As important as the tax credit provided by this bill is the provision related to transracial adoption, Madam Speaker. Harry Holt would be horrified to learn that American children languish in foster care today because they are of a different race than waiting parents. Rev. Jesse Jackson asked the critical question about transracial adoption, the question we should ask ours today: What is the color of love? Indeed, Madam Speaker, what is the color of love?

I want to commend my colleague, the gentleman from Kentucky [Mr. Bunning], the gentlewoman from New York [Ms. Molinari], and the gentlewoman from Ohio [Ms. Pryce] for their leadership in fashioning this legislation, and I urge my colleagues to support its passage.

As I told Mrs. KNELLEY, Madam Speaker, I yield myself the balance of my time.

Madam Speaker, I rise today in support of providing a $5,000 tax credit for families adopting children. The cost of adopting an infant can exceed $15,000 when you add up the legal fees, court costs, and charges assessed by adoption agencies. This is a heavy burden to bear for middle-income Americans who want to start a family.

However, we should be honest and say that healthy babies will be adopted with or without a tax credit. The children who are really waiting to be adopted are those with special needs, usually meaning they are older, or have emotional or physical problems, or represent a minority. Special needs children are the fastest way to build a family for parents who want to care children who are awaiting permanent adoption. Most of the benefits in the bill before us would not go to families adopting these children because their adoptions are conducted by the States, meaning there is no need for which to claim a tax deduction.

I also want to express my concern about one of the revenue raisers in this legislation. The bill would fully tax the subsidies provided by utilities companies to businesses that conserve energy. During a time when we are all talking about the rising cost of energy, I don't think it makes sense to eliminate incentives to promote energy conservation. I understand the Clinton administration has offered to work with Congress to find a different revenue offset to pay for the bill, and I hope the majority will take the President up on that offer.

Madam Speaker, Democrats and Republicans alike are finding homes for needy children is a goal the Government should take every opportunity to pursue. In this regard, the bill before us is not perfect, but we should not allow the perfect to become the enemy of the good. I urge my colleagues to support this legislation to help promote adoption.

Madam Speaker, I include for the RECORD the following correspondence:


DEAR MR. SPEAKER: I am writing to express my strong support for The Adoption Promotion and Stability Act of 1996. Today, families seeking to adopt children face significant barriers, including high adoption costs, complex regulations, and outdated as-

sumptions. I am committed to breaking down these barriers and making adoption easier.

Promoting adoption is one of the most important things we can do to strengthen American families and give children who have been abandoned in America a chance to deal in a family environment.

This legislation will help children in need of adoptive homes to be united with devoted parents.

This Administration worked hard to promote adoption in general, and adoption of children with special needs in particular. It championed the Family and Medical Leave Act which enables parents to take time off to adopt a child without losing their jobs or losing health insurance. It supported the Multi-Ethnic Placement Act to help increase the number of adoptions by prohibiting discrimination based on race or national origin, and we remain committed to enforcing that law vigorously. As part of our 1993 deficit reduction package, I signed into law a provision that requires ERISA plans to provide the same health coverage for adopt-

ed children as for biological children of plan participants. We have worked to preserve Federal support for adoption of children with special needs, and increased the number of children with special needs who have been adopted with Federal adoption assistance.

But together we can and must do more. I strongly support the adoption tax credit in this bill. It will alleviate a significant bar-

rier to adoption and allow middle class families, for whom adoption may be prohibitively expensive, to adopt children to love and nurture. It will encourage adoption of children with special needs. It will put parents seeking adoption on a more equal footing with other families.

I believe that the bill is consistent with the Administration's policy and my long-term commitment to break the bias against interracial adoptions, which too often has meant interminable waits for chil-

dren to be matched with parents of the same race. The Administration also has some concerns regarding some of the provisions used to offset the cost of the bill and would like to work with the Congress on these provisions. In addition, we are opposed to unnecessary provisions not included in the legislation.

The Adoption Promotion and Stability Act is an important first step toward meeting the challenge of removing barriers to adoption. I look forward to working with you so that the dreams of the waiting children in this country to have permanent homes and loving families can become a reality.

Sincerely,

BILL CLINTON.

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

Mr. Bunning of Kentucky. Madam Speaker, I yield myself the balance of my time, just to close, because we do not have anyone else to speak on behalf of our side.

I would like to congratulate the gentlewoman from New York, Ms. Molinari, the gentlewoman from Ohio, Ms. Pryce, and all others who have participated in the Committee on Ways and Means, who participated in the transracial adoption portion of this bill and congratulated them for their very fine work in bringing this to the floor.

This is a happy day that we are doing this. This will advance bipartisan support for adoption, for adoption tax credits, for adoption of racial barriers to adoption down, in one, we remain committed to ending race as a barrier to adoption. I am very pleased to support this legislation.

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

The SPEAKER pro tempore (Mrs. Morella). Pursuant to the order of the House of today, further consideration of the bill will be postponed until tomorrow.
THE SPEAKER pro tempore. The C.F. Hathaway Co. is currently the oldest domestic shirt manufacturing company in the United States. It was founded in 1837, almost 160 years ago. The company could be earning millions of dollars. The Warnaco Co. also at the same time reported over $30 million in operating income on revenues of $260 million or net income of about $15 million after additional expenses. This is the contrast that we face: American workers losing good American jobs, paying local taxes, supporting State and Federal Government, and yet confronted with the loss of their jobs even as a company that owns their production facility is making millions of dollars.

I would suggest that there is an issue here that we in this Chamber should be paying attention to. I hope to be investigating it further.

We need to take a very close look at the cost of doing business in this country and specifically evaluate the fact that 500 workers could be losing their jobs at the very same time that a company could be earning millions of dollars and in fact watching the stock price of the company rise even as they are losing their jobs.

I think this is a serious issue. I have called on the Warnaco Co. to extend every consideration to the State and to the Governor as he attempts to lead us in attempting to find a purchaser for the company, and I encourage and hope that they will extend that courtesy. The 500 workers have demonstrated a tradition of loyalty going back 160 years. I hope are entitled to the same expressions of loyalty and courtesy from the company for which they worked and I think we can ask for no less.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. Doyle] is recognized for 5 minutes.

Mr. DOYLE. Mr. Speaker, since we just completed consideration of the U.S. Housing Act, I believe it is appropriate that I rise this evening to discuss a public housing issue that is now being played out in Western Pennsylvania.

In the suburban communities of Pittsburgh, which I represent in Congress, the U.S. Department of Housing and Urban Development, county housing authority, county government, and lawyers representing plaintiffs from a 1988 lawsuit are in the process of implementing a plan to provide public housing for those plaintiffs. And, while I am sure that lawyers could argue the merits of this case for days on end, my dispute is with the manner in which the implementation is being conducted.

In the last year, when decisions were made to purchase single-family houses in seven municipalities within two school districts, the elected officials and residents of these municipalities were not informed and not consulted. The first word of this plan to purchase single-family houses in six communities out of 100 eligible communities in Allegheny County, was this undated form letter notifying them that houses in their communities would be purchased for section 8 housing.

I became involved when the mayors of these affected communities wondered why they had not been brought into the decisionmaking process until it was too late, and then only for appearances. They were at a loss for what could be done about HUD forcing its will on their citizens. I suggested that they form an intermunicipal working group and offer an alternative plan to the proposal by the parties of the consent decree.

There are three basic problems with the path HUD is taking in my district: The lack of community notification and participation, the concentrated loss of tax revenues to the municipalities and school districts, and the extravagant use of taxpayer funds to provide public housing.

First, HUD has shown little interest in communicating with local officials...
during the decisionmaking process. HUD, and the other parties to the consent decree, deliberately contrived to purchase houses using national guidelines in an original price range between $74,500 and $104,500 for a single unit of housing. I asked only as recently as last week, the communities, where six of the homes were to be purchased, provided lists of more reasonably priced houses as alternatives for purchase. The community leaders are making a good faith effort that is certainly more of a commonsense approach.

By concentrating the first 18 of these 23 house purchases in three communities, the tax revenue losses due to the tax exemptions for section 8 housing were directed unfairly at a relatively small number of communities and only one school district. We proposed that the scattered-site distribution be made throughout a wider geographic area so any revenue losses would be a burden shared fairly among the entire region. After all, the consent decree calls for the public housing to be located throughout Allegheny County, not just a limited portion of the county. And that brings me to the third area that HUD disregarded in its implementation. By purchasing less expensive houses, the tax revenue losses would be more bearable by the local governments and this would be a fair way to treat the citizens who already live in the area.

The case concluded with a judge's consent decree which requires HUD to acquire 100 units of public housing within Allegheny County to be maintained by the county's housing authority. This still left open the question of how the decree would be implemented.

After the judge's ruling in December 1994, the parties involved in the lawsuit began making implementation plans, but they did not ask for any input from the community. Some time before this past December, HUD decided that it would purchase 23 scattered-site single family houses in a small number of communities to begin implementing the decree. My observation is that there is a right way and a wrong way to implement such a consent decree. HUD and the others involved in this case have taken the wrong path and should go back and start over.

On Tuesday, HUD closed purchases on five of six houses, with prices of $57,500, $67,000, $73,000, $76,000, and $76,595. The people in these communities work hard to have homes and some work two and three jobs to pay for them. Most of the people who live in these communities cannot afford to buy homes at those prices. What kind of a message is HUD sending when they use $2.6 million of the taxpayers' funds to purchase 23 houses in 7 communities? Is this wise use of Federal funds? We asked only as recently as last week.

Along with the local elected officials, I recommended that HUD help revitalize the housing stock in these communities by purchasing starter homes—houses that could be purchased for much less, and upgraded to improve the housing stock in those communities. This would be a win-win proposal and a commonsense approach to the problem.

I discussed this entire fiasco with Secretary Henry Cisneros recently and I thank him for listening. Now, I want him to act. This week I wrote this letter asking him to place the houses that HUD purchased this week back on the market. And I am asking that he use the guidelines I just explained to implement the consent decree. If HUD is willing to purchase less expensive starter houses across a larger number of the 100 eligible communities and work with the community leaders to identify such properties, then we will solve this implementation challenge. We have been ready to offer alternatives and act in a cooperative spirit to assist HUD and the local housing authorities in implementing this consent decree.

During the recent debate on H.R. 2406, the U.S. Housing Act, I discussed this issue with the Appropriations VA/HUD Subcommittee Chairman Jerry Lewis and he assured me that he will work with me through the appropriations process to develop legislative language ensuring that this kind of reckless disregard for the communities and extravagant use of taxpayer dollars does not continue. Public policy on housing and on other local issues should be developed with public participation and by extending a hand of cooperation. We are prepared to cooperate and help create a better life for every citizen in western Pennsylvania.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. McIntosh] is recognized for 5 minutes.

[Mr. McIntosh addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Ms. Brown] is recognized for 5 minutes.


Salute to Lt. Col. Harold Cohen on His Receipt of Distinguished Service Cross

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. Chambliss] is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, I rise tonight to salute a remarkable man who is the subject of a remarkable story, Harold Cohen is a native of Spartanburg, SC. He is the son of a Russian immigrant. In 1942 Harold Cohen entered the Army of the United States of America as a private. Two and a half years later Harold Cohen was a major in the U.S. Army and a battalion commander. Ultimately Harold Cohen received the rank of lieutenant colonel in the U.S. Army.

Cross. Colonel Cohen was a close personal friend and a colleague of Creighton Abrams. He and General Abrams served together as a part of General Patton's 3d Army. General Abrams was commander of the 37th Tank Battalion while Colonel Cohen commanded the 10th Armored Infantry Battalion.

It has been said of Harold Cohen as follows:

Often in the advance, Cohen's infantrymen would ride on Abrams' tanks. Cohen himself, remembered his men, was in constant motion. He sped up and down the column in a mud-splattered jeep, pleading, coaxing and cursing. His high-pitched voice with his rich southern accent could be heard from great distances. Abrams as a tank was impressed that infantry leaders like Cohen could motivate their men to move forward under fire with nothing but their OD shirts for protection and he often did so.

Harold Cohen became a real World War II hero. For the exemplary service that Harold Cohen rendered to his country, Harold Cohen received four Silver Stars, three Bronze Stars, three Purple Hearts, the Legion of Merit, the French Croix de Guerre, and awards from Poland, England, Czechoslovakia, and Luxembourg. But the highest recognition of Harold Cohen was yet to come. Harold Cohen mustered out of the Army after the war and became a successful businessman in Tifton, GA. Creighton Abrams went on to become Chief of Staff of the U.S. Army.

Dr. Lewis Sorley, who is a resident of Potomac, MD, wrote a book called "Thunderbolt," "Thunderbolt" included a long history of the life of Creighton Abrams.

During the course of writing that book, Dr. Sorley discovered that during the latter part of World War II, Harold Cohen was recommended for the Distinguished Service Cross by his men for bravery performed by Harold Cohen during an event that took place on February 28, 1945. The member on this particular recommendation for the award of the Distinguished Service Cross for Harold Cohen unfortunately became lost during the process of the end of World War II.

Dr. Sorley pursued the matter after he discovered this. He went to the U.S. Army, told them what had happened and thanks to his diligence, Harold Cohen today received the Distinguished Service Cross from Gen. Dennis Reimer, who is the current Chief of Staff of the U.S. Army.

The receipt today was very special, because Harold's wife Bettye, Harold's children Marty and Linda, grandchildren, Anna, Rachel, Michael, and Alain were also present.

I would like to take just a minute to read the citation that was presented to Harold Cohen today.

The President of the United States, authorized by act of Congress dated July 9, 1918, has awarded the Distinguished Service...
Cross to Lieutenant Colonel Harold Cohen, United States Army Retired, for extraordinary heroism in action. Lieutenant Colonel Harold Cohen distinguished himself by extraneous heroism on February 25, 1945, when the situation became untenable during his battalion's attack upon Brake, Germany. Small arms, artillery and direct fire came from all directions. Colonel Cohen took a position of high ground in plain view of the enemy. Oblivious to all danger and constant fire that fell all about him, directed tank fire and lifted friendly artillery fire that was falling too close. His personal bravery, inspiring leadership and tactical skill retained the initiative and gained the important objective. Colonel Cohen's quick heroic actions and personal courage reflect great credit on him and the United States Army.

Harold Cohen heads up my military academy appointment committee. I am very proud that Harold Cohen and his wife Bettye are my good friends.

There are two people who tonight are not with us, Gen. George Patton and Gen. Abe Abrams, who are very proud of Harold Cohen. They rolled over tonight. Harold Cohen received the Distinguished Service Cross across the country. My own District Attorney Michael Marino from Montg—

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. BARR] is recognized for 5 minutes.

Mr. BARR of Georgia addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

BILL PASSES HOUSE INCREASING PENALTIES FOR WITNESS AND JURY TAMPERING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania, Mr. Speaker, I want to take this opportunity to thank you for your support this week of legislation which I brought forward through the Committee on the Judiciary.

I wish to thank the gentleman from Illinois [Mr. HYDE], chairman; the gentleman from Florida [Mr. MCCOLLUM], chairman of the Subcommittee on Crime; the gentleman from Michigan [Mr. CONVORS], ranking member; and the gentleman from New York [Mr. SCHUMER], subcommittee ranking member. Each of them played a part in making sure legislation which I introduced and unanimously passed this week which calls for additional penalties for witness intimidation, as well for juror tampering and juror intimidation.

This legislation was the outgrowth of an article that was part of a series in the Wall Street Journal which outlined a few years ago the fact that some of our education programs saw fit to use self-help and intimidation on witnesses and jurors to get out of the substantive crime for which they were charged, and they had rather do that because the law actually provided at that time the disincentive to use the tampering and risk maybe being found guilty of tampering, and they were, but they were found not guilty because of self-help, an illegality, of the major charge. Our legislation this week will change all that.

From now on, hopefully with the Senate's approval and the President's signature, our legislation this week will make sure that the penalties will be equal to those abusive events and the offense as well to tamper with witnesses and jurors.

I know that this will do a lot for us across the country. My own District Attorney Michael Marino from Montgomery County cannot, use self-help any longer to exculpate themselves from those crimes and interfere with the court system.

I also wish to note this week that this was an excellent week for our crime victims because three other bills were passed.

Megan's bill, by Dick Zimmer of New Jersey; that legislation will require the registration of known sex offenders.

And, as well, legislation from Dick Christian of Michigan, that is going to add additional penalties for those who would commit violent crimes against children or violent crimes against seniors. They will in fact receive greater sentences than the Federal statutes call for today.

And, finally, legislation from Ed Royce of California. This was a quest of his constituents, many of whom had come forward to him and especially one witness who appeared this week at the Capitol, explaining to us in very poignant terms about the problems of stalking in her State, the threats to those who are stalked and how we need tough Federal laws to prevent this crime and strong, stiff sentences for those who would commit. Ed Royce's bill this week puts teeth into the law, discourages stalking, and make sure that those who commit such heinous crimes will have to answer for them.

So I am happy to congratulate my colleagues on both sides of the aisle for their bipartisan effort to help us fight crime, improve public safety, and make sure that our courts are in fact free of the intervention by those who would threaten the system. For those situations for victims, I think destroy the public's confidence in our own law enforcement. But these bills this week have made a difference.

Mr. Speaker, I thank my colleagues for their support, and I thank the Speaker and my colleagues for your indulgence tonight.

REPUBLICAN BUDGET FOR FISCAL YEAR 1997

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. GINGRICH] and the Republican leadership were trying to do to Medicare and Medicaid, primarily once again to pay for tax breaks for the wealthiest Americans.

I think that we know that in 1995, all of last year, we went through a series of efforts with the Republican leadership budget to try to oppose what Speaker's announced policy of May 12, 1995. Half of the time remaining before midnight as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I know that this hour is last like to address the Speaker and my colleagues tonight because today, in fact yesterday but we received more information today, the Republican leadership unveiled their budget, their budget for the next fiscal year. Very upsetting to me and I think particularly to senior citizens throughout this country, once again we see that the budget is very heavily dependent on cuts in Medicare and Medicaid, primarily once again to pay for tax breaks for the wealthiest Americans.

I had hoped because of the battle that ensued, that was largely taken up by Democrats against this proposal, that we would not see it raise its ugly head again. But in fact it has, and yesterday and today and I am sure over the next few weeks we are going to see again an effort to basically use the budget and use the cuts in Medicare and essentially pay for the Republican-proposed tax breaks on the backs of senior citizens.

Now, I know I am going to hear over and over again from the Republican side that that is not really what is happening here, what we are really trying to do is somehow protect Medicare, or that somehow the level of cuts that are being proposed by the Republican leadership are not that different from some of the things that the President or some of the Democrats have proposed over the years.

But I would point out that there are major changes in the Medicare and
Medicaid program that are being proposed by the Republican leadership, so that it is not just a question of dollars, it is also a question of what the Medicare and Medicaid programs are going to be like. I would venture to say that they are going to be radically different and very radical from what we have today.

I am not surprised by that, because one of the points that I kept stressing throughout the Medicare debate last year was that the Republican leadership really does not like Medicare, really does not care whether Medicare is changed or negatively impacted because many of them never supported Medicare in the beginning.

I would cite a quote that was made by the likely Republican candidate for President, who said, and I quote: “I was there fighting the fight, voting against Medicare in 1965, because we knew it would not work.” In 1965 when he was then a Congressman here in the House of Representatives. That statement was made by the Republican Presidential candidate just last October 24, 1995.

Similarly, we have the Speaker, the Republican Speaker of the House of Representatives. He made another interesting comment which is very similar, if you will, in October, in October, he said, “We do not get rid of it,” referring to Medicare, “in round one because we do not think that is politically smart and we do not think that is the right way to go through a transition period. But we believe it is going to be a bumpy ride because we think people are voluntarily going to leave it.”

Well, that was a statement that was made by Speaker Gingrich again in October of last year. But what we are seeing happening today is that it is being summed up by the Speaker’s statement, is that the changes that are being proposed once again in this budget that we have received over the last couple days, the changes that are being proposed in Medicare by the Republican leadership will ultimately force seniors out of the traditional Medicare program that they are used to. In fact the program, the Medicare as we know it, essentially or eventually does wither on the vine. We do not get rid of it. It maintains the skewed priorities of the system, it increases the cost shifting to younger people. Right now Medicare is paying health care providers substantially less than the health plans covering the working population. The difference in public and private reimbursement rates increases cost shifting to younger people. Medicaid cuts also mean less access to doctors because Medicare, Medicaid pay less for physician services than private insurance companies. Many doctors are simply refusing to accept more Medicare and Medicaid patients. In rural areas, poor areas and areas with large numbers of senior citizens, access to health care will be further restricted by too steep Medicare and Medicaid cuts.

Massive Medicare cuts also mean increased cost shifting to younger people. The elderly use the same nurses, physicians and x-ray machines as everyone else. Right now Medicare is paying health care providers substantially less than the health plans covering the working population. The difference in public and private reimbursement rates has shifted from the elderly to younger patients.

So, any of the young people feel, “Well, what does it matter to me if Medicare is negatively impacted or Medicaid,” they need to know that what essentially happens is that the hospitals and the health care providers will shift the cost to younger people, so they ultimately will suffer.

Medicaid cuts particularly harm poor children. One out of every four children in America is in a Medicaid program that is the primary health insurance system for America’s poor children. Medicaid cuts mean that poor children will have even less access to health care.

Medicare cuts also harm the disabled. More than 4.2 million disabled Americans have their health care needs met by the Medicare system. Hundreds of thousands of very seriously disabled Americans are taken care of in Medicare nursing homes. Cuts in Medicare and Medicaid will do serious harm to the primary health care systems of America’s most disabled.

I think, most important, the level of Medicare and Medicaid cuts that the Republican leadership has proposed is far too much for many industries. We made this point during the debate last year in 1995. It is just as true now with the cuts that are being proposed by the Republican leadership now. Hospitals depend on Medicare and Medicaid for the vast majority of their revenue throughout the Medicare debate last year. It was because the Congress cannot make a new contract with America. But what we were saying as Democrats throughout that debate is that the Congress cannot make a new contract with America. And we are willing to make good on the old Contract With America, which is Medicare.

The contract said that working Americans would be taxed their entire working lives in exchange for known and specified benefits in old age, and that contract was broken in 1995 by the Republican leadership. I believe it is broken once again today with the level of Medicare cuts and the changes in the program that are being discussed or being proposed by Speaker Gingrich and the other Republican leaders.

Now, let me get into a little analysis of exactly what we received yesterday and today as part of this new Republican budget for 1997. Again, a lot of this is just based on press conferences or press materials. But what was presented by the Republican leadership repeats many of the extreme policies that were proposed in the fiscal year 1996 budget which was vetoed by President Clinton last December.

It maintains the Medicare cuts as priorities of the early Republican budget: large tax cuts paid for by excessive cuts in Medicare and Medicaid. Medicare is cut by...
$168 billion over 6 years. The numbers have changed slightly, but the impact on people and hospitals is the same as last year’s budget. The implications for health care delivery, seniors will have less choice. Many of the hospitals will close and doctors will start being able to charge more for services. That is where they simply charge Medicare recipients more than what Medicare pays.

The Republicans claim that their cuts of $123 billion—of this $168, $123 billion in part and hospitals and health care institutions—the Republicans say that these cuts are necessary to preserve the solvency of the Medicare Trust Fund through the year 2006. In fact, the President’s budget proposal, which he unveiled earlier this year, extends the life of the trust fund through 2009 without such deep reductions.

Republican proposals are clearly using funds cut from Medicare to pay for part of their tax breaks, just as they did in 1995. Now when you go to Medicaid as opposed to Medicare, Medicare being primary, for seniors regardless of income, Medicaid primarily for poor people regardless of age, Medicaid spending in this new Republican budget is cut by $72 billion over 6 years. They block grant Medicaid. It is this idea of sending $72 billion back to the States in a block grant, cutting the amount of money that the States get, because Medicaid, the States have to match what the Federal Government puts up. So if you block grant the money and send the Federal dollars back to the States, you reduce the amount that the States are going to get and you basically say, look, you do what you want with it, without any strings attached.

What that means is that Medicaid, as we know it, which entitles certain people, doctors, to hospital benefits, children, pregnant women, certain people were just automatically eligible because of Federal guidelines, well, with this block grant approach, where the States basically get less money but are free to spend the money as they please, essentially you are eliminating the guarantee of coverage to a lot of low income children, to a lot of nursing home residents, because what the States will do is they will say okay, we are getting less money, we cannot afford to pay as much State money as we used to, and, therefore, we will just say that certain categories of people are not eligible for Medicaid, or even if they are we will not provide certain services.

So the whole block grant approach to Medicaid essentially means a lot of people will not have coverage who have it now, and if they do have coverage, the types and amounts of services will be severely limited.

In Medicaid, the proposed cuts of the Republican leadership are $18.5 billion deeper than the reductions proposed by President Clinton. But more importantly, Republicans appear to be proposing a change in the State match rate which could ultimately produce cuts in total Medicaid funding of more than $250 billion through the year 2002.

I will get into that a little more, in a little more detail, but essentially right now, the Medicaid program is whatever Federal dollars are put up, the States have to match them essentially 50-50 to achieve a dollar that is spent on Medicaid patients. What the Republicans want to do is to say, we will give you more Federal dollars and you do not have to match as much in State dollars. But the point is that the overall amount of money that would be available for Medicaid patients is less, and hence you get the interest in the States in actually spending less or disqualifying certain people who are now eligible for Medicaid.

Now, I wanted to get into a little on Medicare again, what changes are really being made and how radical the Republican proposals are to Medicare. Medicare has a public program for senior citizens. There are basically three aspects of the current Medicare program for seniors that have existed since it began under President Johnson that are now threatened by the Republican proposal that has been unveiled.

Right now, Medicare offers beneficiaries, seniors, unlimited choice of doctors and hospitals. They can go to any hospital or doctor they want. It offers protection against hospital and doctor bills, in other words, limitations on what doctors can charge you beyond what Medicare pays, and, third, guarantees coverage of all Medicare benefits for the premium established by law.

So if you are eligible for Medicare under current law, you are entitled to certain benefits. Well, all these protections are at risk under the budget and under the proposals the Republicans are putting out.

First of all, let us talk about this unlimited choice of doctors and hospitals. What they are going to do, what the Republicans are proposing to do, is push more and more and eventually most senior citizens into HMO’s or managed care systems, where you do not have a choice of doctors or hospitals. The way they do that is through very tight budget caps. They basically put a cap on the overall amount of money that you get back to your own doctor or hospital. So essentially seniors get pushed, if you will, into the HMO’s, into the managed care systems, because that is where the money is.

The second thing that I mentioned is this existing program is being fought against balanced billing. Under current law seniors are protected from balanced billing, in other words, where the doctor want to charge more than what Medicare provides, and the same with hospitals. Hospitals under current law may not charge seniors one penny more than their allowed fee. Doctors may not charge beneficiaries more than 50 percent above the fee that Medicare pays.

But what they are essentially doing under the Republican plan that is proposed is that doctors and hospitals could charge seniors any amount they want for Medicare services if the senior were in the traditional fee service system. So if you want a choice of doctor and hospitals, and you stay in the traditional system, then they can charge you whatever they want over and above Medicare. If you move into the managed care and the HMO, that would not be the case, but again, one more incentive to move to managed care, to HMO, where you do not have your choice of hospital or physician.

The last thing, as I said, under current law in Medicare law, we get tax-favored medical savings accounts, with no additional coverage of all Medicare benefits for the premiums, and so if you know you are in Medicare you get certain benefits under the law. But all of the sudden the Republicans have come up with a new proposal called medical savings accounts, and what this does is, this is an untested idea, MSA’s, essentially what we are doing here is using senior citizens as guinea pigs for this untried new proposal. Under the Medicare savings accounts proposals, the voucher amount would be placed in a tax-favored medical savings account. So if you just want to use your Medicare money, if you will, or a voucher, to have a high deductible account, you can do that. But if you get sick, of course, you have to pay that out of pocket.

But the problem is that only the healthiest and the wealthiest seniors could afford to gamble with this kind of tax-favored open-ended policy. Those individuals who buy the MSA’s, the healthier and wealthier people, will be outside the traditional pool, so we believe the average costs eventually of those remaining in Medicare would increase. Again, these are significant changes, I believe, and I think it is self-evident, in the Medicare program as we know it.

That is what we are hearing from the Republicans. Again, they were talking about these proposals last year and they are bringing them up again now in the context of the budget.

Let me talk about the changes in the Medicaid program, the program that is

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primarily for low income individuals. Right now 36 million Americans receive Medicaid Benefits. Twenty-six million of them are poor children and adults. But, again, when you talk about Medicaid, the majority of the money goes to pay for nursing home care for senior citizens.

So I want seniors to understand that even though Medicaid is for low income seniors, most of the money goes to pay for nursing home care for seniors, many of whom have spent themselves of money they saved for nursing home care and then have to go on to what we call Medicaid coverage to pay for the nursing home care.

What we are concerned about here is when you block grant Medicaid under the Republican proposal, and you basically leave it up to the States to decide what to do, large groups of seniors citizens may no longer be eligible for nursing home care, or, if they are eligible for nursing home care, the level of care that is going to be provided to them under Medicaid will be significantly reduced.

So essentially what we are saying is even though you might say to yourself, what does it matter to me if low income people are no longer eligible for Medicaid, it does not have any impact on me, but it could easily have impact if states decide to continue coverage for those individuals because they feel an obligation, thereby raising your state taxes or as insurance companies raise premiums to make up for the increased costs.

So essentially what we are saying is even though you might say to yourself, what does it matter to me if low income people are no longer eligible for Medicaid, it does not have any impact on me, but it could easily have impact if states decide to continue coverage for those individuals because they feel an obligation, thereby raising your state taxes or as insurance companies raise premiums to make up for the increased costs.

I just wanted to read a quote, if I could, because I thought it was such a good one from the Washington Post. Last back in December, December 12 of last year, when this whole battle over Medicaid was on the floor of the House and was being considered for the last time in a significant way.

What the Post said, on Tuesday, December 12, about the Medicaid block grant, they said:

The Republicans want to go to a system of block grants, cut projected Federal spending sharply, giving the States and States to get their Federal funds, and largely let the States decide how and on whom the money will be spent. This would pretty well eliminate the guarantee that the needy, young, and elderly could count on a certain level of care. Medicaid is not just a major Federal cost and major source of aid to state and local governments and it is an insurance of last resort in the health care system. Medicaid needs to be protected to protect the vulnerable. The alternative is even more people uninsured, some of the States and hospitals and other institutions that serve the poor would all be stranded. This fight is not just about the Federal budget and the Federal role. It is about that.

I need to stress that, Mr. Speaker. We are not just talking about the budget here. I bristle every time I hear that Medicare and Medicaid have become part of the budget battle over the Federal budget, because the bottom line is that this whole Republican proposal to cut Medicare and Medicaid is strictly budget-driven. They are not out to preserve and protect Medicare and Medicaid, they are trying to save money primarily to pay for these tax breaks for wealthy Americans.

I believe very strongly that the whole Medicare and Medicaid debate and any changes to it, any changes to those programs, should be considered outside of the whole budget debate and should be considered separately, but they are not. The Republican leadership constantly brings it up in the context of the budget debate.

I see that my colleague from Ohio, is here and I would certainly like to yield to him.

Mr. KINGSTON. Did the gentleman find some time now to yield, now that we are yielding?

Mr. PALLONE. You have your time on the Republican side of the aisle, after I am done.

Mr. KINGSTON. I will be happy to yield back to you.

Mr. PALLONE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio, Mr. Speaker, I appreciate the leadership the gentleman has shown in this issue, not just this year but last year. This is sort of "There you go again with the Gingrich budget," or "The same old song," or whatever that we saw in 1995. Last year, we saw the same kind of budget, Medicare cuts, Medicaid cuts, student loan cuts, cuts in environmental protection and environmental laws, all in order to pay for tax breaks for the richest people in this country.

Clearly with this budget, it is simply not much different this year than last year. Last year the American people rose up and said no to Medicare tax cuts for the wealthy, no to Medicaid cuts and student loan cuts of $5 billion in order to give tax breaks to the wealthy, and this year the Gingrich crowd, Gingrich extremists, are basically doing the same thing, trying to sneak in the back door while some of these other things are going on, trying to sneak in the back door in making these cuts so they can give major tax breaks to the wealthiest people in the country.

The key I think is what you said, Mr. Pallone, is that this time we are going to try to sneak in the back door which is going to be much tougher than it was last year. Speaker Gingrich himself said that we are trying to save Medicare, yet a year ago, some 6 or 8 months ago, speaking to a group of insurance executives, who stood on the floor of this chamber and said "We believe we can save Medicare but, if we do under the Gingrich Medicare plan, he said, "We do not get rid of Medicare in round 1 because we do not think that is politically smart." Then he goes on to say, "We believe under our plan Medicare is going to wither on the vine." That is clearly what he thinks about it.

Then the Speaker says, "We are going to save Medicare. This plan is to save Medicare, and now that he voted against it, this plan is to weaken Medicare, because he did not believe in it in the first place. As you said, the same with the Senator DOLE, that he saw the same thing, that he was against Medicare 30 years ago as a young House Member and now that he voted against it, then, he led the fight then, he does not want to see that kind of thing happen today.

ANNOUNCEMENT OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). The Chair would remind all Members that remarks in debate may not include personal references to Members of the Senate.

Mr. BROWN of Ohio. Mr. Speaker, does that mean I cannot mention Speaker Gingrich?

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Members of the Senate.

Mr. BROWN of Ohio. Mr. Speaker, I apologize for that.

At the time about 30 years ago, then Congressman DOLE said that Congress—

Mr. KINGSTON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from New Jersey [Mr. PALLONE] yield for a parliamentary inquiry?

Mr. PALLONE. I do not, Mr. Speaker. We are just doing special orders. There is no parliamentary inquiry.

Mr. BROWN of Ohio. I would say compliments to Mr. PALLONE on his leadership, not just last year but it seems that we are having the same debate this year. Last year the voters said no to the Gingrich plan of Medicare cuts and Medicaid cuts and draconian student loan cuts in order to give a tax break to the wealthy.

This year it is the same old song. It is coming back saying let us do it again. Last year, Speaker Gingrich tried to sneak in the back door in order to try to get his Medicaid cuts and Medicare cuts and student loan cuts and weakening environmental laws in order to give tax breaks to the rich. He shut down the Government trying to get his way, and clearly the voters and the people of this country said that is not the way it ought to be. He gave up and now he is trying it again.

I cannot believe that we are going to have to go through this same debate. I hope that Speaker Gingrich is not going to go so far this year that he threatens a Government shutdown to make Medicare wither on the vine and in order to get Medicare and Medicaid...
Mr. BROWN of Ohio. Medicaid cuts across a broad section of people. It is poor children. It is also the elderly in nursing homes and it is also hospitals similar to the one I visited in Cleveland some months ago called Health Hill that is the hospital where very young typically from under 18, not young children, who have been in a car accident or had some major traumatic injury, often head injuries, and their medical bills are $5,000 or $10,000 a month. They are often from middle-class families. It is also to say that Medicaid can that kind of medical cost, nor does their insurance often cover that for more than a few months or a year or so.

It is things like that can happen to all kinds of middle-class families and those major cuts in the Medicare for the elderly and Medicaid for so many others are so troublesome. But it is not just the dollars with Medicaid, it is also from the Gingrich plan last year that the standards for nursing homes that President Reagan and the Congress in the mid-1980s enacted in response to overes- deration of nursing home patients, in response to problems in nursing homes, that people were being either, as I said, oversedated or re- strained in their beds, and it took away these standards that both parties agreed to in the 1980s. And that is what is so troublesome.

There is consensus that Medicare and Medicaid safety net for children and the other for nursing homes. And just very quickly this is from an article that was in the Washington Post last November that says, “Medicaid safety net for children could be imperiled.” It was a report by the Journal of the American Medical Association. It said, “From 1992 to 1993, an estimated 3 million children lost private health insurance as people lost jobs and employers stopped providing health insurance.”

But until now, increases in Medicaid coverage resulting from past legislation, congressional legislation, that broadened eligibility under Medicaid basically offset the fact that a lot of people lost their jobs and their children are no longer covered by health insurance. For example, they said that in 1988, 66 percent of all children under age 18 had health insurance based on the employment of a family member and 16 percent were covered by Medicaid, but in 1994, the share with employer base health insurance had dropped to 59 percent and the Medicaid to 26 percent. So even though people were losing their health insurance for their children because they were losing their jobs in the last five or 6 years, because of the expansion of Medicaid coverage for children under Federal guaranteed entitlement status. Most of those children continued to be covered by health insurance under Medicaid, but now if we block grant this to the States that will not be the case any more.

Another study, this is from the New York Times back in November 1995, that pointed out how the Republican budget would create a shortage of nursing home beds for the elderly, and it says an array of advocates are warning the Republican budget would put extraordinary strains on the Nation’s patchwork system for paying for nursing homes. The chief threat comes from the Republican cuts to Medicaid. Critics say the changes proposed by the Republicans could diminish the avail- ability of health insurance for the richest Americans, as well as its quality of care within those institutions and the amount of assistance available for care at the nursing home
and would come apart when the over 85 population is projected to grow by 40 percent.

Again, the same way the number of children who did not have private health insurance was growing, the number of seniors who need nursing home beds is growing, and here we are at the time when these populations and needs are growing and those people would become uninsured and not have coverage. We are talking about block granting and pushing the trust fund to the States for the very coverage where there is more need. What you are pointing out is exactly on point.

The other thing that I wanted to mention that you talked about is this whole notion that somehow the Republicans, Gingrich and the others, are saying what we are really doing here is protecting Medicare because it is going to go insolvent and so we have to implement these cuts in order to make Medicare solvent for 5 or 6 years from now. Again, I would say nothing could be further from the truth. I mean, these cuts are not being implemented in order to protect Medicare. These cuts are being implemented to give the tax breaks for the wealthy. And the President in his budget resolution, in his budget that he proposed earlier this year, guarantees the life of the Medicare Trust Fund for at least a decade. His budget proves that the Republican Medicare cuts, the damaging changes that we have talked about, are necessary to balance the budget. There is over $120 billion remaining in the trust fund and there is no imminent danger that claims will not be paid. And although the trust fund did not perform as well as projected in 1995, the difference between the actual and projected performance was within the typical margin of error and has been incorporated into budget projections.

Every year minor adjustments were made so that the trust fund would remain solvent for the next decade. Democrats continued to do that. The President did that back in 1993. His health care reform would have expanded the life of the trust fund significantly. This is just an excuse, and I know you mentioned that. And I would not be surprised if our colleagues on the other side are going to suggest this again later tonight, that somehow Gingrich and they are protecting the trust fund from insolvency. It is not true.

Mr. BROWN of Ohio. It is so important that Americans not be fooled by Gingrich saying that we just want to protect Medicare by the next round of speakers trotting out their articles from conservative, generally pro-Republican newspapers, saying they just want to protect, whether it is the Washington Post or the Washington Times, that typically support the Republican agenda, the Wall Street Journal, the New York Times, are just trying to save Medicare. The Medicare cuts are for tax breaks for the wealthy, as have you said over and over, Mr. PALLONE, and as the voters clearly, and the public clearly understands from last year, when Gingrich tried to do this before. And it is clear that the Gingrich crowd here, the far right of the Republican Party that has supported all of this and has generally all of this, they have never believed in Medicare. They voted against it 30 years ago. Last fall the presumptive nominee of Speaker Gingrich’s party has said, “I was fighting the fight 30 years ago because we knew Medicare would not work.” Speaker Gingrich later said, “We just want it to wither on the vine. We cannot politically afford to get rid of it in round one, because the public will not stand for it.”

They have never cared about Medicare. They voted against Medicare for 30 years, most not the middle of the Republican Party. But because that was the consensus, that Democrats and Republicans alike realized that the public supports Medicare, because that is what it is. That is the Party that Speaker Gingrich is so close to and that really runs things, and particularly the freshmen, all of them have clearly shown their opposition to Medicare year after year after year and just want it to wither on the vine. What they are doing is trying to push seniors into managed care, to deny them the choice of their doctors or their hospitals. They are including these balanced billed provisions that will force seniors to pay more out of pocket for the health care. All of these major structural changes in Medicare are being implemented and those are being done under the aegis or with the excuse that somehow they are trying to preserve Medicare as we continue, and it is just the opposite.

Mr. BROWN of Ohio. The medical savings accounts that the Speaker has extolled, the virtues, over and over again, an idea of a big insurance company, major contributors to the Speaker that salivate over the prospect of getting to write all this insurance for a Medicare program that is withering on the vine. It means major income to them, major costs to senior citizens to pay for a tax break for the wealthy.

Mr. PALLONE. In fact, the Congressional Budget Office has clearly indicated that medical savings accounts will actually cost more money to the Federal Government. So if you are talking about trying to save money, that clearly is not the way to go.

I want to thank the gentleman again for being here tonight.

THE REPUBLICAN BUDGET

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker’s announced policy of May 12, 1995, the gentleman from Georgia [Mr. KINGSTON] is recognized for the balance of the time remaining before midnight as the designee of the majority leader.

Mr. KINGSTON. Mr. Speaker, I want to say to my friend from Ohio over here that if the Washington Post is a conservative newspaper, then the Grateful Dead is a country and western band. I also, in fact, before he leaves, I was going to ask Mr. PALLONE about one of these quotes that I had because I thought this was interesting. April 24, 1995, the gentleman from Georgia [Mr. KINGSTON] is recognized for the balance of the time remaining before midnight as the designee of the majority leader.

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will be happy to yield to them so that they can talk about it. But otherwise, Democrats can continue to throw softballs back and forth to each other. Then Republicans can come down here and throw softballs back and forth to each other. Did you know who loses? The American people.

I think it is much better to have a truthful and honest dialogue than just this one-sided aren't we great, let's polish off our halos, let's convince the C-SPAN audience. As long as you are here, I will yield time to my friend, Mrs. SEASTRAND from California, and the gentleman from Maryland, Mr. EHRLICH. We are going to talk about this.

Let me yield to the gentlewoman from California [Mrs. SEASTRAND].

Mrs. SEASTRAND. I just wanted to say, you have the quote of our colleague who has just spoken and he mentioned that it was the Washington Post, that the Washington Post was favorable to Republicans. I just would say, I have some quotes here from the New York Times and also from the Santa Barbara News Press, which is owned by the New York Times.

I would like to point out, the Santa Barbara News Press did not endorse my candidacy for Congress. The point is that the New York Times, this February 5, 1996, New York Times, it says, new government data show Medicare's hospital insurance trust fund lost money last year for the first time since 1972, suggesting that the financial condition of the Medicare care program was worse than assumed by either Congress or the Clinton administration.

And I have here a clipping from the Santa Barbara News Press, owned by the New York Times, that says, big, bold letters, Medicare trust fund loses $4 billion, Clinton administration downplays apparent miscalculations, but new data certain to fuel high stakes political debate over the solvency.

Mr. KINGSTON. I have two other sources that confirm the same thing. Here is the Washington Post, that great conservative newspaper which has endorsed every Democrat who has run for office for the President since the paper's existence, but it says here, Medicare is nearer to the red, that the Clinton trustee, who last April 3 predicted it was going to bankrupt in 2 years, was revealed. And then this other chart, see what they actually trust funds were for the fiscal year 1996, right now losing $4 billion, $4.2 billion, year to date. This chart is actually as of April 23, 1996, this comes from the New York Times, which, again, is not any kind of a conservative propaganda sheet by anybody's stretch. But this is fact. And what is so amazing is we still have the Democrat party and leadership in absolute denial.

Mr. EHRLICH. Mr. Speaker, if the gentleman that we yield, it is a pleasure to participate in special orders with the gentleman from Georgia and the gentlewoman from California. We had a great special order last week.

I have to tell you, just as observation as a freshman coming here from the State legislature, 8 years in Annapolis, where obviously C-SPAN does not tele-vise the proceedings and the parties do not fight like this and the PAC's are not there and the high stakes are not there. But if I look in the debate in Annapolis was so honest. People deal with facts.

My best friends in the committee I sat on in the State legislature were people who did not agree with myself philosophically, but we would fight over facts and then would go out and have lunch.

I come here and I watch episodes like we just observed and it is really interesting. I guess my question to you is a rhetorical question.

Why can't folks on the other side simply debate with respect to facts? Why can they not say, look, EHRLICH, look at you Republicans, Medicare should increase 10 percent a year. If it increases 7 percent a year, it is not good enough. At least they would be intellectually honest. We could have a real give and take.

I suspect the fact you were not allowed into this conversation, no time was yielded to you, that is the case. They know a 7 percent increase per year, as the Republican budget proposal proposed, is no cut.

But look at the terminology, look at the words the use, you just saw a great example of it here. The half-truths, the innuendo, the term, "extremist," one of my favorite terms these days. I guess an extremist is in this House these days those who come to Washington with a philosophical orientation who believe certain things, who have principles and who do not compromise those principles but actually believe that Members of Congress should bring those principles on this floor.

Of course, compromise is part of the political game. We all know that. But you have fundamental beliefs and principles that should drive you as an adult politician and we are adult politicians. It is a great honor to stand here tonight and talk to the American people, but why do they have to turn to the rhetoric, the half-truths and the innuendo every time.

Mr. KINGSTON. Let us look at this, because here we have a trust fund that was yielded to you, was they know that is the case. They know a 7 percent increase per year, as the Republican budget proposal proposed, is no cut.

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Mr. KINGSTON. On our truth meter here tonight I have three lies real quickly. Two we have dealt with. One is misconstruing the Speaker's quote, which was an outright deliberate misrepresentation, a lie, as we would say back home. No. 2, saying that a fund that is losing money does not have financial problems. Then No. 3, saying that the new Republican budget cuts Medicare, when the Republican budget that has just been introduced this year actually increases Medicare spending from here, I have the exact number with me, it goes up to $305 billion from $190 billion.

So here the Republican budget increases Medicare spending from $190 to $305 billion and we have heard people as recently as 20 minutes ago saying this is a cut.

Mrs. SEASTRAND. That is almost a 70 percent increase.

Mr. KINGSTON. We are going from about $5,000 per individual.

I notice that the gentlewoman from California has a beautiful picture of her mother there.
Mrs. SEASTRAND. I decided to bring a picture of my mom because I sometimes think that people think that we on this side of the aisle were hatched. We have moms. We have dads. We have grandparents. We have children. And we have our family. I just grabbed my mom’s picture because I was listening to the working in my office and listening to the debate or I should say the discussion earlier this evening. I could not believe my ears. I just hope you all will say that that is my mom, and she desperately depends on Medicare. She is concerned about what is happening on the House floor and what is going to happen with the President. Are we going to save Medicare?

I just brought down a picture of Mom so that we can take a look at her while we will have this discussion.

Mr. KINGSTON. For Mother’s Day you rather have the truth. We will bring the proposal for Medicare increases her benefits from $5,000 to $7,000 and save the fund from going broke by giving her more options. Those options, as we all know, put more competition in there. It is mother a little bit more to choose from than a Blue Cross, Blue Shield policy.

Mr. EHRLICH. Mr. Speaker, just one observation, I think, forms that background for this discussion. Short-term political calculations have ruled this House.

By the way, it is a bipartisan. Republicans have made their share of mistakes, we all know that. But short-term political calculations have ruled this House for decades. By that I mean, let us not tell the American people the facts. Let us hide the deficit. Let us hide the problems of Medicare.

If we just repeat what people want to hear the truth, we will get reelected. Of course, traditionally that is the way you get reelected. It is so refreshing to be with folks who have come to Congress in the last year and a half, some on the other side of the aisle, who are willing to tell the truth to the American people because in my view, that is what defines leaders.

I do not think it takes any particular talent to be a politician. Any of us can go hire a pollster, read the poll results and tell people what they want to hear. There is no particular talent in doing that. But to have the courage of your convictions, to have principle, to have political guts to go tell the American people, look, folks, we have to do something, your mother depends on Medicare. Your mom wants to hear the truth. Your mother wants to hear a party with ideas, a party with a plan to save Medicare.

Mr. KINGSTON. I think it is also important to note that just about everybody in working America buys gasoline and we have a President who has bragged about, “I feel your pain.” I believe he feels people’s gas pain, too, because he caused it, with an additional 4 cents per gallon gas tax. Every time you fill up with 10 gallons, you pay 40 cents more because of the 1993 Bill Clinton gas tax.

I represent a rural area. Folks have to drive a long way to get places. It

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I know you three and I know a lot of people who sit in these chairs every day do not tell people what they want to hear, they tell people what they believe and what they think is best for the future of the country. As I have said earlier, that distinguishes politicians from leaders. Leaders hire pollsters to tell them what they think the American people want to hear. Mr. KINGSTON. Another great example of this is the minimum wage. It sounds great. "Let's give people 90 cents an hour more. It won't hurt them."

Yet if you look at what an increase in the minimum wage has done over the last increases, it decreases the upward mobility of the jobs that are out there. This will cost Americans over $250,000 jobs. There are some interesting statistics on the minimum wage when we look at it. Only 2 percent of the people get minimum wage over 30 years old on an average. Thirty-nine percent of the people making minimum wage are teenagers. Sixty-six percent of the people making minimum wage are part-time workers. And on an average, an employee who starts at minimum wage, in one year has a salary of $6.05 an hour.

When you look at this and think that if you increase the minimum wage, you eliminate the number of jobs, you are going to increase the cost of groceries and services, goods and whatever it is that the retail stores sell, it is not a winner for the taxpayer, it is not good for the job seeker, it is not good for the teenager, it is not good for the employees, and it is not good for middle class America. Even though it is politically expedient to say, "Yeah, let's give them a raise."

But the thing is, we have offered a gas tax cut, $500 per child tax credit, lower taxes on income taxes and things like this. You can put more real dollars into the pockets of American workers. You have got to pay for this government and government mandates.

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But the thing is, we have offered a gas tax cut, $500 per child tax credit, lower taxes on income taxes and things like this. You can put more real dollars into the pockets of American workers without expanding the size of government and government mandates.
Mr. FOX of Pennsylvania. Well, the line-item veto was passed into law. The unfunded mandates, that is in the law. Regulatory reform is going to wait for the conference committee of the House and Senate. And balanced budget went to the conference. I think there could come up I think the third time will be the charm and hopefully we will get the President to sign the balanced budget.

Mrs. SEASTRAND. If the gentleman would yield, we talk about taxes that we pay to May 8 and then talk about regulations. We could consider this. I think that $48 in everyone’s pocket by savings on what they are putting in the tank.

Mr. EHRLICH. If the gentlwoman would yield, we are talking about the cost for the most part, with the exception of the gas tax repeal, intangible benefits. Five trillion dollars in debt, does anyone know what that looks like? The regulatory burden that our small business would not, we pay for a good at the market or at the store but we do not think about the regulatory burden. It adds to the consumer price of the good, but we do not think about it.

Is it not always easier to run a 3-second attack ad? Those Republicans, the class warfare, they will not raise the minimum wage. They do not want to put a few more cents into your pocket. Never mind the folks, the marginal workers, minority workers, unskilled workers, disabled workers who will lose their jobs when we raise the minimum wage. They do not talk about that. Inconvenient. Bad sound bite.

How about the class warfare? It is very frustrating, although I am really personally not as frustrated. As I go back to my district on weekends and some weeknights and talk to folks, they get it. People are not stupid.

Seniors are not dumb. I refuse to believe that most seniors in this country buy what we just heard an hour ago do not want the American people to hear, and I would yield to the gentleman from Georgia.

Mr. KINGSTON. Well, what this editorial had to do with was when we introduced our plan to save and protect Medicare and the Democrats started the class warfare and that is why I was so disappointed tonight when the Democrats would not yield us time to have a dialogue, and I was further disappointed when we tried to yield time to them.

I think the sad thing here is that we are in a debate right now where, frankly, neither side is gaining because neither side has credibility, because the American people hear us, they think well, they have a good point. Then they hear the Democrats, they say, well, I did not know that. After a while they do not know what to believe. That is why I was so disappointed tonight when the Democrats would not yield us time to have a dialogue, and I was further disappointed when we tried to yield time to them.

People are not stupid. If the gentleman from Pennsylvania [Mr. FOX], and I know we have to wrap it up.

Mr. FOX of Pennsylvania. One of the things we are also doing for seniors is to make sure with Social Security—we are the ones leading the charge, the Republican majority—to make sure that $358 billion owed to the Social Security Trust fund, through our line-item veto and other cost-cutting measures from real waste in the government, goes back and we make sure those funds are restored.

Prior congresses have taken money from the Social Security Trust Fund. We want to make sure it gets restored so the Social Security Trust Fund will forever be solvent and be working. We are working to make sure there are in-home services for our seniors so they live longer, independent and at home before they have to go to any other skilled care. We are also working on that.

Seniors have done so much to make sure we have the opportunity to be here, and we appreciate their getting back to us about suggestions on making sure that we save some important programs but eliminate the waste and making sure the country truly gets its money’s worth.

Mr. KINGSTON. I think we need to wrap it up.

Mrs. SEASTRAND. Where is the plan?

Mr. EHRLICH. There is no plan. It is a fear. Fear wins elections. Class warfare wins elections. If they can get that woman making $18,000 a year to be jealous of that woman or that guy making $24,000 a year, guess what, they got a vote in the other column. Class warfare works.

Remember the speeches during the 1992 campaign? Well, that trickle down speech, that trickle down speech is capital failure. We want people to have a piece of the American pie. We want to grow the American pie, not turn class against class, grandchildren against grandparents.

Five trillion dollars in debt, does anyone know what that looks like? The figures do not always work. The figures do not always work. The figures do not always work. The figures do not always work. The figures do not always work.

Mr. FOX of Pennsylvania. One of the things I think we need to talk about is the future of Social Security. The gentleman is right, fear does sell for that quick fix but because the very people that we want to help.

The gentleman does sell things, but in the long run, I am going to be able to face myself and look myself in the mirror if I can be honest and true with the American voters, honest and true with my mom and honest and true with the voters across America.

Mr. EHRLICH. If the gentlwoman would yield for just a second, I ask that the gentleman from Georgia throw that “medigoguery” article back to us about suggestions on making sure that $358 billion owed to the Social Security Trust fund, through our line-item veto and other cost-cutting measures from real waste in the government, goes back and we make sure those funds are restored.

Mr. KINGSTON. Well, what this editorial had to do with was when we introduced our plan to save and protect Medicare and the Democrats started the class warfare and that is why I was so disappointed tonight when the Democrats would not yield us time to have a dialogue, and I was further disappointed when we tried to yield time to them.

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Mr. KINGSTON. I think we need to wrap it up.

Mrs. SEASTRAND. Well, I just would say it is a pleasure talking, and I guess we will have to be down here every evening trying to make the points and trying to tell the American people that
We sincerely want to preserve Medicare, to save it for our moms, our dads, our grandparents, and for our children who are depending on us to do so for the future.

It is a pleasure being with you this evening.

Mr. EHRlich. It is a pleasure being with everybody. Demagogues hate facts, but truth usually wins out.

Mr. KINGSTON. Mr. Speaker, I heard a similar quote that said ignorance and bliss is easy. Let me just say that I think it is important for all of our constituents to call us, to write us, to get involved, to come to town meetings and so forth. We are in a huge national debate. We have a budget that has a deficit of about $140 billion to $150 billion. We have a $5 trillion debt. We cannot pass this legacy on to our children, and we will not even be able to do, because the reckoning is coming sooner than that.

I will close with one story I tell many, many times, you have all heard it, a story about a guy crossing the road. He gets into the middle of the road, and a car comes whizzing around the corner. All of a sudden, the man jumps out of the way, the car swerves to the same direction. The man jumps to the right, the car swerves to the right; the man jumps to the left, the car swerves to the left. Back and forth. At the last possible minute, the man jumps out of the way, and the car pulls up next to him. The driver rolls down the window, and it is a squirrel, and he says, "Isn't it as easy as it looks, is it?"

I think that is the situation we are in in the United States of America right now. We have got a lot of problems, and it is not going to be easy, and it is not going to be something where you can just stay at home and say this is what defense ought to happen. We all need to be involved in this. But we are America, and Americans have always risen to the challenge, and we will get through these problems today.

Thanks for being with us.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Dickey (at the request of Mr. ARMey), for today after 6:00 p.m. and for the balance of the week, on account of attending his daughter's college graduation.

Mr. Houghton (at the request of Mr. ARMey), for today until 5:30 p.m., on account of official business.

Mr. Fowler (at the request of Mr. ARMey), until 11:30 a.m. today, on account of medical reasons.

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. PALLone) to revise and extend their remarks and include extraneous material:)

Mr. Meehan, for 5 minutes, today.

Mrs. CLAYton, for 5 minutes, today.

Mr. DOyle, for 5 minutes, today.

Ms. Brown of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. LONGley) to revise and extend their remarks and include extraneous material:)

Mr. Wolf, for 5 minutes, on May 10.

Mr. Chambliss, for 5 minutes, today.

Mr. Longley, for 5 minutes, today.

Mr. Barr of Georgia, for 5 minutes, today.

Mr. Fox of Pennsylvania, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLone) to include extraneous material:)

Mrs. Mink of Hawaii.

Mr. Wynn.

Mr. Stark.

Mr. Miller of California.

Mr. LAFALCE.

Mr. Fazio of California.

Mr. Rangel.

Mr. HOyer.

Mr. Hamilton.

Mr. Pomroy.

Mr. Lantos.

Mr. Johnson of South Dakota in three instances.

Mr. Gordon in 10 instances.

Mr. Serrano.

Mr. Pickett.

Mr. Kanjorski.

Mr. KLEczka.

(The following Members (at the request of Mr. LONGley) to include extraneous material:)

Mr. Dornan in three instances.

Mr. Goodling.

Mr. Stump.

Mr. Torkildsen.

Mr. Callahan.

Mr. Forbes.

Mr. Hayworth.

Mr. Crane.

Mr. Hostetler.

ADJOURNMENT

Mr. KINGSTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 55 minutes p.m.), the House adjourned until Friday, May 10, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2895. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Sheep and Wool Promotion, Research, Education, and Information: Certification and Nomination Procedures for the Proposed National Sheep Promotion, Research, and Information Board (Board No. LS-94-015A) received May 9, 1996, pursuant to S.U.C. 801(a)(1)(A); to the Committee on Agriculture.

2896. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Sheep Promotion, Research, and Information Program: Rules and Regulations (Docket No. LS-95-005) received May 9, 1996, pursuant to S.U.C. 801(a)(1)(A); to the Committee on Agriculture.

2897. A letter from the Administrator, Foreign Agricultural Service, transmitting the Service's final rule—Agreements for the Development of Foreign Markets for Agricultural Commodities (RIN: 0551-AA24) received May 9, 1996, pursuant to S.U.C. 801(a)(1)(A); to the Committee on Agriculture.

2898. A letter from the Comptroller General of the United States, transmitting a review of the President's fifth special impoundment message for fiscal year 1996, pursuant to 2 U.S.C. 353(h), to the Committee on Appropriations and ordered to be printed.

2899. A letter from the Deputy Secretary of Defense, transmitting the Department's report on assistance to the Red Cross for emergency communications services for members of the Armed Forces and their families, pursuant to 10 U.S.C. 2333(e); to the Committee on National Security.

2900. A letter from the Under Secretary of Defense (Acquisition and Technology), transmitting certification that the standard missile 2 block IV major defense acquisition program is essential to the national security; that the alternative would cost less; its new estimates are reasonable; and its management structure is adequate, pursuant to 10 U.S.C. 2333(e)(1); to the Committee on National Security.

2901. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Cost Reimbursement Rules for Indirect Costs—Private Sector (DFARS Case 96-D-303) received May 8, 1996, pursuant to S.U.C. 801(a)(1)(A); to the Committee on National Security.

2902. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Educational Assistance: Technical Amendments (RIN: 2900-AH59) received May 8, 1996, pursuant to S.U.C. 801(a)(1)(A); to the Committee on National Security.

2903. A letter from the Secretary of Defense, transmitting the Secretary's certification that the current Future Years Defense Program fully funds the support costs associated with the Longbow Apache program, pursuant to 10 U.S.C. 2306(1)(1)(A); to the Committee on National Security.

2904. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize consent to and authorize appropriations for the United States contribution to the fifth replenishment of the resources of the African Development Bank, pursuant to 31 U.S.C. 1110; to the Committee on Banking and Financial Services.

2905. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize consent to and authorize appropriations for a United States contribution to the interest account of the Enhanced Structural Adjustment Facility of the International Monetary Fund,
Miscellaneous Changes (RIN: 2900-AH95) received May 9, 1996, pursuant to 5 U.S.C. 301(a)(1)(A); to the Committee on Veterans' Affairs.

2007. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Medicare and Medicaid Programs; Conditions of Coverage for Organ Transplant recipients; revision of the Medicare program to allow the average daily rate that States pay for institutional care of individuals who receive certain home health services, pursuant to 5 U.S.C. 801(a)(1)(A); jointly, to the Committees on Ways and Means and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule X, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary.
H.R. 2604. A bill to amend title 28, United States Code, to authorize the appointment of additional bankruptcy judges, and for other purposes (Rept. 104-569). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules.
H.R. 3422. A bill to amend chapter 1 of title 9 of the United States Code to permit each party to certain contracts to accept or reject arbitration as a means of settling disputes thereto incident to a physician's professional services; to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction thereof concerned.

By Mr. NETHERCUTT (for himself, Mr. HOSTETTLER, Mr. CRANE, Mr. MCINTOSH, and Ms. DUNN of Washington):
H.R. 3427. A bill to amend the Internal Revenue Code of 1986 to provide coverage of childbirth to provide coverage for a minimum inpatient stay following childbirth; to the Committee on Ways and Means.

By Mr. KLUG (for himself, Mr. STARK, and Mr. NUSSELMAN):
H.R. 3426. A bill to amend title XVIII of the Social Security Act to apply standards to outpatient physical therapy provided as an incident to a physician's professional services; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction thereof concerned.

By Mr. NETHERCUTT (for himself, Mr. HOSTETTLER, Mr. CRANE, Mr. MCINTOSH, and Ms. DUNN of Washington):
H.R. 3427. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes (Rept. 104-569). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules.
H.R. 3422. A bill to amend chapter 1 of title 9 of the United States Code to permit each party to certain contracts to accept or reject arbitration as a means of settling disputes thereto incident to a physician's professional services; to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction thereof concerned.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and several were referred as follows:

By Mr. BONO (for himself, Mr. MCCOLOM, Mr. SMITH of Texas, Mr. BARR, and Mr. FLANAGAN):
H.R. 3422. A bill to amend chapter 1 of title 9 of the United States Code to permit each party to certain contracts to accept or reject arbitration as a means of settling disputes thereto; to the Committee on the Judiciary.

By Mr. CAMPBELL (for himself, Mr. McCLINTOCK, Mr. CUMMINGS, Mr. LEWIS of Georgia, Mr. LINDER, Mr. LINCOLN, Mr. NYLEN, Mr. CLARKSON, Mr. BARR, Mr. EHRHARDT, Mr. YOUNG of Alabama, Mr. HAMM, Mr. CALDWELL, Mr. WILKINSON, Mr. WILSON, Mr. SMITH of Utah, Mr. HAYS of South Carolina, and Mr. EVANS):
H.R. 3426. A bill to amend the Armored Car Industry Reciprocity Act of 1993 to clarify requirements and to improve the flow of international commerce; to the Committee on Commerce.

By Mr. WICKER (for himself, Mr. TAYLOR of Mississippi, and Mr. PARKER):
H.R. 3426. A bill to provide for certain locks and dams of the Tennessee-Tombigbee Waterway; to the Committee on Transportation and Infrastructure.

By Mr. FORBES:
H. Con. Res. 173. Concurrent resolution expressing the sense of the Congress that a postage stamp should be issued in recognition of the services rendered by this Nation's volunteer firefighters; to the Committee on Government Reform and Oversight.

By Mr. NEUMANN:
H.R. 3428. A bill to amend the Armed Services Procurement Act of 1947 to authorize the Secretary of Defense to prescribe military personnel strengths for fiscal year 1997, and for other purposes (Rept. 104-569). Referred to the House Calendar.

By Mr. BONO (for himself, Mr. MCCOLOM, Mr. SMITH of Texas, Mr. BARR, and Mr. FLANAGAN):
H.R. 3422. A bill to amend chapter 1 of title 9 of the United States Code to permit each party to certain contracts to accept or reject arbitration as a means of settling disputes thereto; to the Committee on the Judiciary.

By Mr. CAMPBELL (for himself, Mr. McCLINTOCK, Mr. CUMMINGS, Mr. LEWIS of Georgia, Mr. LINDER, Mr. LINCOLN, Mr. NYLEN, Mr. CLARKSON, Mr. BARR, Mr. EHRHARDT, Mr. YOUNG of Alabama, Mr. HAMM, Mr. CALDWELL, Mr. WILKINSON, Mr. WILSON, Mr. SMITH of Utah, Mr. HAYS of South Carolina, and Mr. EVANS):
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H.R. 3428. A bill to amend the Armed Services Procurement Act of 1947 to authorize the Secretary of Defense to prescribe military personnel strengths for fiscal year 1997, and for other purposes (Rept. 104-569). Referred to the House Calendar.
DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2086: Mr. Green of Texas.
The Senate met at 9:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Dear God, ultimate Judge of us all, free us from the condemning judgments that elevate ourselves and put others down when they do not agree with us. Sometimes, we think our disagreement justifies our lack of prayer for them. Often we self-righteously neglect in our prayers the very people who most need Your blessing. Give us the prophet Samuel’s heart to say, “Far be it from me that I should sin against the Lord in ceasing to pray for you.”—I Samuel 12:23. Awaken us to the danger for our spiritual lives that results from neglect of prayer for our adversaries. Make us intercessors for all those You have placed on our hearts—even those we previously have castigated with our judgments. We accept Your authority: “Judgment is mine, says the Lord.” I pray this in the name of Jesus, who taught us, “Judge not, and you shall not be judged. Condemn not, and you shall not be condemned. Forgive, and you will be forgiven.”—Luke 6:37. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Montana is recognized.

Mr. BURNS. I thank the Chair.

SCHEDULE

Mr. BURNS. Mr. President, today there will be a period for morning business until the hour of 10 a.m.

Following morning business, the Senate will resume consideration of H.R. 2937, the White House Travel Office legislation. A cloture motion was filed on the pending Dole amendment to that measure, with that cloture vote occurring on Friday, unless agreement can be reached otherwise. Rollcall votes are, therefore, possible during today’s session. Leader time shall be reserved.

AMERICAN FAMILIES NEED HELP

Mr. BURNS. Mr. President, I come to the floor this morning, again, with America on my mind and American families on my mind. Today, they are working harder and they are worrying more about job stability, and they are wondering about what the future holds. Many of these families want and need to maintain a workforce, and that’s what this Government wants to call all of the rules and regulations from here throughout the country.

Most families live from paycheck to paycheck, and they struggle every month just to make ends meet. They are frustrated because the money they used to be able to live on does not get to the end of the month. Some would say, “There is a lot of month left over at the end of the money.” Families, from Montana to Maine, want freedom from Washington and the crushing burden it puts on the backs of all Americans.

Let us talk about taxes first, as we have been doing all week. We need to give some of the 1993 tax increases back to families. That is what repeal of the 4.3-cent gas tax would do.

I thought a lot of the comments yesterday of my friend from Missouri, when he says, “Let us give it back to the people.” This really stresses people who have to go to work every day, and it goes to people that will not work. That is not fair. These are the people that are trying to make America work.

Tax freedom day is now after 128 days because of that big tax increase in 1993. Total taxes are now running around 38.2 percent on family income. This repeal starts to at least give some of the money back to American families and also helps them along with their savings, and with the education of their young folks.

Also, let us talk a little bit about Government regulation this morning.

Flextime. What have we been talking about is the ability—and the TEAM Act—of people, of employers and employees, sitting down and ironing out some of the factors in a workplace that make a company go. That is what we are doing here, and talking about what is wrong with this communication between an employee and an employer. What is wrong with some of them setting some rules and some parameters which help not only the employee but the employer and also help the company to survive?

Home office deduction telecommunications. We fought very hard for that. I think back in 1991 or 1992, we put an amendment in the Transportation Act that says we ought to study the impact of folks who stay home and do their work because they have new technology such as computers, such as fax machines, such as telephones. So we said, do a study and see what impact that has on our transportation system and on our highways because right now we know we cannot rebuild the roads to stay ahead of America’s love for the automobile.

So what is wrong with having a designated spot in a home in telecommuting maybe where even the employees here in Washington who did not want to come up I–395—such as you know, I–395 from 6 o’clock in the morning until about 9 o’clock in the morning has been termed the world’s largest parking lot. What is the impact on the environment? What is the impact on our fuel consumption, and on energy consumption?

Why can we not look at our tax bracket and say, “OK. Maybe you can stay home maybe 1 or 2 days out of
every week and still get your work done, still be in contact, still communicate with everybody in the office and your customers or people in other places.”

What is wrong with the TEAM Act? What is wrong with making these kinds of agreements for a better workplace? Where I come from, the people I am talking to sure want higher wages. The Government got their increase. In 1993, it was taken away from you; stagnated wages. If you look at a State like Montana, everybody wants to put the miners out of business where the best blue-collar jobs in Montana are in natural resources and the management of natural resources.

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

Mr. BURNS. So this morning, Mr. President, I ask that we take a long look at the total picture of families and what makes them tick. How do we secure their wages? How do we give them some permanence, and how do we contribute to a better life for families in all of America?

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut has reserved 15 minutes.

Mr. LIEBERMAN. I thank the Chair. I thank my colleague.

ARMS SHIPMENTS TO BOSNIA FROM ISLAMIC COUNTRIES

Mr. LIEBERMAN. Mr. President, a few days ago, on Tuesday of this week, a number of colleagues rose to express criticism of the actions of the Clinton administration with regard to arms shipments from Islamic countries, including Iran, across Croatia to supply the Bosnian Army and the decision made not to intervene by this administration in April 1994. Yesterday, our colleagues on the other side voted to appropriate $1 million to conduct a formal investigation of this incident, which has been referred to as Iran-Bosnia.

Mr. President, as far as I am concerned, the suggestion here that what happened in April 1994 with the Clinton administration bore any resemblance to the Iran-Contra affair is wrong. There is simply no connection between the two. As my colleagues in the Senate have repeated many times, there were no covert activities, no involvement by the administration in any way in any way in Iran-Contra, and there is no connection between Iran-Contra, and there is no connection between the decision made by the President in April 1994 and the Iran-Contra decision. That was in January of 1994 that the Senate spoke.

In the spring of 1994, Bosnia was in dire straits. The newly established federation joining the Bosnias and the Croats was in a very precarious state. The Bosnian Moslems in Gorazde, Sarajevo, and elsewhere were under siege, and not just casual siege but siege that threatened wide-scale death, destruction, and demolition. Against that backdrop, in April 1994, the administration decided to take no position, to give no instructions to the Croatians or the Bosnians not to allow arms to go to the Bosnians or at least, as happened later in the year, to stop enforcing this immoral embargo.

I did say this decision was not covert, nor was it action? In legal terms, the administration decided to take no position, give no instruction on the delivery of arms to the Bosnians from Islamic countries including Iran. That does not constitute action. The leadership of the Congress and the President’s time has expired.

President Clinton decided that the United States would neither approve nor object to such shipments. American diplomats told the Croatian Government in response to their question that they had “no instructions” on the situation. That, I feel very strongly, was the right decision morally, for to have done otherwise would have meant that the United States was not simply refusing to supply arms itself to the Bosnian Government, was not simply at that point enmeshed to the extent of the embargo against the Bosnians, but was in fact demanding that other countries that wanted to allow arms to go to the Bosnians not be allowed to do so.

Some critics now insist that in making that decision the administration undertook covert action without reporting to Congress. That is a quasi-legal argument invoking, I suppose, memories of Iran-Contra, and I wish to explain why I feel there was no covert action. In fact, there was neither covert nor was it action? In legal terms, the administration decided to take no position, give no instruction on the delivery of arms through Croatia to Bosnia from Islamic countries including Iran. That does not constitute action. The State Department has made it very clear that the United States had no contact with Iran on this matter and took absolutely no action to facilitate these shipments. So I do not see how this can be considered by our Government which would require formal reporting to Congress under relevant law.

Second, and very importantly, this decision was by no means covert. While my colleagues who have been critical of late of the decision have acted, I presume, on the basis of an article which appeared early in April of this year, 1996, in the Los Angeles Times about the President’s decision, the fact is that the decision was the President and the administration in 1994 to give no instructions to the Croatians on the question of Islamic shipments of arms to the Bosnians across their territory should have been known to all of us and certainly should not be construed as news.

The leadership of the Congress and the relevant committees and their staffs have and at that time and from the beginning of the war in Bosnia had routine access to the very same intelligence information about the Islamic arms shipments that was seen by administration officials early in 1994, and, in fact, before. No one, to my
knowledge, urged the administration to take any steps at that time to stop the arms from reaching the Bosnians.

Arms shipments from Iran and the other countries to Bosnia, facilitated by Croatia, which incidentally took its share of these weapons. In fact, became public knowledge in a Washington Post article on May 13, 1994, approximately 1 month after the administration made the decision to give no instructions to the Croatians. Again, we heard, and the record shows, how calls from anyone to stop those shipments of arms.

In June 1994, 1 month later and 2 months after the decision made by the administration, our colleagues from Arizona, Senator McCain, speaking forcefully for the lifting of the arms embargo, denying the Bosnian Government the right to self-defense, shared with us all—and it is printed in the Congressional Record—a June 24, 1994, Washington Times story entitled “Iranian Weapons Sent Via Croatia—Aid to Moslems to Sink.” The whole story was told 2 years ago, 2 months after the administration’s decision. I urge my colleagues to look at that article. Thus, the Congress and the public not only knew of Iranian arms shipments, but we also knew of President Clinton’s decision not to act to stop those shipments nearly 2 years ago.

On April 14 and 15, 1995, a little more than a year ago, a year after the decision not to block those shipments, the Washington Post reported extensively on the President’s decision not to stop arms shipments destined to the Bosnian Government, and still, I think for understandable reasons, there was no clamor for the United States to stop those shipments. In fact, the Washington Post, in an editorial on April 16 of 1995 entitled “Arms For Bosnia,” endorsed President Clinton’s decision saying that the risk of Iranian influence was “a risk worth taking to serve what ought to be regarded as the political and moral core of American policy to render as much support as possible to the Bosnian Muslims.”

So there can be no doubt that we all knew or should have known about the Iranian arms shipments to Bosnia and the shipments from other Islamic countries 2 years ago, and we all knew or should have known of the President’s decision not to try to stop those shipments in the spring of 1994. And during that period, the Senate and the House of Representatives did not call for U.S. action to stop those shipments.

Therefore, Mr. President, I conclude that these shipments were by no means covert. In fact, not only were they not covert, they were not wrong, and shortluly thereafter we in Congress expressed our agreement with that conclusion.

Later, in 1994—in fact, in August 1994, on August 11, 1994—with pressure building here for support of the resolution that Senator Dole and I and others were advancing to lift the arms embargo, unilaterally if necessary, the Senate adopted an amendment offered by the Senator from Georgia, Mr. Nunn, and then Senate majority leader, Senator Mitchell, as an amendment to the fiscal year 1995 Defense authorization bill which called for multilateral lifting of the arms embargo but, more relevant to this discussion, mandated the end of any American involvement in enforcing the international arms embargo on the Bosnian Government.

In October 1994, Senator Dole and I and our cosponsors, unfortunately, could not gain enough votes to pass our legislation mandating unilateral lifting of the arms embargo, but in response to our efforts the Congress adopted the Nunn-Mitchell provision as part of the fiscal year 1995 National Defense Authorization Act. So we in this body and our colleagues in the other body made it illegal, against the law, for the United States to use appropriated funds to enforce the arms embargo.

So since November 1994, the Clinton administration has been prohibited from acting to intercept arms shipments to Bosnia from Iran or anybody else, exactly the decision made in April 1994. I think of Senator Mitchell’s letter we sent a few months ago to President Izetbegovic of Bosnia. I believe there has been a response to that letter. But, of course, what I am saying here is that we need to see the results and the content of the administration’s decision of April 1994 beyond the unfortunate but, after all, very limited, continued Iranian presence and influence in Bosnia.

The supply of arms to Croatia and Bosnia by Islamic countries in 1994 and before in fact changed the military balance in the former Yugoslavia. As a result, the Bosnians and Croats were able to defend their people and their territory and even reverse Serb gains. I certainly—and I am sure most of my colleagues—would much rather have seen the arms embargo lifted and the arms supplied to the Bosnian Government by the United States or other friendly countries other than Iran. It is clear to me—it was then—that the Bosnian Government would have preferred that outcome, just as a drowning person cannot be particular about who has thrown him a life jacket, a dying nation, a nation under death siege, as Bosnia was at that time, cannot be particular about who gives it arms. Without the supply of those arms, the Serbs, in my opinion, would have completed their campaign of territorial aggression. With these arms, the Bosnians and Croats cooperated to hold the Serbs in place—in fact, to reverse some Serb gains.

Then we came to 1995, growing concern about the course of the war, and finally Senator Dole and I, and our cosponsors, were able to receive majority support here in this Chamber and in the other body for mandating a unilateral lifting of the arms embargo against the Bosnians. Srebrenica fell, a slaughter occurred there. With that in the public’s mind, and being able to say to our allies in Europe that Congress was about to force him to lift the arms embargo unilaterally, the President was able to gain the allies’ support for the NATO airstrikes which brought the Serbs to the negotiating table at Bosnia, which stopped the war and then led to the 60,000-person implementation force now there in Bosnia, with 20,000 Americans, whose presence, incidentally, was ratified in a bipartisan vote here in which the Senate majority leader, in an extraordinary act of bipartisanship, nonpartisanship, gave his support to that president.

So I say, in conclusion, that to criticize the Clinton administration, President Clinton, for their decision not to protest the flow of arms to Bosnia in April 1994 is unfair and inconsistent with the position of us took that, in fact, the arms embargo should be lifted. The decision the President made was, in my opinion, moral. It would have been outrageously immoral to have watched aggression and genocide continue in Bosnia.

Finally, in the struggle many of us made here on a bipartisan, nonpartisan basis to change the course of this war, I think we had a substantial effect. It was, in my opinion, some of the finest hours of this Chamber in affecting the course of foreign policy and world events, stopping aggression and genocide, and preserving stability in Europe.

I hope we will not sully that extraordinary record of nonpartisanship with a kind of partisanship in hindsight, which is unjustified by the facts and inconsistent with the bipartisan leadership of this Chamber on this matter.

I thank my colleagues, and I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I am wondering, could we extend the time for morning business. We have more time requested than time allotted for morning business. So I would ask that we extend morning business.

The PRESIDING OFFICER. The Senator can ask unanimous consent to extend morning business.

Mr. REID. I ask unanimous consent that we extend morning business for an additional 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.
The PRESIDING OFFICER. The Senator from Nevada [Mr. Reid] is recognized for 5 minutes.

Mr. REID. Mr. President, the Democratic floor leader is in the Chamber. He has 25 minutes reserved.

I ask unanimous consent that I have 10 minutes of the 25 minutes the floor leader has reserved.

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

Mr. REID. I also ask the Parliamentarian to inform me when I have used 10 minutes.

A HEALTHY ECONOMY

Mr. REID. Mr. President, I quote from the majority leader of the U.S. Senate in late February of this year, when he stated, ‘‘It is also true’’—said Senator Dole—‘‘as some have said, that our economy is the strongest it has been in 30 years.

The business publication, Barron’s magazine, that is looked upon with favor by the business community and has been for many, many years says:

In short, Clinton’s economic record is remarkable. Clinton rightfully boasted that our economy is the healthiest it’s been in 30 years.

This came, Mr. President, late in March of this year. DRI McGraw-Hill, late March of this year:

The normal economic indicators suggest that the economy is in its best shape in decades.

Mr. President, the statements that I have given here, the quote from the majority leader of the U.S. Senate, from Barron’s magazine, and from DRI McGraw-Hill are not publications of the Democratic National Committee. We could not go further from the Democratic National Committee than the majority leader of the U.S. Senate, Barron’s magazine, and McGraw-Hill, yet each of these state that the economy is in the best shape in decades.

I am the first to acknowledge that we can do better. But we are doing pretty good. We are doing real well. The reason I want to talk about this this morning is I understand from listening and watching very closely what has transpired in this Chamber, especially on the other side of the aisle, that there is some tendency to talk about how bad we are doing.

The economy is on fire. The economy is doing well. These are not statements. They are based upon statistics. The smallest deficit share of our economy since 1979. This will be the fourth year in a row where we have had a declining deficit. I, Mr. President, last year with pride talked about it was the third year in a row where we had a declining deficit, the first time in 50 years we had 3 years in a row with a declining deficit.

I said then, as I say now, it should be smaller, but 3 years in a row, the first time in 50 years, a declining deficit. This next year will be 4 years in a row with a declining deficit; the first time since the years of the Civil War that we have had 4 years in a row with a declining deficit.

The lowest combined rate of unemployment and inflation since 1968. Strongest job growth. In fact, it is a stronger job growth than any Republican administration since the 1920’s. Nearly 8.5 million new jobs added in just over 3 years. That is a faster annual rate of growth than from any Republican administration since the 1920’s.

Mr. President, we have heard a lot of talk in years gone by about the Federal employment being too high. President Reagan, when he was Governor, used to rail about how big the Government was. Yet while he was Governor of California, the government of California got bigger and bigger. When he got off his job of being Governor, he had a radio program, and about one out of every two programs dealt with how big the Federal Government was. It is interesting to note, when President Reagan was President, the Government got bigger and bigger.

Vice President Gore, in this administration, was given the job to cut back the size of Government. The Government has been cut back. It is not only related to the Government. We have over 200,000 fewer Federal jobs than we had 3 years ago. That is a cutback that is staggering. The smallest work force since the days of President Kennedy. Highest share of jobs in the private sector since the 1920’s. And 93 percent of all new jobs have been created by the private sector.

We have had the lowest inflation during any administration since the days of Kennedy, the strongest industrial production growth in 30 years. The industrial production has grown almost 4 percent annually. That is faster than any administration since the days of Lyndon Johnson.

Strongest business investment growth for any administration since the days of John Kennedy. Business investment has grown almost 11 percent annually. As I have indicated, that is a faster rate of business investment growth than any administration since John Kennedy was President.

Lowest mortgage rates in 30 years. Strongest stock market growth since World War II. Highest home ownership in 15 years. Strongest construction growth since Truman was President. Almost every new construction jobs have been created in just over 3 years. That is the fastest annual rate of construction since Harry Truman was President.

It is no wonder that Barron’s magazine says:

Clinton has rightfully boasted that our economy is the healthiest it’s been in 30 years.

Mr. President, we have had 10 Presidents since the Second World War. If we listed the President since the 1920’s we would find we had had five Republican Presidents and five Democrat Presidents. But if you looked at job growth during the years of those 10 Presidencies, you would find that Nos. 1, 2, 3, 4, and 5 were Democrats. The bottom five were Republican Presidents.

If you want to look at that same list of Democratic Presidents, you would find that they also led from 1 to 5 in economic growth. I think it is important that we here on the Senate floor make sure the record is clear and not try to frighten the American public.

We acknowledge that we need to do better. We acknowledge that we have problems that need to be solved. We believe that the minimum wage should be raised. We believe that it is not a question of making sure that teenagers that work at McDonalds get paid more, because the vast majority of the people who earn minimum wage are not teenagers. Sixty percent of the people who earn minimum wage are women, and for 40 percent of those women, that is the only money they get for them and their families.

We believe one of the ways we can make the economy better is to raise the minimum wage. Why? Because it will tend to force people off welfare and cause people not to go on welfare. We need to do better, but we are doing well. The so-called misery index, the combined rate of unemployment and inflation, is at its lowest level since 1968. We think that is good.

Car manufacturing. The United States is in the world lead. In 1994, the United States surpassed Japan as the world leader in the automobile production. The last time the United States was No. 1 was way back in 1979. In 1995 and 1996, America has and will retain its status as the world’s largest producer of cars. There have been times in the history of our country when the business sector has done as well, but never have they done any better. Economic numbers point to the business community as being very happy with what is going on.

If you look at areas where not everyone can enjoy this, but a family that invested money in the stock market—

The PRESIDING OFFICER. The Chair informs the Senator he has reached the 8-minute mark.

Mr. REID. I thank the Chair.

A family that invested money in the stock market, under the Clinton administration, for example, if they invested $10,000, they would get almost a 25 percent return on that money, in fact a little over 50-percent return.

Jobs have been added, as I have indicated, and the fact of the matter is, Mr. President, they have been good jobs, high-wage jobs. Over 60 percent of the jobs added have been high-wage jobs.

So we have work to do. We have a lot more that we can do. There are a lot of people not enjoying the success of the economy that is doing so well. We have to try to make sure that we do a better job in allowing people do succeed in this great country that we have.

But I want everyone within the sound of my voice to appreciate the fact that
Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. DORGAN] is recognized.

Mr. DORGAN. Mr. President, it has been kind of an interesting couple of days in the Senate, and I noticed in the newspaper this morning in the headlines the word “gridlock,” which I am sure will please some in this Chamber, because yesterday they were trying to persuade the press to use the word “gridlock.” They said what is happening in the Senate is gridlock.

What happened yesterday was quite interesting. Those who suggest this is gridlock in the Senate came to the floor of the Senate yesterday, offered a piece of legislation and then, prior to any debate beginning on that legislation, the same people who offered the legislation filed a cloture motion to shut off debate that had not yet begun on a piece of legislation that had been offered only a minute before.

Some people who do not serve in the Senate or does not understand the Senate rules to their head and might say, “How on Earth could someone do that with a straight face? How could someone, without laughing out loud, offer a piece of legislation before debate begins, file cloture to shut off debate on legislation they have just now filed, and then claim that the other side is guilty of causing gridlock?”

Only in the Senate can that be done without some laughing out loud at how preposterous that claim is.

This is not gridlock. It is more like a gag rule. From a parliamentary standpoint, it can be done. It was not done when the Democrats were in control in the 103rd Congress. We did what is now being done on the floor of the Senate: filling the legislative tree completely and saying, “By the way, you have no opportunity, those of you who feel differently, to offer amendments.” But we will work through this, and we will get beyond this. I will say to those who claim it is gridlock, it is clear the Senate is not moving and the Senate is not acting, but at least the major part of that, it seems to me, is because we have people who decide that it is going to be their agenda or no agenda, and they insist on their agenda without debate, their agenda without amendments.

What we have are three proposals that have been ricocheting around the Chamber the last couple of days, and there is a very simple solution. We have a proposal called the minimum wage. Many of us feel there ought to be some kind of adjustment in the minimum wage. It has been 5 years. Those working at the bottom of the economic ladder have not had a 1-cent increase in their salaries. Many of us feel there ought to be some adjustment there.

The second one is the majority leader wants to cut or reduce the gas tax by 4.3 cents a gallon.

And the third issue is a labor issue called the TEAM Act.

The way that this, instead of linking them together in Byzantine or strange ways, is simply to bring all three measures to the floor one at a time, allow amendments to be offered and then have an up-or-down vote. This is not higher math; it is simple arithmetic. Bring the bills to the floor. Our side has no interest, in my judgment, in filibustering on any of those bills, at least not that I am aware of. I do not think we ought to filibuster any of those bills. Bring the bills to the floor, have a debate, entertain amendments, have a final vote, and the winner wins. That is not a very complicated approach. It is the approach that would solve this problem.

I listened carefully yesterday to a speech on the Senate floor that was essentially a campaign speech—hard, tough, direct. It was a Presidential campaign speech. You have a right to speak on the floor of the Senate, but do not think it advances the interests of helping the Senate do its business. I almost felt during part of that speech yesterday there should be bunting put up on the walls of the Senate, perhaps some balloons, maybe even a band to put all this in the proper perspective.

The Senate is not going to be able to do its work if it becomes for the next 6 months a political convention floor. I hope that we can talk through that in the coming days and the Senate is going to have to do its work. We have appropriations bills we have to pass. We have other things to do that are serious business items on the agenda of this country. I do not think that we can do this if the Senate becomes the floor of a political convention from now until November.

I want to speak just for a moment about the proposed reduction in the gasoline tax. Gasoline prices spiked up 20 to 30 cents a gallon recently. When gasoline prices spiked up and people would drive to the gas pumps to fill up their cars, they were pretty angry about that, wondering, “What has happened to gasoline prices?”

Instead of putting a hound dog on the trail of trying to figure out who did what and why, what happened to gas prices, immediately we had some people come to the floor of the Senate and say, “OK, gas prices spiked up 20, 30 cents a gallon. Let’s cut the 4.3-cent gas tax put on there nearly 3 years ago.”

I do not understand. I guess the same people, if they had a toothache, would get a haircut. I do not see the relationship. Gas prices are pushed up 20 to 30 cents so they are going to come and increase the Federal deficit by cutting a 4.3-cent gas tax.

I would like to see lower gas taxes as well, but I am not going to increase the Federal deficit. The Federal deficit has been cut in half in last 3 years. Why? Because some of us had the courage to vote for spending decreases and, yes, revenue increases to cut the deficit in half.

The central question I have is this: If you cut the gas tax, who gets the money? There are a lot of pockets in America. There are small pockets, big pockets, high pockets, and low pockets. You know who has the big pockets and small pockets. The oil industry always has the big pockets. The driver has always had the small pockets.

Guess what? When you take a look at what is going to happen when you see...
a gas tax reduction and have some people talk to the experts, here is what you find.

This is yesterday’s paper: “Experts say gas tax cut wouldn’t reach the pumps. Oil industry called unlikely to pass savings on to consumers.”

Energy specialist Philip Verleger says:

The Republican-sponsored solution to the current fuels problem ... is nothing more and nothing less than a refiners’ benefit bill. ... It will transfer upwards of $8 billion from the U.S. Treasury to the pockets of refiners and gasoline marketers.

The chairman of ARCO company says:

My concern is, quite frankly, how the public will react to what the Senate does.

He said:

Some Democrats have already said ‘before we pass the gas tax, we want to make sure we see it at the pump.’

He said:

I’ll tell you, market forces are going to outstrip the 4 cents a gallon. You’re not going to be able to find a direct relationship between money that is transferred and 4 cents. Then prices could go up, go down, could stay the same, and there you have the question of prices could go up, go down, could stay the same, between moving that and 4 cents. Then you are going to have a direct relationship that you will see it at the pump.

The majority leader’s aides in the paper said they had:

... received assurances from the oil companies that the full extent of any cut in the gas tax will be passed on to consumers. However, officials at several major oil companies say that no such assurances had been or could be given.

‘Even asking for them represented a mis-taken return to direct government involve-ment in setting prices,’ several energy exerts said. ... Bruce Tackett, a spokesman for Exxon Co. USA in Houston, said, ‘We have not made any commitments to anyone regarding a future price. Not only have we not made a commitment, we can’t. In a competitive market, the market will set the price.’

An Amoco Corp. spokesperson said:

We received no official request, and we haven’t spoken to anyone about this.

Mobil Corp. said:

Mobil doesn’t believe that a reduction in the tax will automatically mean a reduction in the pump price. In the end, it will be the marketplace that sets the price at the pump.

The point is this gas tax reduction sounds like an interesting thing, but if you take $3 billion out of the Federal Government and increase the deficit, which you will do—I think the so-called offset is a sham—but increase the Federal deficit, take $3 billion, put it in the pockets of the oil industry and the drivers are still going up to the same pumps paying the same price for their gas, who is better off? The taxpayer? No. Is the Federal deficit better off? No, that is higher. The oil industry is better off.

I guess my hope is that we will decide for a change here in the U.S. Senate to do the right thing. The right thing, it seems to me, is for us to proceed on the agenda. Yes, the majority leader and the majority party have the majority, they have the right to proceed down the line on their agenda. We are 47 Members in the minority. We are not pieces of furniture. We are people that have an agenda we care deeply about. We also intend to exercise our right in the Senate to offer amendments and to try to affect the agenda of the Senate. For those of you who have no right to offer amendments that we will be thwarted in any attempt at all to offer our agenda, we say it will be an awfully long year because we intend to advance the issue of the minimum wage. The minimum wage ought to be adjusted. People at the bottom of the economic ladder have a 23 percent increase in the value of their salaries and their stock benefits last year; the people at the bottom of the economic ladder, those people out there working for minimum wage, have for 5 years not received a one-penny increase, and lost 50 cents of the value of their minimum wage. We are not asking to spike it way up. We are just asking for a reasonable, modest adjustment of the minimum wage. We ought to do that.

Gas tax, bring that to the debate. I do not intend to vote to reduce the gas tax. I would like to see people pay less taxes in a range of areas, but I do not intend to vote to in-crease the Federal deficit. I have been one, along with others, who care and continue to ratchet that Federal deficit downward. I do not intend in any event to transfer money from the Fed-eral Treasury, so the deficit increases, to the pockets of the oil industry, and leave drivers and taxpayers stranded high and dry.

The TEAM Act that has been intro-duced in the last day or so, bring that to the floor, entertain amendments, have a vote on that. That is the way the Senate ought to do its business. It is probably not the most politically adept way. It does not most easily ad-advance an agenda of someone, but a way for the Senate to advance these issues, have a vote, and determine what the will of the Senate is.

I yield the floor.

The PRESIDENTING OFFICER (Mr. INHOFE). The Senator from Nevada.

Mr. BRYAN. I thank the Chair.

NUCLEAR WASTE

Mr. BRYAN. Mr. President, there has been, as my colleague from North Da-kota has pointed out, a number of dis-appointments of things that have reached the floor, and with the overhang of Presidential politics in this year. One of the most disturbing things to me is the power of special in-terests at work in this Congress and their effort to bring a piece of legisla-tion to the floor. S. 1271, which we are told will reach the floor sometime in the next few weeks. That is the effort of a powerful lobby, well financed, very effective, the nuclear power lobby, to bring a proposal to locate an interim storage facility.

There are many things wrong with S. 1271. Mr. President. The obvious reason for my strong interest in the bill is an utter and complete disregard for the rights and interests of the health and safety of the men and women who represent, my fellow Nevadans. Con-trary to the wishes of the great major-ity of Nevadans—Democrats, Repub-licans, independents, those who choose no political affiliation—the over-whelming majority are strongly op-posed to this so-called interim storage facility.

The problems with this legislation are more than a question of unfairness, which I will have occasion to speak to later. The length of this debate on this issue. It is much more than unfair-ness, because most of the mistruths that are being spread about this legisla-tion in the nuclear waste program in general affect not only my own State but other States.

First and foremost, I think it is important to emphasize that this piece of legislation is unnecessary. It is unnec-essary, I have served in this body long enough to know that on many pieces of legislation, it is in the interest of business. Some things that you like, some changes that you do not, there are some pluses and minuses. But always there should be at least some over-riding necessity for that piece of legis-la- tion to be acted upon. In this in-stance, there is absolutely no need at all.

The scientific experts, experts inde-pendent of the nuclear power industry, independent of the environmental com-munity, independent of those who have any connection with my fellow constituents in Nevada, have concluded that there simply is no problem with leaving the high-level nuclear waste where it cur-rently resides, and that is at the reac-tor sites. Most recently, the Nuclear Waste Technical Review Board, a Fed-eral agency created by the Congress for the sole purpose of monitoring and commenting on the high-level nuclear waste program, that Nuclear Waste Technical Review Board recently stat-ed, there is no compelling technical or safety reason to move spent fuel to a centralized storage facility for the next few years.

Mr. President, that view has been en-dorsed by the Clinton administration as well because they can see through the transparency of the nuclear power industry’s scare tactics. They have in-dicated that if this legislation should pass this Congress it will be vetoed.

Let me say for those who have watched this issue over the years, scare tactics have become the kind of con-duct that we expect from the industry. More than a decade ago we were told
that without some type of interim storage, then called away-from-reactor storage, that nuclear reactors around America would have to close down. In fact, their prediction was by 1983, 13 years ago. Well, the Congress wisely rejected the overture by the nuclear power industry more than a decade ago, and not a single reactor has closed because of the absence of storage for the spent nuclear fuel rods.

It is, in my judgment, a wiser policy and a more sensible policy that we make a determination only after we have a judgment as to the location of a permanent repository. That is what the language currently says. Mr. President, that there will be no decision to force a State or any jurisdiction to accept an interim storage until after the permanent repository program has made its own judgment. That, Mr. President, has not yet been done.

This sensible approach, accepted by those who have independent judgment and accepted by themselves and the community, endorsed by this administration and by many others, does not satisfy the nuclear power industry. They are furious that their bluff has been called, that its scare tactics over the years have not convinced the proper parent, that most have been able to see through them, and they have been frustrated in their goal of establishing an interim storage facility.

The one that would be created by caving in to these special interest demands is substantial. In addition to creating overwhelming risk for those of us in Nevada, particularly because of its geographical proximity to the metropolitan area of Las Vegas, which is now home to 1 million people, this legislation would result in over 16,000 shipments of dangerous high-level nuclear waste to 43 States.

Mr. President, I apologize to my colleagues and staff who are watching this on the floor, is a major transshipment corridor, so that none of his constituents would be exposed to the risk, as 43 States and some 50 million of us that live along one of these transportation routes might be affected.

I might say—and I believe the occupant of the chair served at the municipal level of government—there is no assurance in this legislation that any financial assistance is provided to communities who are placed at risk. None.

Let me just say that for some of us and the occupant of the chair and I are not the only ones who share human that concerns. Alaska is not a transportation corridor, so that none of his constituents would be exposed to the risk, as 43 States and some 50 million of us that live along one of these transportation routes might be affected.

Mr. President, I know that this debate has been framed largely as a result of the special interests of the nuclear power lobby. Many of my colleagues, I am sure, have not heard from their constituents. Today, I take the opportunity to acquaint Americans and my colleagues and staff, who are watching our discussion, that this is not just a Nevada issue. Obviously, we feel powerfully aggrieved at this outcome that not only are we to be studied for a permanent repository, but an interim facility will be placed there as well.

My point is that ours is a lonely voice, a small State of 1.6 million people and 4 Members of Congress. We cannot match the nuclear power industries’ finances, the phalanx of lobbyists that they have from one end of Capitol Hill to the other. But there is much at risk. It is not just Nevada; it is 43 States, 50 million people. I urge my colleagues to get involved in this debate and understand what is at risk.

I thank the Chair and the Senator from Kansas for allowing me to extend my remarks.

I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS, Mr. President, a lot of folks don’t have the slightest idea about the enormity of the Federal debt. Ever so often, I ask groups of friends, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them wrong.

One thing they do know is that it was the U.S. Congress that ran up the enormous Federal debt that is now over $5 trillion.

To be exact, as of the close of business yesterday, May 8, 1996, the total Federal debt—down $5 billion in the morning and see the great flash from the nuclear detonation, see the cloud, and wait for the seismic shock to hit us, and calculate with some precision how far from ground zero we were from the place where the shot took place. Community reaction was overwhelming. Stores, retail establishments, all embraced this new nuclear phenomenon.

Well, it is now 45 years later. Nobody buys that argument anymore. No scientist worthy of his or her degree could assert with absolute certainty that we can detonate a nuclear blast in a 70-mile range of a major community. Nobody will assert that.

Do you know what the consequences of that trust us is? Today, every Member of this Congress, every taxpayer in America is paying for those poor, innocent victims downwind of where those atmospheric shots occurred, who suffer from cancer and other genetic effects as a result of those experiments. Trust us, you need not worry. We are talking about something that is lethal. And those of us who would bear the burden of this do not have the same sense of safety and assurance that the chairman of the Energy Committee has.

Mr. President, I know that this debate has been framed largely as a result of the special interests of the nuclear power lobby. Many of my colleagues, I am sure, have not heard from their constituents. Today, I take the opportunity to acquaint Americans and my colleagues and staff, who are watching our discussion, that this is not just a Nevada issue. Obviously, we feel powerfully aggrieved at this outcome that not only are we to be studied for a permanent repository, but an interim facility will be placed there as well.

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Well, it is now 45 years later. Nobody buys that argument anymore. No scientist worthy of his or her degree could assert with absolute certainty that we can detonate a nuclear blast in a 70-mile range of a major community. Nobody will assert that.

Do you know what the consequences of that trust us is? Today, every Member of this Congress, every taxpayer in America is paying for those poor, innocent victims downwind of where those atmospheric shots occurred, who suffer from cancer and other genetic effects as a result of those experiments. Trust us, you need not worry. We are talking about something that is lethal. And those of us who would bear the burden of this do not have the same sense of safety and assurance that the chairman of the Energy Committee has.

Mr. President, I know that this debate has been framed largely as a result of the special interests of the nuclear power lobby. Many of my colleagues, I am sure, have not heard from their constituents. Today, I take the opportunity to acquaint Americans and my colleagues and staff, who are watching our discussion, that this is not just a Nevada issue. Obviously, we feel powerfully aggrieved at this outcome that not only are we to be studied for a permanent repository, but an interim facility will be placed there as well.

My point is that ours is a lonely voice, a small State of 1.6 million people and 4 Members of Congress. We cannot match the nuclear power industries’ finances, the phalanx of lobbyists that they have from one end of Capitol Hill to the other. But there is much at risk. It is not just Nevada; it is 43 States, 50 million people. I urge my colleagues to get involved in this debate and understand what is at risk.

I thank the Chair and the Senator from Kansas for allowing me to extend my remarks.

I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS, Mr. President, a lot of folks don’t have the slightest idea about the enormity of the Federal debt. Ever so often, I ask groups of friends, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them wrong.

One thing they do know is that it was the U.S. Congress that ran up the enormous Federal debt that is now over $5 trillion.

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Well, it is now 45 years later. Nobody buys that argument anymore. No scientist worthy of his or her degree could assert with absolute certainty that we can detonate a nuclear blast in a 70-mile range of a major community. Nobody will assert that.
The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2937, which the clerk will report.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2937) for the reimbursement of attorneys incurred by former employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993.

The Senate resumed consideration of the bill.

Pending:

Dole amendment No. 3862, in the nature of a substitute.

Dole amendment No. 3863 (to amendment No. 3862), to provide for an effective date for the settlement of certain claims against the United States.

Dole amendment No. 3864 (to amendment No. 3863), to provide for an effective date for the settlement of certain claims against the United States.

Dole amendment No. 3865 (to the instructions to refer), to provide for an effective date for the settlement of certain claims against the United States.

Dole amendment No. 3866 (to amendment No. 3865), to provide for the repeal of the 4.3 cent increase in fuel tax rates enacted by the Omnibus Budget Reconciliation Act of 1993, to clarify that an employer may establish and participate in worker-management cooperative organizations to address matters of mutual interest to employers and employees, and to provide for an increase in the minimum wage rate.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

AMENDMENT NO. 3860

Mrs. KASSEBAUM. Mr. President, I rise to discuss, again, legislation that has been and which is support for the Teamwork for Employees and Management Act, the TEAM Act.

During the past couple of days, we have had some lengthy debate on this legislation, as well as, of course, repeal of the 4.3-cent gas tax, and raising the minimum wage. I thought it might be useful at this point to review some of the debate back and forth on the TEAM Act, what it does and does not do, and dispel some of the myths that have surfaced over the course of the debate.

The TEAM Act responds to a series of decisions by the National Labor Relations Board, the NLRB, and the National Labor Relations Act of 1935 prohibited supervisors from representing employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993.

The TEAM Act responds to a series of NLRB decisions that have been made to clarify the interpretation of Federal labor law. It is the interpretation of Federal labor law that has caused the NLRB to invalidate numerous collective-bargaining agreements, and the TEAM Act clearly prohibits employers from bypassing an existing union if the workers have chosen to be represented by a union.

I do not fault the NLRB for the breadth of their decisions invalidating employee involvement. I think they did the best job they could under the circumstances. These laws were written in the 1930’s at a time when employers had used company unions to avoid recognizing and bargaining with unions after workers had selected union representation. So the Congress wrote our Federal labor laws very broadly to prohibit that type of activity.

In fact, the law was written so broadly that it invalidated the legitimate employee-involvement programs that we see today. So the TEAM Act permits those employee-involvement programs to move forward, while requiring firms to recognize and negotiate with independent unions if that is what the workers want.

Why do we need the TEAM Act? This has been mentioned many times. Because it has worked very successfully in the union businesses where the union shops exist. There have been many times effective employee-management teamwork. But we have, I think, dispelling some of the myths of why there is great uncertainty.

During the debate over the last 2 days, some of my colleagues have asked, if there are so many employee-involvement programs going on right now, why then is it necessary and why do we need the TEAM Act? I will respond to my colleagues that the NLRB interpreted the law so broadly that it has a great number of legal agreements. Some companies have disbanded their teams, either by order of the NLRB or because they are concerned with whether they are legal and feasible. They might be worth the effort to even try, and other companies are not expanding their existing teams.

For example, during our committee hearings on the TEAM Act, we heard from David Wellins, a senior vice president of a human resource consulting firm in Pittsburgh, PA. Mr. Wellins’ firm assists clients, from Fortune 500 companies to small nonprofits, to establish high-performance work organizations.

Mr. Wellins testified:

On manufacturing plant floors and in corporate offices across this country, work teams are making employees more productive than at any other time in the history of this country... The second point I want to make is that the NLRB decisions have dampened the enthusiasm for teams. Many of the Nation’s leading companies, both union and nonunion, are confused about which aspects of teamwork are allowable and correspondingly reluctant to proceed with team initiatives.

Mr. Wellins then cited several examples, including a large Midwest bank, a major beverage manufacturer, and a consumer product packaging plant that eliminated their employer involvement program due to the uncertainty which has been caused by the NLRB’s interpretation of Federal labor law. It is clear from Mr. Wellins’ testimony that we need a legislative solution to this problem.

Some of my colleagues have also asked whether the TEAM Act permits employers to establish company or sham unions. The answer is absolutely not. This is very clear, and has been very misleading in the debate so far that has gone back and forth for a couple of days.

The TEAM Act permits workers to choose independent union representation at any time. The TEAM Act does not replace traditional unions, and once workers select union representation, the employer must recognize and then negotiate with the union.

For example, during our committee hearings, the TEAM Act specifically states that employer teams may not ‘have, claim, or seek authority to negotiate or enter into collective bargaining agreements with the employer or to amend existing collective bargaining agreements.’ It does not in any way interfere with the collective bargaining agreements that are in place and working and clearly understood. So the TEAM Act does not permit employers to create company or sham unions.

Mr. President, one of the other issues that has come forth also during the debate is who selects team members?
This has been debated in our committee hearings as well. Some of the colleagues have asked whether the TEAM Act promotes true employee involvement because the legislation does not mandate that workers select all team members. I respond to my colleagues’ questionsed that the TEAM Act avoids mandating a one-size-fits-all for the employee-involvement program. Instead, it recognizes that there are a variety of worker teams that exist and would encourage workers to select managers to develop flexible teams that best suit their needs.

Sometimes workers select team members, sometimes the team members volunteer, and sometimes the whole company is run on the team concept. So the question of team member selection is moot. At other times, particularly if a worker has a necessary job skill required by the team, such as appointing an EMT to a safety team, the employer may choose team members.

Focusing on team member selection really misses the point because the real issue is management commitment to employee involvement. Workers are not stupid. They know when management values employee involvement, and workers quickly tire of making suggestions if management will not follow through on them; therefore, it is not going to succeed. It really has to be a management commitment even more than a worker commitment. It would be useless for managers to limit teams to their favorite workers, because the value of those employee ideas would be limited. It really has to be a commitment that is on both sides, recognizing the changes that are taking place in our work force today, not in an attempt to undermine the unions but in an attempt to strengthen the initiative, the productivity, and the constructive environment instead of a suspicious, adversarial environment that we see in the workplace. I think it has a very positive benefit.

Ironically, the whole idea of team member selection reveals how narrowly critics are viewing employee involvement. They are assuming that there should be only one type of program, where the employees select their team representative. But many times, team members do not represent their coworkers on teams. Many times, the whole plant is run by self-directed work teams. So there are no employee representatives since everyone serves on a team.

We cannot categorize every type of team in America, and we should not try. Instead, we should give workers and supervisors the flexibility to craft their workplace needs and craft how they can best be met.

I ask my colleagues to support this important legislation. I think, Mr. President, it offers us an opportunity, that we have not had before, to clarify that the legislation—The Omni- bus Budget and Reconciliation Act of 1993 [OBRA]—has been largely respon- sible for cutting the Federal deficit nearly in half since its enactment. The 4.3-cent tax on gasoline that was included in that legislation has contributed more than $10 billion to this deficit reduction. Though we have not yet accomplished the difficult task of balancing the Federal budget, in the middle of a Presidential election year we are suddenly being lured by a politically inspired proposal to repeal that very same 4.3-cent tax for the remaining months of 1996 to combat a recent increase in gasoline prices across the country.

Our colleagues in the majority would have us believe that the 4.3-cent gasoline tax is the primary culprit for the current high level of gas prices. The American people are being asked to believe that a simple repeal of the 1993 tax for the balance of one year will cure the pain at the pump. And this is utter folly. It is not true.

Mr. President, the current Federal excise tax on gasoline stands at 18.3 cents per gallon—approximately 14 percent of the current average price of a gallon of unleaded regular gasoline. The 4.3-cent tax, this proposal would repeal represents less than 3.5 percent of the current cost of a gallon of gasoline. Are we to believe that 4.3 cents of this tax enacted in 1993 has had any really significant effect on the price of gasoline? Or, conversely, are we to believe that a repeal of this tax will substantially reduce the price of a gallon of gas?

Simply put, gas prices have risen because of forces unrelated to the Federal excise tax on gasoline. They have risen because of factors associated with the basic economic principles of supply and demand. The reduced supply of world crude oil and the higher gasoline consumption in the United States and Europe as a result of a lengthy, cold winter have undoubtedly played a much larger role in the higher price of gasoline than has the much-demonized 4.3-cent gas tax approved in 1993. In fact, we cannot even count the national speed limit by this Congress has probably contributed more to the price of gasoline than the 1993 tax.

Is it not somewhat contradictory to first give drivers a green light to drive faster and then blame the recent surge in the cost of gas on a tax enacted 3 years ago. After all, it is no secret that cars use more gas when they are traveling at higher speeds. More gas means higher demand. Higher demand means higher prices. When prices do inflict financial burdens on some segments of the society, let us remember also that the current increases in gas prices has come after a prolonged period of low demand and low prices. According to the American Petroleum Institute, gasoline prices last year, adjusted for inflation and including Federal and State taxes, were at their lowest level since data were first collected in 1918. Thus, Mr. President, we may have had the chance to combat a recent increase in gasoline prices not as a dramatic increase above its historical cost, but as an upward adjustment from unusually low
prices. It certainly stretches the imagination, however, to place the blame for the recent gas price increase solely on the shoulders of the 4.3-cent tax enacted to reduce the Federal deficit.

Contrary to what one might think in listening to the rhetoric surrounding this proposal and chlorine gas tax, the 1993 deficit reduction package was not the first time that gasoline taxes have been increased for the purpose of deficit reduction. The fact is that the 1990 Summit Agreement, which was negotiated between the Administration, contained a gasoline tax increase of 5 cents per gallon which went into effect on December 1, 1990. Of that amount, two-and-one-half cents per gallon of that gasoline tax increase went to deficit reduction. This fact is set forth in a report of the Congressional Budget Office to the Congress dated January 1991, in the following statement relating to the 1990 Summit Agreement:

For the first time since the Highway Trust Fund was established in 1956, not all highway tax receipts will be deposited in the trust fund. Revenue from 2.5 cents of the 5-cent-per-gallon increase in the motor fuel taxes will remain in the fund. The report assumes that this portion of the tax expires on schedule at the end of fiscal year 1995.

Ultimately, as Senators are aware, the 1990 Summit Agreement as negotiated with President Bush and which contained the gasoline tax I have just described, passed the Senate by a vote of 54-45. And, of the 54 yeas, 19 were Republican Senators—19.

Mr. President, this being a Presidential election year, it is clear that this proposal before the Senate is being presented to the Congress for reasons beyond the question of whether or not a repeal of the 4.3-cent gasoline tax represents sound fiscal policy. It is true that rising gasoline prices have permitted, particularly in California, a State with a plethora of electoral votes. It is also true that repeating any tax, particularly a tax on gasoline, is politically popular. In addition, it is tempting to remind the electorate of a tax increase approved in the past by a political opponent, even if that tax increase was included in a responsible deficit reduction package. So, when we consider these factors, we may understand, without any unusual clairvoyance, why we are now considering a proposal to temporarily repeal the 4.3-cent gasoline tax until January 1, 1997. While this may be labeled a political move, it is also true that repeal of this tax is not a matter of mere fiscal policy. The proposal is an extremely political initiative brought before the Congress just because of an election year. And we talk about a constitutional amendment to balance the budget; a constitutional amendment to balance the budget on the one hand and repeal the gas tax on the other. So we are going in two opposite directions at once. Of course, the gas tax proponents have claimed to offset the lost $4.8 billion in revenues that will result from this proposal. They intend to pay for this proposal by auctioning the spectrum to the private sector. Why not apply that against the deficit? Why not apply that savings against the deficit? However, it is my understanding, Mr. President, that the actual sale of the spectrum will not occur until 1998, and the reductions for the Department of Energy will occur over the next 6 years, while the loss in revenues from the gas tax will occur right now in fiscal year 1996. Thus, this legislation is subject to a 60-vote point of order—and I hope we will keep that in mind and not waive points of order if unanimous consent is not obtained. Moreover, under both section 311 of the Congressional Budget Act and the congressionally mandated pay-as-you-go, PAYGO,
Mr. PRESSLER. Mr. President, I wish the President would veto the bill instead of saying he will sign it. I wish the President would veto the bill repealing the gas tax, if it is passed by Congress. This is pure political pandering, and both sides are engaging in it.

Mr. GRASSLEY. Mr. President, I rise to speak to the legislation now before this body that is called the TEAM Act, which is an amendment to the Minimum Wage Act, which, in turn, is tied to the legislation to decrease the gas tax. I speak in favor of the TEAM Act. It is a very good piece of legislation.

That position puts me opposite a union to which you belong. The union was the International Association of Machinists. I was a member of that union from February 1962 to March 1971, when the factory I worked for closed down and shut its doors. I was an assembly line worker making furnace registers. We were a sheet metal operation. The International Association of Machinists as well as most other unions are against passage of the TEAM Act. I am a Republican and I am proud to be a Republican. When I was a union member, I was proud to be a union member, and if I were still working there today I would be proud to be a union member as well.

But unions do not always speak for all workers, and this is an example, where the labor union leaders in Washington, D.C., supposedly representing their members back at the grassroots, are not speaking for the rank-and-file members. I remember, even 30 years ago, rank-and-file members wanted to have a say about the operation of the plant. They did not want it all to be confrontational. They wanted us to have a cooperative working effort, because with a cooperative working effort, we have more productivity, and the more productivity you have, the greater the chances are of preserving jobs and of having better wages, working conditions, and fringe benefits for the employees.

This is very important today, because we are competing internationally and must focus on productivity in the labor force. Having friendly relationships between labor and management means more productivity. And we have to be more productive if we are to compete in this global-interdependent market.

So I support the TEAM Act because it would allow employees the privilege to participate in workplace decisions, giving them a greater voice in mutual interests such as quality, productivity, and safety. The TEAM Act protects this type of participation. This act would, among other things, encourage worker-management cooperation, preserve the balance between labor and management while allowing cooperative efforts by employers and employees, and permit voluntary cooperation between workers and employees to continue.

I also support it because, without this legislation, 85 percent of working folks are not allowed to talk with their employers in employee involvement committees about such things as extension of employees’ lunch breaks by 15 minutes; sick leave; flexible work schedules; refreshments of table, soda machine, microwave, or a clock for the smoking lounge; tornado warning procedures; safety goggles for fryer and baller operators; ban on radios and other sound equipment; dress codes; day care services; and non-smoking policies.

The President indicated he was for this type of legislation in his State of the Union Message this year. At least to me it seemed an indication. He said: “When companies and workers work as a team they do better, and so does America.” I happen to agree with the President.

Secretary Reich, in a July 1993 feature article in the Washington Post, said: High-performance workplaces are gradually replacing the factories and offices where Americans used to work, where decisions were made at the top and most employees merely followed instructions. The old top-down workplace doesn’t work anymore.

Again, I wholeheartedly agree with the Secretary of Labor. But just a few months ago, at a national union rally in Washington, DC, following a $35 million campaign pledge made to the Democratic Party and a grand endorsement by the AFL-CIO, Vice President Al Gore promised President Clinton’s veto of this TEAM Act that is now before the Senate. This is an act that would legalize workplace cooperation between nonunion employees and management.

Union representatives tell me they fear the TEAM Act would prevent them from organizing union shops. Let me emphasize, it does not apply to union settings, and would not undermine existing collective-bargaining agreements. Under the TEAM Act, workers retain the right, as they should, to choose an independent union to engage in effective bargaining

Mr. President, I plan to continue my remarks this afternoon.

Mr. President, I yield the floor and support the TEAM Act.

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

The bill clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

LOW-LEVEL RADIOACTIVE WASTE POLICY ACT

Mr. PRESSLER. Mr. President, I want to speak about a matter that affects my State of South Dakota, but also several States, including California. We are part of a compact under the Low-Level Radioactive Waste Policy Act. Governor Wilson of California, and Governor Janklow of my State, have had a very difficult time with the Secretary of the Interior on this matter.

The original Low-Level Radioactive Waste Policy Act gave the States the responsibility of developing permanent repositories for this Nation’s low-level radioactive waste. Now the Clinton administration wants to take away that authority.

For 8 years, South Dakota, as a member of the Southwestern Compact, along with North Dakota, Arizona, and California, has worked to fulfill its duties to license a storage site. It did the job.

Ward Valley, CA, is the first low-level waste site to be licensed in the Nation. After countless scientific and technical studies and tests, the State of California and the Nuclear Regulatory Commission approved Ward Valley as a safe and effective place to store the Southwestern Compact’s low-level radioactive waste.

However, there is one problem. Ward Valley is Federal land. It is managed by the Bureau of Land Management. The Southwestern Compact has requested that Ward Valley be transferred to the States. The Secretary of the Interior for some reason is thwarting the intent of Congress and the intent of Governors of the States in the Southwestern Compact.

Mr. President, the reason behind all this is that the extreme environmentalists do not want to store radioactive waste anywhere because of their antinuclear agenda. But strangely enough, this type of low-level radioactive waste has been used in medical treatments and other areas to benefit humanity. I find this a very tragic situation. The Secretary of the Interior is cooperating with the extreme environmentalists against the public interest.

Nobody seems to know what is going on. What has the Secretary of the Interior done? He has stalled. First, he has...
ordered a supplemental environmental impact statement. Then he ordered the National Academy of Sciences to perform a special report on the suitability of Ward Valley for waste storage. Each study presented the Southwestern Compact with a clean bill of health for Ward Valley, yet the administration still delays.

Now the administration has ordered additional studies on the effects of tritium, studies the State of California already intended to perform, but not until after the transfer was completed. Also, I should note the National Academy of Sciences made no mention that such a study should be a prerequisite to this land transfer.

Instead, the Academy believes this type of study should be ongoing, conducted in conjunction with the operation of the waste storage facility. Unfortunately, I suspect that even if California gives in to demands and performs these tests, the administration will wait until 1998 before allowing it to go, and thus make it nearly impossible to keep the Ward Valley waste site from becoming a reality.

Who really benefits from these delays? No one. This is yet one more example of the Clinton administration’s pandering to the environment extremists, extremists intent on waging a war on the West and on the American people.

Scientific evidence shows that Ward Valley is a safe location for low-level radioactive waste storage. Neither public health nor the environment will be at risk. In fact, most of the waste to be stored at Ward Valley is nothing more than hospital gloves and other supplies which may have come into contact with radioactive elements used by health care providers.

By contrast, continued delays create risks both to public health and the environment. Currently, low-level waste is simply stored on site at hospitals, industries, or research institutions. In the four States of the Southwestern Compact, there are over 800 low-level radioactive waste sites. These sites were not meant to be permanent facilities. Thus, there have been no environmental studies, no long-term monitoring systems, nothing to guarantee safe storage of the waste.

With no regional low-level radioactive waste sites available, South Dakota would be forced to transport its low-level radioactive waste across the country to a disposal facility in Barnwell, SC. Clearly, the costs of transporting this waste across the country would be great, from the monetary cost to the waste generators, to the legal ramifications, to transporting hazardous waste, to the potential Superfund liability incurred by the State and the generators.

This is far too costly a price, one my State cannot continue to bear. That is why, Mr. President, I am a cosponsor of legislation pending in the Senate to convey Ward Valley to the State of California and to allow the construction of the Ward Valley low-level radioactive waste site to continue unimpeded. The Senate Energy and Natural Resources Committee voted in favor of this bill.

This legislation is ready for Senate action. This legislation is necessary only because politics got in the way of good science. Transporting hazardous wastes, such as Ward Valley is a common procedure for the administration. However, because of a political fight waged by environmental extremists, this conveyance has been held up for more than 2 years. The current procedural delay, will continue unless Congress acts.

We have the opportunity to institute a rational approach to this process. By approving this legislation, we can allow the Southwestern Compact and the rest of the States to comply with the law we created. I urge my colleagues to support this legislation and to allow good science to prevail rather than politics.

Mr. President, I also have unanimous consent that I will ask the Vice President to commend the efforts of Senator Pete Wilson of California and South Dakota Governor Janklow regarding the Ward Valley low-level radioactive waste storage site be printed in the Record.

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

STATE OF SOUTH DAKOTA,

Pierre, SD, April 2, 1996.

Hon. PETER WILSON,

Governor, State of California, State Capitol, Sacramento, CA.

DEAR GOVERNOR WILSON: Thank you for your letter concerning the Southwestern Low-Level Radioactive Waste Disposal Compact and the site of the facility in Ward Valley. While the site in Ward Valley is currently owned by the federal Bureau of Land Management, the bureau has for about 10 years declared its intent to sell to California. I, too, am concerned and upset with the continuing delays imposed by the U.S. Department of Interior on the Ward Valley land transfer. California has made tremendous efforts attempting to comply with the federal Low-Level Radioactive Waste Disposal Act and its Amendments. While these efforts have resulted in the issuance of the first license to construct a new low-level disposal site in this nation’s recent history, implementation of this license has been set back again and again by the federal government. If these delays cause our generators within the Southwestern Compact to ship wastes across the United States to Barnwell, South Carolina for disposal, I fully agree that the federal government must pay for those stipulations you set forth in your letter.

Study after study has shown the proposed facility in Ward Valley to be protective of public health and safety. The US Congress had it right the first time: the Southwestern Compact can solve the problem of disposal of the low-level radioactive wastes generated within its states. But, we can do it only if the federal government will transfer the site and let us get on with it.

While I agree that the latest actions of the US Department of Interior appear to confirm the notion that the Clinton Administration is trying to usurp the states’ duly delegated power to regulate low-level waste disposal, this transfer can only occur if the delays by the Department of the Interior were to result in repeal of the Low-Level Radioactive Waste Disposal Act and place the responsibility for trying to manage this problem on the federal government, that would be a huge step backwards. I thank you again for your efforts on behalf of the entire state of California and the other states in the Southwestern Compact to develop a responsible and safe disposal site for low-level waste.

Sincerely, WILLIAM J. JANKLOW,
Governor.

GOVERNOR PETE WILSON,
Sacramento, CA, February 16, 1996.

Hon. WILLIAM J. JANKLOW,
Governor, State of South Dakota, 500 East Capitol Avenue, Pierre, SD 57507

DEAR BILL: As the host state for the Southwestern Low-Level Radioactive Waste Disposal Compact, California has labored diligently for ten years to establish a regional disposal facility in accordance with the federal Low-Level Radioactive Waste (LLRW) Policy Act. This facility would serve generators of LLRW in your state and the other compact states. In the absence of this facility, these generators would have no assured place to dispose of their LLRW.

To fulfill its obligations, California carefully reviewed the environmental sites, evaluated candidate sites and selected Ward Valley from those candidates as the best site in California for the regional disposal facility. Although the federal land, the Bureau of Land Management has for about ten years now declared its intent to sell it to California. We identified a qualified commercial operator to apply for a license to construct and operate a facility at that site, and took steps to acquire this land from the federal government. We subjected this application for license to a scru- pulous review to ensure that the facility would satisfy in every respect the health and safety requirements established by the Nuclear Regulatory Commission.

A comprehensive Environmental Impact Report was prepared for the project, and an Environmental Impact Statement (EIS) and Supplemental EIS were prepared for the land transfer. We subsequently became the first state to license a regional disposal facility under the LLRW Policy Act, and have successfully concluded all of the license and related environmental documents in the state courts. In short, California has in good faith done all it can to fulfill its obligations to your state under the Compact and federal law.

The sole obstacle to the completion of this project is the failure of the U.S. Department of the Interior to transfer the Ward Valley site to California. After abruptly cancelling the agreed-to transfer almost completed by former Secretary Manuel Lujan, the Interior Secretary Babbitt has created a series of procedural delays ostensibly based upon this own health and safety concerns. He deliberately delayed the public hearing, then abruptly cancelled it. He asked the National Academy of Sciences (NAS) to review site opponents’ claims, then ignored NAS conclusions that these claims are unfounded and that the site is safe. He has unreasonably and unlawfully demanded that California agree to continued independent testing at Ward Valley, and then refuse the additional supplemental EIS before deciding upon the conditions for transfer.

Every person and organization which has an interest in the Southwestern Compact effort has concluded from this latest set of demands that the Clinton Administration
has no intention of transferring land to Cali-
forina for our regional disposal facility. I
cannot help but agree. There is no scientific
basis for further testing prior to construc-
tion of a new facility for a Supplemental EIS.
These demands are purely political, and
made for the sole purpose of delaying, if not
terminating, the Ward Valley project. It is
clear that we cannot afford to wait any more
demands will be made. In short, be-
cause President Clinton doesn’t trust the
states to assume the obligations which Gov-
ernor Deukmejian and former President
Bush agreed. All other sites, including the
alternative site in the Silurian Valley,
present potential threats to public safety not
found at the Ward Valley site. The Silurian
Valley site is also located on federal land,
and there is no reason to believe that the
Clinton Administration has any greater mo-
tivation to transfer that site.

Continuing the force of the Clinton Adminis-
tration in connection with the Ward Valley
land transfer leaves me few options as Gov-
ernor of California. The Ward Valley site is
clearly the best site in California for LLRW
disposal, a fact upon which my predecessor
Governor Deukmejian and former President
Bush agreed. All other sites, including the
alternative site in the Silurian Valley,
present potential threats to public safety not
found at the Ward Valley site. The Silurian
Valley site is also located on federal land,
and there is no reason to believe that the
Clinton Administration has any greater mo-
tivation to transfer that site.

Continuing the effort to es-

Waste from coast to coast; and most impor-
tance across the United States and to Barnwell;
any necessary permits for transportation
LLRW to Barnwell;
do all of the following:
this an even marginally acceptable solution,
to liability to users, I find this suggestion
threat to the good citizens of South Caro-

white House Travel Office
Legislation

The Senate continued with the con-

White House Travel Office
Legislation

The Senate continued with the con-

The Telecommunications Act

Mr. PRESSLER. Mr. President, on yet
another subject, I hope that the
Federal Communications Commission
follows the intent of Congress regard-
ing the recently passed Telecommunica-
tions Act. I was privileged to be able
to author and chair the Joint House-
Senate conference committee on tele-
communications. But I fear that some of
the deregulation and some of the good
ings in that bill are being taken
away by regulators who are now writ-
ing the regulations for that bill.

I have asked in our committee that we
hold a hearing and bring those Com-
misioners before the Commerce Com-
mittee. I know many Members of the
Senate have written to me urging such a
hearing because we are concerned that
the intent of Congress is not being
followed.
The telecommunications bill was a
very well-written bill. We had a check-
list for the entry of companies into the
regional, local telephone business and
also for entering into the long-distance
telephone business. Those rules are set.
Also, the whole issue of the States’
power and participation with the States’
public utilities commissions
was clearly written out in that bill.

I was just this morning told by one of
our good public utilities commissioners
that the States’ powers are being under-
cut by the Federal Communications
Commission. So we must be vigilant in
taking care to remind the Federal Com-
munications Commission that their No. 1
guideline in the implementation of
regulations is supposed to be intent of
Congress.

I remember in Clark Weiss’ law class
the importance of “intent of Congress”
for administrative law. That is the key
that these agencies are supposed to fol-
low. But that has been abandoned in
this Government because now the
agencies are more powerful in some cases
than Congress. That is unfortu-
nate.

But the Federal agencies, when they
write the regulations, the foremost
thing in their mind is supposed to be
intent of Congress and not going off
and starting to legislate all over. If
they want to be legislators, they can
go out and run, as I am running this
year, and submit their name to the
public. But they are not legislators.
They are regulators. They are a regu-
latory agency, not the legislative
branch of Government. I will plead
with the FCC to remember that as they
write those regulations. Mr. President,
yield floor.

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

The PRESIDING OFFICER. The
clerk will call the roll.

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

Mr. COVERDELL. Mr. President,
I rise today in support of the actions
taken by the majority leader earlier this week. Just to outline, we have the underlying proposal, which is the effort to reimburse the Dale family for the costs they have that they were unjustly burdened with. That has been objected to by the other side.

The majority leader has come forward with a full-ranging proposal that, first, repeals the 43-cent gas tax that was imposed on America by President Clinton in 1993; second, would grant the other side their vote for which they have sought on raising the minimum wage; and third, would call for a vote on what is characterized as the TEAM Act, but which is properly described as creating a federal wage earner the opportunity to meet without threat to the National Labor Relations Board, to meet with management to discuss the general improvement of their work environment, an idea that came to us out of a tough competitor, Japan, where they had experimented with management employees organizing themselves into various work groups to improve the product and to improve the competitiveness of an area. We have before us these three very important proposals.

Mr. President, when President Clinton was running for the Office, he told the American people that a gas tax was the wrong thing to do. He said it was the wrong thing to do because it was particularly offensive or hard on low-income families and on the elderly. I want to expand it. I think it is not only hard on low-income families and the elderly but it is a hardship on small business people. It is particularly difficult for rural communities who are confronted with long distances to travel. I think it has been just one more brick on the back of our middle-class families.

Yesterday, May 8, Mr. President, was the first day that an American wage earner could keep their paycheck. That is pretty remarkable. Mr. President. May 8 was the first day that wage earners could keep their paycheck. Their paycheck for their own needs, his or her housing needs, transportation, and all the things we ask of the American people.

You ask, rightfully, anyone listening to this, “Well, what happened to all the paychecks from January 1 to May 7?” I can tell you. All of those paychecks went to a government. As hard as it is to believe, from January 1 to May 7, every cent taken by the government, taken out of the resources of that family. When we take a snapshot of an average family in my State, they earn about $45,000 a year, both parents work and they have two children. By the government through their checking account and you add on that family’s share of regulatory costs, which is now about $6,800 a year, and by the time you add on their share of higher interest rates because of the size of the Federal debt imposed on America by the Congress and the President of the United States, that is about $2,100 a year.

At the end of the day they only have half of their wages left to do all the work that we ask that family to do for our country. That must make Thomas Jefferson roll over in his grave. If you read through his works he warned over a hundred years ago that the President imposes taxes that are so high that people are subsidized or rewarded by the taxes they pay. That is exactly what we have done in this United States of America.

Repealing the gas tax is a long way from restoring the average worker the marriage penalty, the marriage penalty, alleviating the pressure on those living off Social Security—if all those things we sent the President had been signed into law, then we would have put about $3,000 to $4,000 back into the checking account of the family I just described. What a difference that would have made. That is the equivalent of about a 10- or 20- percent pay raise for that family. When you think of the responsibilities we put on those families, that kind of resource is an enormous difference.

Repealing the gas tax, one piece of it, will help. It will put somewhere in the neighborhood of $225 million back into their checking account. It will be used a lot better there than having been shipped off to the Federal Government. Just to cite some figures here, we have just gotten a report from the Heritage Foundation. This 43-cent gas tax on motor fuel, $168 million was removed from Georgia and shifted up here to this burgeoning Federal Government. On diesel fuel, another $28.5 million was shipped off to the Federal Government. And in jet fuel, of course, we have Atlanta Hartfield International, $27.5 million, for a total $224 million. That is a quarter of a billion dollars taken right out of the State, right out of the homes, right out of the businesses and shifted up here to the Federal Government. That is a quarter of a billion dollars being used by our families, our businesses, our communities, and it was not used in a dedicated form for highways and safer roads.

Now, Mr. President, a second feature of the proposal that Senator Dole put on the floor was, as I mentioned a moment ago, entitled the TEAM Act. The TEAM Act merely adds a short provision to section 8(a)(2) of the National Labor Relations Act, to make it clear that employers who meet together in a bargaining unit to negotiate their wages can do the things they need to do to raise wages, the things they need to do to increase their competitiveness. It is regressive. It is hurting the middle-income family, hurting our communities, and it was not used in a dedicated form for highways and safer roads.

This tax should be repealed, and it should be followed. Mr. President, by other reductions in taxes, so that we can get more money in the checking account of the average American family, where it belongs, so that they can do the things they need to do to raise America.

Now, Mr. President, a second feature of the proposal that Senator Dole put on the floor was, as I mentioned a moment ago, entitled the TEAM Act. The TEAM Act merely adds a short provision to section 8(a)(2) of the National Labor Relations Act, to make it clear that employers who meet together in a bargaining unit to negotiate their wages can do the things they need to do to raise wages, the things they need to do to increase their competitiveness. It is regressive. It is hurting the middle-income family, hurting our communities, and it was not used in a dedicated form for highways and safer roads.

His Secretary of Labor, Robert B. Reich, has said, on December 14, 1995, ‘‘Many companies have already discovered that management practices fully involving workers have great value behind their twin virtues, higher profits and greater productivity.’’

Those quotes are correct. So why is the other side so energized to keep this modern idea from coming into law? Many American companies are intimidated from having these kinds of sessions for fear of the current law, and that ought to be changed.

Mr. President, yesterday, I had two separate groups of employees of companies—a large numbers of employees—contact our office, who think this concept is superior and belongs in the...
workplace. They want to be able to engage in these kinds of activities in their companies in Georgia so that they can improve what they do, so that they can compete, so that they can protect their jobs.

Mr. President, one of those companies engaged in this kind of activity produced a $6 million annual savings by one of the work groups that had met together between employees and management for 6 months. They produced a $6 million savings for that company. That company has made the company stronger, more competitive, and able to hire more employees, and protects the jobs of those who work there now.

We were taken by the number of employees we have heard from seeking this kind of innovation in the marketplace. Mr. President, candidly, we ought to be doing a lot more to make the new workplace modern, as we come into the new century, with ideas and laws that relate to the new century. Labor laws are greatly governed by laws that were written 30, 40, and 50 years ago. Those are old ideas. Those are restraining ideas, and those ideas will keep America from competing with the rigorous competition that is developing all over the world. The workers in the workplace know this, and they want these changes.

The working family, today, in 1996, versus 1930 and 1940, is vastly different. That family, in the mid-1950's, had one spouse working at a workplace. You could count on one hand the number of families that had both spouses working in the workplace. Today, you can count on one hand, almost, the families for which both spouses are not in the workplace.

Mr. President, just as an aside, I believe the Government is principally responsible for that. You might ask, why is that? It is because we have pushed the tax burden higher and higher and higher, and in order for these families to fulfill their responsibilities, they have to have two or more people in the workplace to keep the family going, to keep it educated, to keep it housed.

In fact, about a year ago, Mr. President, I did a graph, and I graphed the new tax burden, beginning in 1950, and ran it up through 1996. And then I did another graph. That graph was of the number of American families for which both spouses were working. You are not going to find that the two lines track each other almost identically, because as that tax burden went up each succeeding year, as Congress spent more, built more, got bigger, with more programs, it had to take more of the earnings from that family. And at the end of the day, that family could have to put more workers in the workplace.

I do not believe there is any institution that has had a more profound effect on the American family than our own Government, more than the Wood. What other institution would sweep through an American family and take half its wages? None.

So, Mr. President, families in the workplace today have both parents out there, and sometimes children. And they need a new workplace. They need more flexibility in the workplace. They need more options in the workplace.

The TEAM Act that Senator Dole has put into this debate this week is a great first step. It is an initial step, just like the repeal of that gas tax. It is a first step going in the right direction leaving a little more money in that checking account. This TEAM Act is going to help to move America to a new, a modern, a flexible, and a friendly work environment.

Mr. President, by a 3-to-1 margin, when asked to choose between two types of organizations to represent them, workers chose one that would have no power but would have management cooperation over one with power but without management cooperation. The American worker wants this flexibility in the workplace.

I am hoping that at the end of this extended debate we will come to a conclusion on the other side of the attempt to block the repeal, to block the TEAM Act. They are going to get their vote on their idea of the minimum wage and they will do so, I hope, in a way to cause about 500,000 people to lose their jobs. But they are going to have their chance. We want a modern provision in the workplace, a new idea, one that we have seen make our competitors tough, and we want to be as competitive as those other companies in those other countries.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. LOTT. Mr. President, I ask unanimous consent that the time between now and 1:30 p.m. be equally divided for debate only.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, the distinguished majority whip and I have had a number of consultations over the last several hours, and we still have not reached any resolution to the impasse that we are facing. But I do want to note that over the last couple of days, as we have had the opportunity to more closely examine the gas tax repeal legislation, it has now been made evident to us that the offset that is incorporated in the legislation falls $1.7 billion short of the revenues needed to put aside for the minimum wage.

Throughout this debate, we have indicated that we would be supportive under two conditions. The first condition was, of course, that it was adequately offset. By adequately offset, obviously, we are talking not only about the source of revenue, but also about the amount. And, of course, the second issue was that it be directly targeted to consumer relief and not to the oil companies.

Unfortunately, given the current legislative draft, as I said, we are told now that the revenue loss—the addition to the deficit—would be $1.7 billion in 1996. Clearly, that is not in keeping with the two criteria that we set out. Our hope was that we could find an adequate offset and, for whatever reason, that offset has not been achieved. It is ironic in some respects that, as the Budget Committee is now meeting to find ways to reduce the deficit and reach a balanced budget in 6 or 7 years, the very legislation we are now considering falls short by $1.7 billion of the necessary offset required to ensure that this legislation is entirely paid for.

And so, at an appropriate time—I expect it will be about 1:30—I will make a point of order that the amendment is not fully offset. Because Senator Dole is not here, and because Senator Lott and I have had the opportunity to talk about their response, and to accommodate the majority, we are going to wait until 1:30 to officially raise this point of order.

Mr. President, this situation, again, illustrates why having separate bills is so important. Obviously, now, you have a point of order against an amendment dealing with gas taxes that has an effect on the travel legislation, on the minimum wage, and on the so-called TEAM Act. So this is becoming more and more convoluted, the more we get into this debate and the closer we look.

I think it, again, makes the point that, unless we can separate these issues, unless we can have individual votes and votes on whether we are going to continue to be frustrated by the complex nature of this very intricate legislative structure that we have created for ourselves. So I hope that we can, again, find a way to separate out the legislation and have a good debate, a good vote, and deal with these issues one at a time.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, as the distinguished Democratic leader noted, Senator Dole will be back around 1:30. I am sure that we will have continuing conversations in between now and that time, and the leaders will be here and prepared to take action as necessary.

I want to emphasize that we are continuing to work in a way to get through this process. The Members clearly want an opportunity to vote on the gas tax repeal. I understand the Democratic leadership want a straight vote on the minimum wage. My understanding of the offers we have been discussing back and forth would provide a
clear, straight, separate vote on minimum wage. We have looked at different ways to approach that, including different combinations of the three matters that are pending—the gas tax repeal, minimum wage, and the freedom in the workplace, known as the TEAM Act. We are still working on that, and I have faith that we can find a way to address all of these issues in an appropriate manner.

We do have some proposals pending right now that. We hope to be able to agree to here within the next hour, as to how we will proceed for the balance of the day, and what time we might expect votes to occur, and how we will deal even with Friday and next Monday. So we will continue to work with that.

With regard to the tax repeal, I indicated privately—and I will do it here publicly—on behalf of the leader yesterday that I thought we could get some agreement on what amendments might be offered. I do not think the leader is opposed to having some amendments as long as we do not have a filibuster, as long as they are relevant, as long as there is not a filibuster by amendment, and if we could get them identified.

I know the Senator from North Dakota is looking for some way to make sure that this gas tax repeal actually gets to the people buying the gas. We agree that we want to make sure that it actually gets to the people who have been paying these taxes. We have some language in the gas tax repeal that we think addresses that. But if there is a way to help in a way that it can be administered to help guarantee that that actually happens, I would like to look at that because I want to make sure that the people of my State get this 4.3-cent gas tax repeal because I personally did not think they should have been paying it in the first place. That was an attack against me that actually got voted against it in 1993. I thought it was a tremendous mistake at the time to start taking on a permanent basis a gas tax—not for the highway trust fund to build interstate highways and Federal highways and bridges that we need desperately—and move it over to the deep, dark, black hole of the General Treasury never to be heard or seen from again. I thought that was a mistake. So I would like to repeal that. I would like to make sure that it actually gets to the people. If we can identify some amendments, or an amendment, I would like to see that. I think the leader would be willing to look at that, if we could work out an agreement on it.

As to the offset, we have an offset in our proposal. We think it is a credible offset. We have a small amount—$2.4 billion, as I understand it—from spectrum, plus some savings from travel at the Energy Department. There may be some lag time because, if this gas tax repeal is included, we will guess that it might have an offset effect, if in fact the President signs it—

I am not sure; the indication is that maybe he would or would not. Now I think maybe he indicates that he would, if it were sent to him in such a way that it did not have things that he would call poison pills and which he would call the opportunity for him to use his poison pen again. But we do have offsets in this legislation. If we believe the gas tax repeal would take effect immediately and for some of these offsets it takes some time before they actually begin to start coming in.

But, again, I think we can work out the offset in such a way that it is fair and would cover the loss to the Treasury. We do not want to add to the deficit. But we are also very committed to trying to help the working people of America get this gas tax off of their backs. We will continue to work on that.

I point out, also, as the distinguished Democratic leader has, as I understand it, that the minimum wage probably is subject to a point of order. I do not think the leader would want to have that happen because I believe it would be identified as an unfunded mandate where it would direct that we have the minimum wage, and it would mean loss of jobs. So that would be subject to a point of order.

So I would be inclined, if we get into this point of order process, to think that we should waive that and not have the gas tax knocked out because it is a revenue bill that did not begin in the House, for whatever the minimum wage knocked out. I do not think the Democratic leader would want that to happen. If we should by chance combine those two issues, the gas tax and minimum wage, we would not want either of them to be knocked out by a point of order, whether it is a revenue measure our unfunded mandate, because with minimum wage you are mandating that small businesses throughout this country have to bear the burden of this increase, which I am convinced would lead to the loss of jobs of people who need them the most.

But there are arguments on both sides. I think a good-faith effort is being made to work through it to see how we can address the offsets and how we can address guaranteeing that the gas tax repeal gets to the people we want to get it—and that is the working people, the people who drive long distances, paying for this unfair gas tax to go into spending by the Federal Government. But we will have a chance to work on this further here in the next 30 or 40 minutes. I will be glad to talk with the distinguished Democratic leader and others, and then we will communicate with the majority leader when her purpose, or have the majority side as well.

I yield 5 minutes to the distinguished Senator from North Dakota, and 10 minutes to the distinguished Senator from Rhode Island as the allocation of the time that we have remaining.

Mr. LOTT. Mr. President, parliamentary inquiry. That would mean 15 minutes. So we would get at least 15 minutes on our side to offset that. So we should have enough time to cover the speakers that we have.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I ask unanimous consent to use 5 minutes of the time on our side to talk about the issue that is before us.

This has been going on for some time. I have not been privy to the internal workings of it. But I have to tell you, I am a little bit disappointed in the system where we have gone now for almost 2 weeks and have effectively done nothing. It seems to have been perfected on that side of the aisle—the idea of being able to keep things from happening. Let us talk about what we are really doing here.

As I recall, the basis is the Travelgate question, the question of reimbursing those employees who were apparently, and unfairly, accused regarding their fees in the Travelgate affair at the White House. We are talking about minimum wage, which I do not happen to support. I think the idea of being able to keep things from happening. Let us talk about what we are really doing here.

As to the offset, we have an offset in the gas tax repeal because I personally did not think they should have been paying it in the first place. That was an attack against me that actually got voted against it in 1993. I thought it was a tremendous mistake at the time we have gone now for almost 2 weeks and have effectively done nothing. It seems to have been perfected on that side of the aisle—the idea of being able to keep things from happening. Let us talk about what we are really doing here.

As I recall, the basis is the Travelgate question, the question of reimbursing those employees who were apparently, and unfairly, accused regarding their fees in the Travelgate affair at the White House. But suddenly—I guess it was just happenstance—when the AFL-CIO was here, they promised to give $35 million for the election, this issue came forward. I am sure that was an accident.

The TEAM bill, which seems to me to be pretty hard to argue against, is an opportunity for people to work with their employer to find ways to deal with issues that affect them as a business person. It seems to me that is a great idea. There seems now to be questions about whether it can be done, and that needs to be clarified. I support that.

The tax reduction, I think, is one of the most important things that we need to be focused about in this House when this came up. I voted against it for several reasons. One is that it does not have anything to do with the maintenance of highways. It does not have anything to do with—think someone in our hearing this morning said, "Well, why don't we do the 10 cents that came up earlier?" There is a significant difference between the two. This one goes into the general fund for social programs, or whatever. The other one goes to the highways, which has traditionally been our system, where the gas tax goes for the maintenance and building of the highways.
The other is, of course, that it is another tax that is added on. It is a tax that some claim is used, of course, to balance the budget. I would like to suggest that we ought to be a little more proud about balancing the budget if we reduce the spending rather than raising taxes. I think people in my State say the Federal Government is too big, that it costs too much. But instead we talk about how we are going to balance the budget by raising taxes.

I am a little surprised that that tax increase passed at all, of course. The President said, and I quote from 1992. “I oppose Federal excise tax increases for gas.” That is when he was campaigning. After he was elected, then he started with a Btu tax and ended up with the gas tax. Bill Clinton said in 1992, commenting on the gas tax proposal, “It sticks it to the lower income, middle-income retired people in the country, and it is wrong”—talking about a gas tax.

So, Mr. President, I think we ought to move forward. I understand that this is the deliberative body. I understand the rules that, when I ask about them, I usually am told, “Well, they have been that way for 200 years.” But their needs to be a way for us to move forward to solve problems. We are not here to find ways to keep from solving them. I think we ought to move forward. I am pleased with what I hear from the leaders that we might be in a position to move forward and make some decisions.

I yield the floor.

The PRESIDING OFFICER. The Senator’s 5 minutes have expired. The Senator from Rhode Island has been allotted 2 minutes. The Senator from Rhode Island.

Mr. DORGAN addressed the Chair. The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I will not take the entire 5 minutes, and I appreciate the indulgence of my colleague.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. DORGAN. I listen from time to time over some morning whether we will not come out to hear the other side blame the President for thunderstorms and tornadoes that rolled across the Midwest the night before. It seems to be a popular sport in the Senate. I guess I understand that.

However, I wanted to just comment for a moment on what it appears to me the vote will be on soon. It appears to me that the proposal to reduce the gas tax by 4.3 cents is a result of the gas price spiking up 20 or 30 cents in recent weeks. I wonder come to the floor and said let us reduce the gas tax by 4.3 cents per gallon. I said this morning that is like treating a toothache by getting a haircut. There is no relationship between the two.

The 4.3-cent-per-gallon gas tax put on 2 1/2 years ago was put on to reduce the deficit. The deficit has been reduced in half. The fact is after the gas tax was put in place, and it dramatically raised the price of gasoline came down, having nothing, of course, to do with the tax.

Those who say let us reduce the gas tax now might listen to the oil company executives telling us there is no guarantee that the gas price is going to come down if you repeal the 4.3-cent-per-gallon gas tax.

So the question is, which pocket will be the beneficiary of some $30 billion in the next 7 years—the big pocket of the oil industry or the pockets of the drivers? There is no guarantee it is going to be passed on to the drivers.

The point I want to make is this. My understanding is that the bill brought to the floor by those who want to change the Constitution to require a balanced budget, by those who say today they are working in the Budget Committee to produce a balanced budget, will lead to a point of order on the budget; that we will be required to vote to waive the Budget Act, as I understand it, because this proposed repeal of the gas tax will increase the Federal deficit by $1.7 billion to the end of this fiscal year and by $2.8 billion by January 1.

The offsets they propose will come apparently in 1998.

So we will have the interesting prospect that those who are bringing a bill to the floor saying we want to balance the budget also come to the floor to move to waive the Budget Act to allow the budget deficit to grow, as a result of their proposal on the gas tax, $1.7 billion in this fiscal year and $2.8 billion by January 1.

I will not intend to vote to waive the Budget Act to do that. But that will apparently be the vote, the vote to waive the Budget Act and against the point of order that will be made. It will be an interesting debate.

I think it makes no sense for us to begin running backward on this issue of the budget deficit. The budget deficit has been cut in half and is coming down 4 years in a row, down very substantially. If you reduce the gas tax 4.3 cents a gallon and to do so will increase the budget deficit, which is going to happen in this proposal and which is why the point of order and the motion to waive the Budget Act to increase the deficit, it does not make any sense. We will have an interesting debate about that. But that will eventually be the vote in the Chamber—to permit a higher Federal deficit in order to repeal a 4.3-cent-per-gallon gas tax which the oil executives say there is no guarantee it will show up in the price of gas at the pumps in this country.

Mr. President, I yield the floor.

Mr. PELL addressed the chair.

Mr. President, I rise to reiterate that we should not rush headlong, like lemmings to the sea, to repeal the 4.3-cent-a-gallon gasoline tax. When this tax was enacted in 1993, it was specifically dedicated to deficit reduction, and experience to date indicates that the gas tax has been helpful in this regard. Under President Clinton, the deficit, which was at a high of $290 billion in 1992, has been brought down to an estimated $144 billion in the current fiscal year. Why repeal the tax, when to do so will slow down or reverse this favorable trend and add billions of dollars to the deficit? Rather, we should consider raising, not lowering the gasoline tax in order to further reduce our deficit.

I join the senior Senator from West Virginia [Mr. BYRD] in expressing the thought that we should not accept even a temporary repeal.

It has been estimated that the funds with which to finance this repeal may be found by cutting education spending, requiring banks to pay more to the savings association insurance fund, cutting Energy Department and, or, selling off unused wavelengths on the broadcast spectrum. The disparity of these suggestions seems to indicate that there exists no credible consensus as to exactly how we will be able to pay for this ill-advised tax cut.

Probably for these same reasons, the States show no inclination to cut the tax. Across the country, State gasoline taxes often exceed the Federal tax of 18.4 cents per gallon. The State tax on gasoline in my home State of Rhode Island is the second highest in the Nation, at 28 cents. Yet no State legislature thus far has moved to cut their gasoline tax, reasoning wisely, that it helps stave off operating deficits, enabling States to balance their budgets.

A task, I might add, which they seem to perform better than we.

I recognize that higher gas prices impact adversely upon commuters and those whose daily traffic depends upon the availability of low priced fuel. But it should be noted that the price of gasoline today, when adjusted for inflation, is as low as at any time since World War II. With prices relatively low, demand for gasoline has been steadily rising; motorists today are driving more, at higher speeds, and in cars that are less fuel-efficient than in World War II. With prices relatively low, demand for gasoline has been steadily rising; motorists today are driving more, at higher speeds, and in cars that are less fuel-efficient than in years past. In consequence, we now depend on foreign suppliers for close to half of the oil we consume.

Perhaps as a result of this dependency, we now have a temporary shortage of supply, making it unlikely that prices will go down in response to this tax decrease. Rather, the forces of the market, a favorable and, perhaps, will delay a drop in the price of gasoline until sometime later this summer, when supplies are expected to increase. To quote the Los Angeles Times, “the grim lessons about over-dependency of the 1970s are being forgotten, and the conservation ethic is slipping away.”

Finally, there is absolutely no certainty that the oil companies will pass
this rebate on to the consumer. Economists across the spectrum, ranging from William Niskanen of the Cato Institute to Phillip K. Verleger at Charles River Associates, agree that the 4.3-cent-a-gallon cut will benefit the oil industry, not the consumer. The total effect of this gesture will be to add $2.9 billion to the Federal deficit over the next 7 months, while transferring the same $2.9 billion to the pockets of refiners and gasoline marketers.

I urge my colleagues to resist the Senate’s song of the inevitability of this tax cut. Economist Michael Toman of Resources for the Future is quoted in the Washington Post as describing such a cut as “nuttiness.” I would simply add that it is wrong-headed and ill-conceived. It should be rejected.

Mr. President, several weeks ago, when the Senate Labor and Human Resources Committee met to mark up S. 295, the Employee Work Councils Act, I announced the elimination of my longstanding interest in innovations in the conduct of labor-management relations. As I said at that time, I have been particularly interested in the efforts of many European countries to increase worker participation in policy deliberations at all levels of corporate bureaucracy. In Europe, this practice is referred to as “codetermination,” and means that management and labor sit on the same board.

While it is not suggested that what works in Europe would work here in the United States, the notion of worker involvement is no less valid. Now, after years of regrettable, contentious, and often in policy deliberations at all levels of corporate bureaucracy. In Europe, this practice is referred to as “codetermination,” and means that management and labor sit on the same board.

While it is not suggested that what works in Europe would work here in the United States, the notion of worker involvement is no less valid. Now, after years of regrettable, contentious, and often incoherent interaction and with the ever-increasing demands of a high-technology workplace in a global economy, a more collaborative process has developed that brings workers and employers together on an ongoing basis. Examples range from Texas Instruments and IBM to Harley-Davidson motorcycles and instituted ongoing employer-employee work councils.

There is, I believe, little disagreement about the value of these councils. There is also considerable disagreement about the current legality of these groups. We are told by some that this disagreement produces a chilling effect that hinders the continued and future development of employer-employee work councils.

I have tried for some time to find the proper balance. During the last Congress, I introduced legislation, S. 2899, that, among other aspects, established a formal consultation process for employee representatives.

While not introducing legislation during this Congress, I have continued to explore other avenues in this area. I had hoped to offer an amendment during the Senate Labor and Human Resources Committee markup that would give employees the right to select their own council representatives; ensure that council agendas were open to all employees and employers and, finally, prohibit the unilateral termination of a council. I decided not to offer language of this nature, however, because of a lack of support from both the majority and organized labor.

S. 295, the TEAM Act, is certainly not the answer. The bill, as passed by the Senate Labor and Human Resources Committee, amends the National Labor Relations Act to allow the employer, I repeat, the employer “to establish, assist, maintain, or participate in employee associations of any kind, in which employees participate to address matters of mutual interest.” At no point in this section of the TEAM Act is there any mention of employee rights, nor are employees given the right to designate their representatives.

I must say I was very encouraged on Tuesday to hear that the senior Senator from Massachusetts [Mr. Kennedy] suggested an amendment to the TEAM Act allowing workers to select their representatives.

I regret that we find ourselves faced with the current deadlock. Not only are Senators prohibited from amending any of the three issues under consideration but Administration officials are faced with the choice of giving up their rights in return for a raise.

It is clear that the path out of this predicament is to separate the minimum wage increase, the gas tax repeal, and the TEAM Act so each can be amended and then individually voted on.

Furthermore, the only solution to the stalemate over the TEAM Act—as I have said for many years now—is to allow employers to freely select the employee representatives of the work councils.

Mr. President, I ask unanimous consent that a document titled “Codetermination in European Countries,” prepared by my staff, be printed in the Record.

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

CODETERMINATION IN EUROPEAN COUNTRIES

Instruments and IBM to Harley-Davidson motorcycles have instituted ongoing employer-employee work councils.

There is, I believe, little disagreement about the value of these councils. There is also considerable disagreement about the current legality of these groups. We are told by some that this disagreement produces a chilling effect that hinders the continued and future development of employer-employee work councils.

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CODETERMINATION IN EUROPEAN COUNTRIES

GERMANY

Coal & Steel Coal (500+ employees): Equal number of worker and shareholder representation along with an additional independent representative.

Joint Stock Company (less than 2,000 employees): worker reps. hold ½ of seats on Supervisory Board of company.These reps. can’t be proposed by the union and must be elected by all company employees.

Limited Liability Co. (500-2000 employees): worker reps. hold ½ of seats on Supervisory Board of company. These reps. can’t be proposed by the union and must be elected by all company employees.

Others: An equal number of both employee and shareholder representatives, depending on size of company each side has 6-10 representatives.

Trade union must have at least 2 reps, if the total employee representation = 10. Other employee groups (blue collar, white collar, and executives) must also have at least one representative.

DENMARK

Co-determination laws only cover companies with 8 or more employees.

Workers are entitled to elect 2 or more representatives to the company supervisory board. Shareholders appoint at least 3 members. The number of representatives is subject to the number of representatives but shareholder representatives must hold the majority.

LUXEMBOURG

Nationalized companies have Supervisory Boards with equal membership of Government representatives, workers representatives, and consumer representatives.

There are no legal provisions for worker representation in private sector companies.

UNITED KINGDOM

There are no legal provisions for worker representation in private sector companies.

BELGIUM

There are no legal provisions for worker representation in private sector companies.

ITALY

There are no legal provisions for worker representation in private sector companies.

Italian unions view Co-determination as an effort to dilute worker power. Instead, they favor worker self-management.

REPUBLIC OF IRELAND

There are no legal provisions for worker representation in private sector companies.


Mr. ASHCROFT addressed the Chair. Mr. ASHCROFT. Mr. President, I ask unanimous consent to speak as in morning business for 10 minutes.

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

The Senator from Missouri is recognized.

Mr. ASHCROFT, I thank the Chair.

The remarks of Mr. Ashcroft pertaining to the introduction of S. 1741 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I ask unanimous consent to speak as in morning business for up to 5 minutes.

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

Mr. CRAIG. Mr. President, I suggest the Clerk print the following:

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.
UNANIMOUS-CONSENSE AGREEMENT

Mr. LOTT. Mr. President, we have had continuing consultation with the Democratic leader and with the majority leader. I believe we have worked out an agreement as to how we can proceed for the balance of the day.

I ask unanimous consent that notwithstanding rule XXII that the cloture vote occur on the Dole amendment at 5 p.m. this afternoon; that the mandatory quorum under rule XXII be waived, and the time between now and the cloture vote be equally divided in the usual form for debate only.

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

Mr. LOTT. Mr. President, I yield the floor for a point of order, I believe, from the Democratic leader.

Mr. DASCHLE. Mr. President, I have already articulated the concerns that we wish to raise about the pending amendment. I will simply restate, in its current form, it falls $1.7 billion short of the revenues needed to cover the offset the gas tax provisions in fiscal year 1996.

At this time, I make a point of order that the amendment violates section 311 of the Budget Act.

Mr. LOTT. Mr. President, it has been brought to my attention that the pending Dole amendment, which contains the Democratic proposal for the minimum wage increase, violates the Budget Act by creating an unfunded mandate.

Our friends on the other side of the aisle have been requesting they get a clean vote on this minimum wage amendment for some time now, and it seems to me if the amendment were to fall on the point of order just raised, that our colleagues would lose their opportunity for such a vote.

With that in mind, I move to waive titles 3 and 4 of the Budget Act for consideration of the Dole amendment No. 3960.

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

Mr. LOTT. Mr. President, I suggest the ayes answer.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. LOTT. Mr. President, I yield the floor.

Mr. DASCHLE. I renew my request for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. I believe now under the unanimous agreement we do have time for debate under the agreement. I see Senator GRASSLEY from Iowa is waiting to speak. I yield the floor.

Mr. GRASSLEY. Mr. President, I want to continue my remarks from this morning and express my support for the TEAM Act. I support the TEAM Act because it would allow employees the privilege to participate in workplace decisions, giving the workers a greater voice in matters of mutual interest such as quality, productivity, and safety. These are rational things and they are a subject of discussion between workers and employers. But, current law prohibits this type of participation.

The bill before the Senate would, among other things, encourage worker-management cooperation. It would preserve, without a doubt, the balance between labor and management, while allowing cooperative efforts between worker and employer. It would permit voluntary cooperation. It would do it between workers and employers and would allow all we want to encourage to continue working.

Current law prohibits 85 percent of working folks from talking with their employers in employee involvement committees. I know that does not sound reasonable, but present law prohibits it. It prohibits discussing things like the extension of employees' lunch breaks by 15 minutes; sick leave; flexible work schedules; free coffee; purchase of a table, soda machine, microwave, or a clock for the smoking lounge; tornado warning procedures; safety regulations for forklift and back bar operators; ban on radios and other sound equipment; dress codes; day care services, and no smoking policies.

We know that because employee-employer committees have tried to discuss these things they have been found illegal. The President spoke in support of this sort of cooperation in his State of the Union message this year. He said:

When companies and workers work as a team, they do better, and so does America.

Mr. President I agree with the President of the United States. I also agree with what Secretary Reich said in July 1993. He said this in an article in the Washington Post. He said:

High-performance workplaces are gradually replacing the factories and offices where Americans used to work, where decisions were made at the top and most employees merely followed instructions. The old top-down workplace doesn't work anymore.

As astounding as it might sound that a Republican would be agreeing with the Secretary of Labor, I wholeheartedly agree. But things said in Washington do not always come out at the end of the pipeline in policy the way that they are really stated. In other words, rhetoric is not always followed through by performance in offices.

Just a few months ago, at a national union rally in Washington, DC, following a $5 million campaign pledge made to the Democratic Party and a grand endorsement by the AFL-CIO, Vice President Al Gore pledged President Clinton's veto of the bill that we are debating on the floor of this body right now. This bill, in every respect, does nothing more and nothing less than legalize workplace cooperation between nonunion employees and management.

Union representatives tell me that they fear that the TEAM Act would prevent them from organizing unions. If we want to elect this act does not apply to union settings and would not undermine existing collective bargaining agreements.

Under the TEAM Act, workers retain the right, as they should, to choose an independent union to engage in collective bargaining. But as it stands now, if employees choose not to organize—and 88 percent of the private sector has chosen not to—they are penalized by not being able to conduct this sort of worker-employer cooperation through committees.

In other words, they are gagged and prohibited from discussing workplace issues with their employers. Throughout this debate, I have heard of some of my colleagues talk about how they mistrust the intention of management. My colleagues who make these statements must assume that workers and managers have a built-in adversarial relationship, or they want to promote some adversarial relationships, instead of promoting cooperation, which this legislation would allow them to do.

At one time that may have been true, but it was decades ago and is generally not true today. The employers, as well as the employees, whether from my State or other States—but I listen primarily to those in my State—tell me they only want the legal privilege to form partnerships to promote cooperative work environments. They just want to be able to talk to each other.

One of my colleagues on the other side of the aisle stated that most companies already legally meet with their employees. But I would like to tell him about the possible consequences that a company that faces it too do so.

The Clinton-appointed Dunlop Commission invited the Donnelly Corp. to testify before the commission. This company was chosen because it was a shining example of how well employee involvement in these committees worked. The company was praised for its promotion of workplace flexibility and formation of worker-management teams.

But this public announcement brought them and their employees a great amount of grief. The Donnelly Corp. was slapped with a labor lawsuit filed by the NLRB. Why? Because of its progressive operations. The Corporation was temporarily forced to cease its employee involvement programs. The company was accused of breaking Federal law, a law that the TEAM Act would reform.

After a long year of litigation, the case was settled, but the company is still threatened by possible labor lawsuits, unless the law is changed.
In 1995, Secretary Reich, when speaking to the Securities and Exchange Commission, called on the SEC to find ways to encourage companies to voluntarily disclose workplace practices that contribute to higher profits. He said he had heard that many companies were reluctant to provide information about such programs to the market for fear that they would be sued.

He said, “I believe there is a chilling effect. Why disclose if you subject yourself to potential liability?”

President Clinton, Secretary Reich, and their own commission, the Dunlop Commission, up until the union leaders made a $35 million campaign pledge to their party, supported reforms of current labor law. Now the Clinton administration has threatened to veto the TEAM Act in its present form.

The Clinton administration says that it is not beholden to special interests. But it seems like with a lot of vetoes, or a lot of threats of vetoes, this administration is just as tied to the interests of big companies or to labor union leaders. Is it possible that the same administration that marches in lockstep with the National Education Association and the Trial Lawyers of America is more interested in the interests of big companies or to labor union leaders.

I wanted to come over today to express my frustration. I think we ought to bring up the gasoline tax repeal and have a vote on it. The majority leader has said he is willing to bring up the minimum wage and have a vote on it. The majority leader would like to have the so-called TEAM Act. My guess is that 98 percent of the American people would support the concept of letting people who work in the same company, whose retirements are tied to the progress of the company, who have the shared goal of creating jobs and growth and opportunity, talk to one another. Only in America do we have an absurd system where the Government tries to stop people who work for the same company from talking to one another to improve their lot and improve and improve and improve the quality of life. Yet, while we have three proposals and we have an agreement from the majority leader to vote on all three of them, we are denied that ability.

While I am in the process of listing legislative agenda items, recall that we recently passed a health care bill. It was touted by both sides of the aisle. It was going to help 25 million people in making health insurance more affordable, and by making it more available.

And the majority leader, in his capacity as majority leader, sought to appoint conference so we could go to conference with the House, adopt this bill, send it back to both Houses, and attempt to make it the law of the land. Now we have an objection to even going to conference with the House because the Senator from Massachusetts does not like the makeup of the conference decided upon by the majority leader.

It seems to me that what we are seeing here is an effort to prevent the will of the American people from being exercised in the Senate. I think it is
outrageous when we have had a consensus in the country for over 2 weeks, when we have probably 75 Members of the Senate who want to repeal the gasoline tax and bring down the cost of gasoline for working families, when we have a President who has said he would sign the bill bringing it up for a simple yes-or-no vote in the U.S. Senate. I think it is very clear to anybody who wants to watch the process that it is our Democratic colleagues who are denying us the ability to repeal the gasoline tax.

Let me say just a little bit about the gasoline tax. Many people do not understand, really, what this issue is about. Let me try to explain it in two ways.

First of all, prior to 1993, we had never had a permanent gasoline tax that was not tied to building highways. In fact, the gasoline tax has historically built up a transportation trust fund which has been used to build the transportation system of the country. It has in essence been a user fee. So you pay taxes on gasoline, and that builds roads. We have now taken part of that money, unwisely, in my opinion, and put it into mass transit, instead of a mass transit user fee paid for by mass transit. So we have mass transit systems all over the country, and nobody rides mass transit in many cases.

Quite aside from that point, before 1993 the Bush nickel gasoline tax increase, the gasoline tax went to build highways. In 1993, the President tried to impose a general energy tax called a Btu tax. We defeated that tax. As an alternative, without a single Republican vote, the President and the Democratic majority raised taxes on gasoline, but none of the money that went into the Treasury from the gasoline tax went to building roads. For the first time, it went into general Government, which under the budget that we adopted—

Mr. FORD. Mr. President, will the Senator yield for a question?

UNANIMOUS-CONSENT REQUEST

Mr. GRAMM. I ask unanimous consent that the gasoline tax bill be made in order and be brought before the Senate at this point.

Mr. FORD. I object.

The PRESIDING OFFICER (Mr. DeWINE). Is there objection?

Mr. FORD. I object.

Mr. GRAMM. I would be happy to yield.

Mr. FORD. The Senator says this is the first time that we have ever used gasoline taxes for the general fund.

Mr. GRAMM. I said this is the first permanent gas tax we have ever had that did not go to the highway trust fund. We have adopted gasoline taxes in the past on a temporary basis, but we have never adopted a permanent one that did not ultimately go into the trust fund.

Mr. FORD. For 1932 and 1956, all of it went to the general fund. That is No. 1, No. 2, the Bush nickel was divided, 2.5 cents for transportation and 2.5 cents went to deficit reduction. It did phase out in 1995.

So when you get back and start looking at all these things, there has been some tax that has been used in past administrations, and 10 cents, if you want to look at it, 5 in 1982 and 5 in 1990, and 2.5 cents was used in the general fund for 5 years. So when the Senator says it is the only one that has been dedicated, technically he might be right. But let me take it out of my pocket and you put it in the general fund, then I expect that I feel a little bit differently than the way the Senator explains it technically. So, yes, we have used taxes before for the general fund put on gasoline. Am I not correct, I ask the Senator?

Mr. GRAMM. Mr. President, reclaiming my time, obviously, before we established the highway trust fund, there was no trust fund to which the taxes could be directed. The Senator makes it very clear that the temporary taxes in the past that were not dedicated to the trust fund, but were planned to expire. The point I am making is this is the first permanent gas tax that we have had since we have had the highway trust fund, but has not gone to the highway trust fund.

Let me tell you why that is important. We are taxing people who work for a living, people who have to get in their car or their pickup truck and, in some cases, drive 30 and 40 miles to work to subsidize social programs for people who do not work, and I object to that tax. We are taxing people who live in the West and who live in rural areas who have to drive great distances to work for a living to subsidize people who live in the big Eastern cities, and I object to that tax. I do not think this is a fair tax.

I think it ought to be repealed on its merits. The American people want to be able to hold their heads up. The only thing we can do that will bring down prices at the pump is to repeal this tax.

Now, we have had the administration suggest that we have investigations. We have various committees that are holding hearings. But the point is, if we want to bring down the price of gasoline, we know how to do it. We could do it this afternoon. If the Senator had not objected and we had brought up the 4.3-cent-a-gallon tax as I just asked consent to do, we could have passed it this afternoon; it could have gone to the House; they could have passed it tonight; the President could have signed it tomorrow; and Saturday morning when every filling station in America opened, they could have lowered their posted price by 4.3 cents a gallon.

Let me also note that the price of highway diesel would come down 4.3 cents a gallon; the price of diesel used on the railroad would come down 4.3 cents a gallon; the price of commercial and noncommercial jet fuel and aviation gasoline would come down 4.3 cents a gallon. So we are not just talking about what you save filling up your gasoline tank. We are talking about consumers who pay this tax every time they go to the grocery store, because the cost of everything from red meat to beans has the cost of the diesel fuel tax in it because all of those groceries had to be hauled to that grocery store. Every time you get on an airplane, you are paying this tax because it is built into the price of your ticket. So the plain truth is, the Joint Economic Committee has estimated that the annual cost of this 4.3-cent-a-gallon tax on gasoline to Texans is $445 million a year.

So my point is this. We have an issue here where the American people are overwhelmingly for repeal of this gasoline tax and in favor of bringing down the price of gasoline by about a dollar a tank. We should stop taxing working people who have to use their car or truck to go to work to subsidize social programs for people who do not work. We do not understand, we do not have such a clear consensus, when the President says he is for it, why we cannot vote on it.

Now, maybe they are not for it. I would never suggest that someone does not stand where they say they stand, but I think it is up to people who claim they are for repealing this tax but yet will not let us vote on it to explain to us why it is that they are for it. They think it is a good idea. The President, who is a Democrat, would never suggest that someone does not stand where they say they stand, but I do not understand. If people want to vote on the minimum wage, the majority leader has offered them an opportunity to have an up-or-down vote on it. People want to vote on the right to work. They have an opportunity to have an up-or-down vote on it. Now, I just want to come over this afternoon to express my frustration at where we are. I do not understand. If people want to vote on the minimum wage, the majority leader has offered them an opportunity to have an up-or-down vote on it. It is a good idea. The President, who is a Democrat, would never suggest that someone does not stand where they say they stand, but I do not understand.
It seems to me that is an eminently reasonable proposal. My point is why not vote on all three of these things? The one I am most concerned about, the one that I have tried now for 14 days in a row to get a vote on is repealing this unfair gasoline tax, unfair because to build roads it goes to general revenues. It is being spent, every penny of it, on social programs, and we are taxing people who have to drive their cars and their trucks to work to subsidize in many cases together because I do not think it is right. I would like to have a vote on it. I would like to be able to cut gasoline prices and drive it today. I would like, when people tomorrow go to the filling station, that they look and see that the posted price is down 4.3 cents a gallon. If we acted today, we could make it happen.

I just express frustration that we are not allowed to bring it up and vote on it. If you are against it, fine, vote against it. We heard the Senator from Louisiana today that he was going to filibuster. Great, I admire that honesty. At least he admits that he is against the repeal. He is not pretending that he is for it and it is just that we are not going to bring it up and vote on it. He says, oh, he thinks it is a lousy idea, he is against it and that he is going to filibuster. Great, let him filibuster. He has a right to do that, but let us bring it up. Let us let him talk, and let those of us in favor of repeal talk. And when everybody gets tired, then let us vote.

We could have cut gasoline prices 2 weeks ago if we had chosen to do so. So I hope when people go to the filling station to gas up the car for the weekend, when they are going to get the kids in the car and the dog in the back and go see mama, and they look at that posted price of $1.279, I want them to remember that Republican Members of the Senate wanted to cut that price 4.3 cents a gallon; when they filled up their Suburban with $2 gallons, we wanted it down to about $2. But he could not do it because people who say they are for repealing this tax, who are every day in the paper saying, “Yes, we do not object to it; we could vote for it,” the President says he could sign it, but, yet, these are the very people that are preventing us from repealing this tax and cutting the price of gasoline at the pump.

So let me say to Mr. and Mrs. America, when you fill up your tank on Friday you go see mama and you look at that posted price, remember those who wanted to cut the tax and remember those who said they were for it but they would not let us vote on it.

If you will just enshrine that in your elephantine memories, it will serve the public interest and perhaps bring some good to the U.S. Senate.

I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I ask unanimous consent that order No. 374, H.R. 2337, be immediately brought to the Senate floor and taken under consideration.

Mr. GRAMM. Reserving the right to object, I would ask to amend that unanimous-consent request to say that the bill be brought up and that the gasoline tax be in order and that there be 1 hour equally divided on the gasoline tax.

Mr. FORD. I object.

Mr. GRAMM. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. He objects. Is it not wonderful? If you want something, they object. We want something—we object. It is rather interesting around here.

What the Senator fails to tell us in his eloquent remarks, his Ph.D. philosophy here, and verbiage—and I am just a country boy from Yellow Creek trying to explain my position and I will do the best I can—what the Senator does not tell those who are watching on C-SPAN—and we had a big story on C-SPAN today, he speaks to them—is that what the Republicans are trying to do is all this in one package. You have absolutely locked the minority out, and they cannot amend any one of those three items that you have talked about today. It is called the Dole gag order. The Dole gag order.

Let me quote what the distinguished Senator said, I guess back in 1993—we all go back to those when he was frustrated. But he was wrong in his frustration. He says, “But as the distinguished chairman knows”—talking about the distinguished Senator from West Virginia—“we also have rights.” You said that—excuse me—the Senator said that. I want to be careful not to use improper language.

One of the rights we have is to refuse to participate in a procedure which he believes, in his judgment, though it is totally fair and totally within the rules, creates a playing field on which we believe that we are not capable of getting a fair contest underway.

That is the language of the Senator from Texas. At that time he had the ability to offer four amendments. Right now we have no time to offer any amendments. And it is not, “Oh, we just want a vote.” Vote on what? Vote on a package that, you cannot offer an amendment to? They have us locked out. They have us locked out.

You know something, this 4.3 cents—look at it. Because it increases the deficit almost $2 billion this year. And there is no offset—no offset. To offset it in the language they have, they do two things. Over 6 years, they get the $800,000 out of the Department of Energy. And we have a $2 billion debt this year—deficit. Then they want to sell the spectrum. That cannot go into effect until 1998.

So we have no ability to amend it to be sure that the consumer gets the 4.3 cents. You say they could—the distinguished Senator from Texas says, “The consumer could get it.” If he had been at the hearing in the Energy Committee this morning, he would have found out there is nothing we can do. If we get the 4.3 cents back, we create a deficit of almost $2 billion, because you get the spectrum sale does not occur until 1998.

Now, I have heard about the Gramm-Rudman bill, you know. You ought to read what the former Senator, Senator Rudman, talks about, how we cannot get another here. That is one of the reasons he left.

So the Democrats are the minority in this case. We always want to protect the minority, that is one of the reasons for the rules of the Senate. Sure, I can quote the Senator from Texas again: “We also have our rights.”

So we have our rights. We want a closure; we want to have the ability to amend. We offered yesterday afternoon three stand-alones, one on the gasoline tax, one on tobacco, and I will do the best I can—what the Senate wanted to cut that price 4.3 cents. You say they could not vote on it. We could vote for it; we want to offer an amendment. They wanted the minimum wage, with amendments, relevant amendments; and the TEAM Act, with amendments. That is all. That is our rights. To quote the Senator: That is all we are asking for our rights.

You know something? Ninety-six percent of all the businesses today have committees that get together and talk about the very things the Senator says that they want under this legislation. They get together and talk about that now. Mr. President, 96 percent of all the businesses have those committees now. If they want to talk about health, they all could talk about that. But in this bill they eliminate present law, and the employer will appoint the committee. The employees do not have the opportunity to make that selection.

You know, we get out here and it sounds so good, and we are so bad. If I had not been on the floor, I think it is kind of unprecedented that you ask for a unanimous consent when the opposite party is not on the floor. I just happened to walk out here and we get a unanimous-consent request. I suspect the Chair may have recognized that, and I think that would have been disastrous, not only for the Senate’s procedures but for the Members themselves.

So, yes, we are ready to vote on the 4.3-cent tax, but we want to offer an amendment to say that the consumer will get it.

You go back and listen to the very crafty language of the Senator from Texas. He says you “may” get it. We can save you, but if the oil companies, when you take off 4.3 cents, add a nickel on, the only people who make any money really, putting more money into their pockets, is the oil companies.

If I represented Texas and big oil, I imagine I would want to do the same thing, but I am here trying to protect the low-income people in my State and in this country.

When gasoline prices go up and you have no control over it, only 4 cents,
and the minimum wage does not go up, they are still making the same amount of money, why do we not have our right?

So the choice here is whether we are able to have a question on the 4.3-cent gasoline tax removal and the ability to amend that, of course. Then we have—and give a time agreement—and then we have the minimum wage. If you want to amend it, well and good. But the majority leader gave the Senator from Massachusetts exactly what he asked for. I doubt seriously if the Senator from Texas likes that. I do not imagine he does, but that is a stand alone. If they want to amend it—the other side—they can. We are giving them that right.

Then on the TEAM Act: stand alone, time limit, but give us an opportunity to amend it.

My dad used to tell me, “Son, when you miss a train, stand there with your suitcase and hat and another one will be along.” We, you have something comes around. We can fill the tree one of these days, and some of the Senators on the other side may just be here—may just be here, I understand the rules of the Senate. I understand them very well.

So, Mr. President, we want to be sure that an offset is there, and it is not there in this bill for 4.3 cents. Just increase the deficit, increase the deficit. I have been prejudice to the extent I have been here by the Senator from Texas about balancing the budget. Well, he wants to dig into Social Security, $147 million a year. I am not going to allow that. I have a contract with my senior citizens around the country.

I hope he is making a lot of notes on this. I want to hear the rebuttal. Probably will be good; probably will be good. I can hardly wait. I will wait with bated breath, I guess.

Insurance bill that was agreed to here I think was something very good for the retiring Senator from Kansas, Senator Kashebaum, joining together and asked we have no amendments. An amendment was offered and it lost. Then you want to put conferees on who would say, even though we lost the amendment in the Senate on a vote, we are going to put it on in conference. We have something to object to. We have our rights. We have our rights, and that is what the distinguished Senator from Texas said: “I have played by the rules in sending up the pending amendment.”

So we have our rights. Well, we are going to have a little debate on the budget, I guess now. We did not have a chance to have any input into it. Read the paper today. It is the Dole budget. You know, it looks like they are substituting the amount of tax cuts, but it is a “fooler.” The last budget was for 7 years; this budget is for 6 years. So you have one-seventh more taxes into that one little frame—6 years.

So we have to be very careful. One thing Dad told me, too, “The devil’s in the fine print.” If you do not read the fine print, you might not understand what you are voting on. That is one reason why we want to be sure we understand that if the 4.3-cent gasoline tax comes off, we will have almost a $2 billion deficit this year, and this year ends September 30, and it takes 6 years to repay it. We cannot ever pay for that deficit, the Clinton health care bill is deader than Elvis.

Mr. FORD. Elvis is not dead.

Mr. GRAMM. Well, when he comes back maybe he could moderate this dispute we are having.

Mr. FORD. I would rather him than some I have.

Mr. GRAMM. Well, let me put it this way, the point is, for a period of time, I was one who helped deny a vote on the Clinton health care bill, the difference between me and my colleagues is I made it clear I was not for the Clinton health care bill. I never intended to see it passed. And it will not ever be passed. What I do not understand is all these people who say the Clinton health care bill is Passed. I am considering modifying that amendment to assure that if we repeal the gasoline tax, but they will not let us vote on it.

Mr. FORD. Will the Senator yield on that point?

Mr. GRAMM. If I may just make my statement, then I will yield the floor and let our colleague have it back.

Mr. FORD. OK.

UNANIMOUS-CONSENT REQUEST

Mr. GRAMM. I will go back to the Budget Committee.

My colleague says all they want is an amendment to assure that if we repeal this tax it is passed along to the consumer.

I ask unanimous consent that the gasoline tax bill be the pending business of the Senate, that there be one amendment in order, to be offered by a minority Member to guarantee a pass-through to the consumer, and that debate on that amendment occur within an hour, and that there then be a final vote on the passage of the gasoline tax. The PRESIDING OFFICER. Is there objection?

Mr. FORD. Reserving the right to object, I am considering modifying that to go to the Kennedy minimum wage amendment. What the Senator has done here—and I need to confer with the leader. I am sure you have not conferred with Senator Dole as to your unanimous consent.

Mr. GRAMM. Senator Dole—reclaiming my time—

Mr. FORD. Reserving the right to object, I have that time. So I want to consider modifying that amendment to add the minimum wage to that and under the amendment that was used by the majority leader in his proposal that we will vote on cloture at 5 o’clock.

The PRESIDING OFFICER. The Chair would note there is a pending unanimous-consent request. Does the
Senator from Texas modify his request?

Mr. GRAMM. I am not going to modify the request.

Mr. FORD. Then I object.

The PRESIDING OFFICER. Objection overruled.

Mr. GRAMM. Reclaiming my time, the point I want to make is, despite our dear colleague from Kentucky saying all he wanted to do was to offer an amendment to guarantee that the tax cut was passed through to the consumer, that in fact—

Mr. FORD addressed the Chair.

Mr. GRAMM. That is not all that the distinguished Senator from Kentucky wants to do.

Mr. FORD. He is quoting me as all I wanted to do was to add an amendment. That is not true. I said—and I regret that he misunderstood me—that we have the right to offer an amendment or amendments—I said plural—and that to be sure the consumer received the 4.3 cents and not the big oil companies that he represents.

Mr. GRAMM. Mr. President, the distinguished majority leader said yesterday the consumer is to fill up at the filling station to the consumer. That in fact the tax cut was passed through to the consumer, that in fact he would look at any language the minority had concerning a passthrough of the tax cut from the filling station to the consumer.

In terms of oil companies, I do not think first of all, I am proud of the fact that my State is an oil producer, and as I am sure my colleague is proud of the fact that his State is the producer of tobacco and cigarettes.

Mr. FORD. Add coal to that. That is energy.

Mr. GRAMM. My point is, the gas tax is collected by filling stations. They collect the tax. And they remit it to the Government. The average filling station in my State collects about $300,000 of gasoline taxes a year. If we want to lower prices, the quickest way to do it is to repeal that tax.

Let me touch on a couple of other things here.

Our colleague says, 96 percent of companies are engaged in some form of joint work between management and labor. That is not the point. The point is, the National Labor Relations Board is now denying companies that ability. What we want to do is to guarantee that workers and management on a voluntary basis talk together and talk about things like safety and health and productivity.

Mr. FORD. Would the Senator say that includes collective bargaining and wages and hours worked and things of that nature under your proposal?

Mr. GRAMM. Under the proposal that I am making—I believe in free speech. So I think if people want to get together and talk about any legal act between two consenting adults, they ought to be able to do it. It is an amazing thing for me that two consenting adults can engage in any kind of activity other than industry, commerce, work, investment, job creation, but when they try to do those things they stand either naked before the world in terms of protection from our Government or they are impeded. If they want to do any other thing as consenting adults, they have a right to do it. I have never understood that. But there are many things that I do not understand.

Finally, I see two of our other colleagues are here. I want to yield the floor, but here is my point. For 2 weeks we have been trying to repeal the tax on gas. It is a simple issue. It is not a complicated issue. You either want to repeal the 4.3-cent-per-gallon tax or you do not. I do. A few people say they do not. Most people say they do. But yet we do not get a vote on it.

I am simply frustrated about it. But I have been frustrated before. But I just hope people will make note of the fact that even though for 2 weeks we have been talking about it, even though for 2 weeks people say they are going to do it, they have not been able to do it. I hope that something can be worked out. I certainly, for my part—this is a decision that will be made by the majority leader and the minority leader—but I am perfectly willing to work on these issues. If I want a vote on repealing the gasoline tax, I hope something can be worked out. I yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. (Mr. DeWine presiding.)

Mr. INHOFE. Mr. President, I have been sitting in on this debate, and I have been presiding during part of the time. There are some things that I think should be said at this point that have not been said so far that would be appropriate.

It is shocking, it seems to me, the issue of raising taxes is a partisan issue. I mean, if you look at the way that the debate is going, those on the Democratic side are trying to raise taxes.

I reread a statement that was made by Laura Tyson who is the chief economic adviser to the President of the United States. I am going to quote it right now into the RECORD.

There is no relationship between the level of taxes a nation pays and its economic performance.

If you really believe that, then it is understandable why we are having the discussion that we are having today. But the difference is, if the way we treat our attitude toward taxes, between the Democrats and the Republicans, is incontrovertible.

In the 103d Congress, under a Democrat-controlled Congress, they had the “largest single tax increase in the history of public finance in America or any place in the world.” That is a direct quote from Patrick Moynihan who at that time was the chairman of the Senate Finance Committee.

Mr. FORD. Will the distinguished Senator yield?

Mr. INHOFE. Not until I am through with my remarks.

Mr. FORD. I have a question about that.

Mr. INHOFE. I am kind of slow, and it takes me long to get my train of thought back.

During that time, it was the first ever retroactive tax increase. In other words, we passed a tax increase that went back and imposed taxes on people who were adjusting their behavior and their activities predicated on the existing tax structure at the time. They made it retroactive.

The third thing they did—the top tax rate increased to 39 percent, a dramatic increase. It has been increased again since then to 42 percent. The tax on Social Security for many of the senior citizens in this country went up by 50 percent to a total of 85 percent.

I believe we need also to make a couple of statements in response to what has been said about the economy, this glowing economy that we supposedly have right now. I have some figures here that show something. I think we know if you say it is long enough, the people will believe it. Then they will say, “Well, someone’s doing a very good job.” But it is not.

Right now, under President Clinton, the economy grew at a slower rate in the first quarter of 1996, 2.8 percent, than it did in the first quarter of 1992, which was 4.7 percent. There have been losses—this comes right out of the Bureau of Statistics, published on May 3, 1996, that for the year, 17,000 manufacturing jobs were lost in April, bringing the total number of jobs lost in that sector to 338,000 since last March.

I guess the reason I bring this up is that I am one of those individuals who has read history and who believes that you can increase revenues by reducing marginal rates. We saw this happen in the 1980’s, during the decade of the 1980’s, when we saw the largest number of job decreases. We increased revenues substantially. The total revenue that was generated in 1980 was $224 billion for marginal rates. In 1990, it is $466 billion. We almost doubled it by reducing dramatically the rates.

This is not just a Republican concept. President Kennedy, back when he was President of the United States, made a statement, “It is a paradoxical and economic statistic that the way to increase revenue is to reduce marginal rates.”

It is something we have seen history repeated over and over again. You are not going to increase revenue by increasing taxes. Therefore, if we can reduce any of these taxes, we should take this opportunity to do it.

As I said, 1993 was the largest single tax increase in the history of public finance in America or any place in the world. If you opposed that increase, the largest increase in history, you should be supportive of repealing any part of it. This is just a small part of it.

I think, also, if you remember what President Clinton said in Houston not too long ago when he was talking to a
group of people who were pretty off-ended by the increases in taxes, he said, "A lot of people think I increased taxes too much in 1993. It might surprise you to know that I think I did, too.

I want to help the President. I want to help him reduce the taxes that he admits were too high in 1993. I yield the floor.

Mr. FORD. Mr. President, a couple of items from testimony of [Mr. GRAMM] talked about the payment at the pump, the taxes collected at the rack. That is what I thought. I was not sure. I got the information. So the wholesaler or the distributor collects the tax, but the dealer that would be able to give or reduce his price. I thought that ought to be brought out here now. I do not want my service station operator to be jumped on when we say you did not get the 4.3-cent reduction tomorrow or next week. It is at the rack. So I am trying to protect them.

My colleagues, as they make these speeches, they leave the floor. I have to give the Senator from Texas a compliment. He stayed here and we had a little back and forth. The Senator from Texas is going to the budget meeting, I understand. My figures—and I always stand corrected because somebody will find a way to get at me with words. I got it from my Republican Budget Committee's mark yesterday, taxes will increase more over the next 6 years than they did over the past 6 years.

Think about that: $415 billion. Under the Republican budget chairman's mark advertised yesterday, taxes will increase more over the next 6 years than they have over the past 6 years. That is $415 billion, if I figure that right.

Everybody will say, well, the economy is increasing and all that stuff. If it is increasing, give this administration some credit. I understand the criticism. This has become a Presidential campaign. We stayed here and we have a Chamber dedicated to the people of this country, trying to do the best job we can for them. If we could stop the Presidential campaign in the Chamber, I think the overwhelming majority of U.S. Senators could get together and pass something in the best interests of the people.

We just cannot continue to have the Democrats shut out with a gag rule on us. The principle here is not whether we are for or against a 4.3-cent reduction in gasoline tax. That is not the question. The question is, we are being eliminated from having the opportunity to debate it and offer amendments.

The Senator from Texas said that he could not guarantee they could give them 4.3, or the big oil companies could keep it, or the wholesaler at the rack could keep it. It does not have to pass this price on. We just want to have the opportunity.

The point of being for or against removal of that tax is not the question. Fairness is the question, and the ability to have an up-or-down vote and to offer amendments. We have offered stand-alone amendments and a time agreement on each one of those three. We have been turned down. We will consider an amendment to get this, but I do want to put it in our package. We do not want it outside that package. So the gag rule still is extended.

Nowhere, nowhere—we may have filed cloture, but we did not say you could not file amendments. I quoted from somewhere in 1993 where he said that he had his rights. That is the same thing I am talking about. Nothing different. When he was fusing then, he had the ability to offer four amendments under that tax. He had a right to offer four amendments. We never excluded anybody from offering amendments, as is happening to us now.

Where is the fairness, Mr. President? All we are asking is for a little fairness.

The gag rule is being applied to the minority. The gag rule is being applied to the minority. As long as I have the ability and breath in me, I am going to speak out against that, as the Republican side of the aisle did for so long. I listened to it. We can quote and quote and quote what they said and what statements they made, and now we are trying to say the same thing. We never instituted a gag order on the minority in all the 22 years that we have been here.

I yield the floor.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Delaware.

Mr. ROTH. Mr. President, it is time to repeal the 1993 Clinton gas tax increase. On Wednesday, Senator DOLE, Senator GRAMM and I, along with a number of our colleagues, introduced legislation that would do just that. I wish we would have been able to repeal this tax then. Unfortunately, my colleagues on the other side of the aisle were unable to agree to the compromise package that Senator DOLE had offered them. Today is another day, one in which I hope we will see repeal of the 4.3 cent per gallon motor fuels tax.

During the 1993 Presidential election campaign, then-candidate Clinton, when asked about Federal excise taxes, said, "I oppose Federal excise tax increases. But I view with other views that Bill Clinton has held, this one was not adhered to for very long. In fact, in 1993, President Clinton, as part of a $268 billion tax increase, the largest tax increase in history, embraced a permanent 4.3 cent per gallon motor fuels tax.

I like to remind my colleagues that President Clinton originally proposed a Btu tax, which translated into a 7.3 cent per gallon motor fuels tax increase. Just last October, the President admitted to Americans that he had raised our taxes too much. I agree and believe that right now every driver in America also agrees.

Last month, gas prices were higher than they had been in a decade. The administration and some of my colleagues on the other side of the aisle have responded to this crisis by calling for investigation of the oil companies. If the President truly believes in the benefit derived from repeal of the 4.3 cent-per-gallon motor fuels tax, he must join us in calling for investigation of the oil companies. We need to take action now. What we can do is do right now is repeal a tax that only adds insult to injury for every driver in America. A tax that, again, is part of a package of increases that Bill Clinton himself admits is too high.

Last Friday, the Finance Committee held a hearing to discuss the effect of the Clinton 4.3 cent per gallon motor fuel tax increase and to explore the possibility of repeal. We heard from several representatives from industries that are affected by the increase. The panel included representatives from the American Automobile Association, the American Trucking Associations, the American Bus Association, the Association of American Railroads, as well as the Service Station Dealers of America and Allied Trades. These panelists provided our committee with an insightful view to the damaging effect of the permanent 4.3 cent per gallon motor fuels tax has upon their industry and their customers. In addition, the American Automobile Association, which serves more than 38 million drivers, submitted testimony supporting the repeal of the 4.3 cent per gallon motor fuels tax.

The American Automobile Association said in their written testimony that repeal of the 4.3-cent-per-gallon motor fuels tax restores the integrity to the gasoline tax as a user fee, and it helps restore public trust in the Federal Government and integrity to the Highway Trust Fund.

Some of my colleagues on the other side of the aisle at the Finance Committee hearing and here on the Senate floor have expressed concern that the tax benefit derived from repeal of the 4.3-cent-per-gallon motor fuels tax would not be passed on to consumers. During the hearing, one of the witnesses was Mr. Melvin Sherbert, chairman of the legislative committee of the Service Station Dealers of American & Allied Trades. He is also an owner and operator of two Amoco stations in Prince Georges County, MD. I asked Mr. Sherbert and other service station owners would pass on the tax benefit from repeal of the 4.3-cent-per-gallon motor fuels tax.

Mr. Sherbert responded, and I quote: "I know that [prices] would go down. . . . The moment we receive [the benefit from repeal of this tax] we would put that on the street.

The other witnesses at the hearing testified that they too would pass on the benefit. Since the hearing we have also received letters from a number of oil companies and industries assuring us that the benefit from repeal will be passed through to their customers. We
in Congress cannot control market prices. But what we can control is the tax burden we impose on the American people. Repealing the 4.3-cent-per-gallon motor fuels tax, therefore, will reduce the tax burden on gasoline and that which the American people must bear. I also send a clear message from Congress to the industry, that we want to keep prices low for the consumers, and that we are willing to do our part. We strongly encourage them to do theirs.

I would like to remind my colleagues, that when President Clinton raised taxes not only on the middle class but also on low-income families, and now my colleagues on the other side of the aisle are denying these low-income families tax relief. The truth is, Mr. President, that every American who drives a car, buys groceries, takes the bus, the train, or a plane has to pay this tax. These are not all rich Americans. In fact, Americans who are hit the hardest by this regressive tax are people at the lower wage levels, those making less than $10,000 a year. Repeal of this regressive tax, therefore, would benefit all Americans, especially those with modest incomes.

It is a well-known fact that 4.3-cent-per-gallon motor fuel tax not only disproportionately affects low-income people, but it also hurts people in rural areas harder than it does those in more metropolitan areas. President Clinton knows this. In February 1993, just months before he signed into law the largest tax increase in history, said:

For years there have been those who say we ought to reduce the deficit by raising the gas tax a whole lot. That’s fine if you live in the city and ride mass transit to work. It’s not so good if you live in the country and drive yourself to work.

Despite this statement, the 4.3-cent-per-gallon tax increase was enacted. I agree with President Clinton’s 1993 statement. People in rural areas should not be penalized because they live in areas that require them to use their cars and travel longer distances. For example, in my home State of Delaware, which contains many rural areas, the average family pays $403 in gas taxes per year. This figure includes both State and Federal gas taxes. When the 4.3-cent-per-gallon motor fuels tax is repealed, the average Delaware family’s tax burden will be reduced by $46—a good first step.

Some believe that those who argue that the 4.3-cent-per-gallon motor fuels tax is no different than other gas tax increases used for deficit reduction. I disagree. The 1993 Clinton gas tax increase is different from other gas tax increases before it. This gas tax increase went, as it should, directly to the general fund. Unlike in past years, no portion of the Clinton gas tax increase goes to the highway trust fund. Thus, none of this money goes to pay for building and repairing highways.

President Clinton and many of my colleagues from the other side of the aisle have argued that this tax is going to reduce the deficit. But, in fact, a study released last week shows 44 cents of every dollar Americans paid for the Clinton tax increase did not go to reduce the deficit. Instead, once again, Americans’ tax dollars went to pay for more Government spending—for bigger government.

The Clinton gas tax increase did not get a single Republican vote because Republicans believe in cutting wasteful Government spending, rather than increasing taxes to pay for more Government spending. So while in the scheme of Government programs the 4.3-cent-per-gallon motor fuels tax may not seem to be a paramount issue, it represents what separates Republicans from the big Government spenders. While the President purports to favor lower taxes, he has made a clear statement that he would do so by matching big spending with high taxes. Our belief is that we should cut spending and lower taxes on the American people.

Mr. President, it is time to give Americans a break from taxes and big Government. I hope that my colleagues on the other side of the aisle will allow the Senate to move forward, and stop blocking tax relief for working Americans.

Finally, Mr. President, I would like to take some time to respond to a remark made by President Clinton in his press conference Wednesday. President Clinton said, and I quote, “I ask the Republicans in Congress to consider something else. This is the first time your party has controlled both Houses of Congress at the same time since 1954. What is the record you will present to the American people and leave for history? We know that five other business owners who achieved better productivity, getting them access to advanced training regulation, while necessary, is the record of this Republican Congress. This Congress, despite news coverage of quarreling and personal attacks, has been able to change the pattern of Government spending. We just reduced discretionary spending $23 billion. Most people do not know that we have put appropriations bills through that actually cut Government spending—unheard of in recent years. A little over a month ago we put through a very significant regulatory reform measure that is going to benefit small businesses, farmers, ranchers, others who believe that Government regulation, while necessary, ought to be reasonable and sensible. We got that done. I am proud to say that we did that one in this body on a totally bipartisan basis. So we can make progress.

But, Mr. President, I want to talk today just a few minutes and set the record straight on something called the TEAM Act. Our Small Business Committee recently held a hearing on the TEAM Act. We heard from small business owners who achieved better productivity, getting them access to advanced training and education, or their first home, or their children’s education, or their health care. Tax cuts that end the Tax Code’s penalty against marriage.

President Clinton, tax cuts are the record of this Congress. What is the record of President Clinton and the 103d Congress? A world record tax increase and a veto of a tax cut. Frankly, Mr. President, I prefer our record, and I think that most of America does too.

I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. I thank the Chair.

Mr. President, I want to commend the distinguished chairman of the Finance Committee. I would add, in addition to his answer to the President, what has been the record of this Congress? This Congress, despite news coverage of quarreling and personal attacks from our opponents, has been able to change the pattern of Government spending. We just reduced discretionary spending $23 billion. Most people do not know that we have put appropriations bills through that actually cut Government spending—unheard of in recent years. A little over a month ago we put through a very significant regulatory reform measure that is going to benefit small businesses, farmers, ranchers, others who believe that Government regulation, while necessary, ought to be reasonable and sensible. We got that done. I am proud to say that we did that one in this body on a totally bipartisan basis. So we can make progress.

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businessowners and their employees who had enthusiastically agreed to come and testify before our committee had to back out. They backed out because their lawyers said they were crazy, because, if they went in front of a Senate committee and admitted that they had involved their employees in improving productivity, they might be brought up by the NLRB for violating the National Labor Relations Act. They were proud of their accomplishments and proud of what employees had done. What they sought was to convince employers to improve productivity and their job security for the future.

Mr. President, I think employee involvement has special implications for American small business. By definition, small business employees have to be used in a variety of ways because the small business owner has many duties to delegate and the line between manager and employee is much less distinct than it might be in a larger business. The TEAM Act is actually important because many small employers cannot afford to hire a labor law expert or consultant or lawyer each time they want to try something new or to talk with their employees.

I can tell you from listening to small employers throughout America that they are scared to death of having another expensive confrontation with the Federal Government. They particularly are afraid of having the NLRB come down on them. And small business cannot want to invest precious time and resources in an employee-involvement system to utilize the good ideas of their employees and then find out it has to be dismantled if the union, or the NLRB, gets wind of it.

My distinguished colleague from Massachusetts, in arguing against this measure, has emphasized that employee involvement is used in many businesses now. That is probably true. But this does not change the fact that many of the employee-involvement teams in existence today may actually be in violation of the law as it is written. The argument, I gather, that is being made on the other side is that because some businesses and employees work together and do not get caught by the NLRB, they do not need a law. That sounds a little strange to me.

Secretary Reich and President Clinton have said we need to encourage cooperation and employee involvement in decision-making if America is going to compete globally. It is not just a question of competing globally. For many small businesses in my State, it is a question of competing in the marketplace right now. They can do it. They can provide a better product or a better service for their customers. But they want to be able to rely on the good ideas of their employees. The reality of the modern workplace for businesses of all sizes is that they are afraid of being given too much power, and that is good. Management likes employee involvement because it increases productivity, improves safety, and creates skilled workers. Employees like to work in teams because it gives them a voice both in their working conditions and the quality of the goods or services they provide.

The National Labor Relations Act apparently allows employers and managers two options: employee involvement through unions, or no involvement at all. This means that 90 percent of workers in America who do not belong to a union, or who have chosen explicitly not to belong to a union, will be protected with no substantive voice in what they are doing in the workplace. The TEAM Act offers employees who are not unionized a way to participate.

Opponents of the TEAM Act have argued that employee teams are really sham unions that delude employees into thinking they have power. I must tell you sadly that I heard one news report this morning which said that the purpose of the TEAM Act was to permit domination by unions. That is just not true. That is absolutely false. I do not know who is spinning the story, but they really sucked a news broadcaster on that one.

The TEAM Act amends the National Labor Relations Act section 8(a)(2) to allow employees and managers at non-union companies to resolve issues involving terms and conditions of employment. These include things such as scheduling, safety and health, even when they get coffee, and company softball teams, but it does not allow and it would not allow employee teams to act as exclusive representatives of employees or participate in collective bargaining. In other words, the teams of employees would not have the power of unions. Section 8(a)(2) would continue to prohibit the domination of unions by the employer. So employers that tried to set up teams of employees to bargain collectively would still be in violation of 8(a)(2) both because they are dominating and because of the collective bargaining aspect. It is important to note that any bad-faith actions on the part of the employer would also result in violations of other parts of the National Labor Relations Act, particularly section 8(a)(1).

Mr. President, we have seen the National Labor Relations Board. I do not think there is any problem with their being vigilant to make sure that the books are thoroughly enforced. I think it is time to give employees and employers a little credit for good sense.

Workers are smart enough to know when they are getting a fair shake from management and to look elsewhere if they are not. Management knows that without meaningful employee involvement the improvements in efficiency, safety, and quality simply are not going to be there. Employees and employers must be given the right to work together for them—unions if they want it, employee involvement if they want it, or maybe in some circumstances both or neither.

We ought not to be saying that employees cannot work in teams with employers or employers cannot work with teams of workers when they are not bargaining collectively. Small business owners want to work closely with their employees. These employees have often been there from the inception of the small business. They are the ones who can make it grow. They are the ones who can ensure it prospers. They are the ones who can ensure that it will provide good job opportunities in the many years to come.

President Clinton has said time and time again he is a friend of small business, but the fact that he has already issued the veto threat and called the TEAM Act a poison pill shows that simply is not true. He is marching to a different drummer. It is not the drumbeat of small businesses and their employees today who know how they can compete and provide a better product and get more satisfaction from their jobs.

America's business needs the flexibility and the legal ability to involve employees in every facet of business in order to compete with large businesses, with other businesses and to compete globally.

I sincerely hope that we can move to move to move forward to get approval of a piece of legislation, S. 295, called the TEAM Act—T-E-A-M, TEAM Act. I think that the TEAM Act says is that it is perfectly permissible for an employer to sit down with a group of his employees and say, what do you think is the best way to make this place more efficient? Or how can we make this place safer? Or what can we do to increase our productivity? Now, apparently—and I must say I was stunned to learn this—that is illegal. You cannot do that. Now, of course, it is happening across the country, but if it is discovered it is illegal, you can be hauled up before the National Labor Relations Board.

There is something about this that has an Alice in Wonderland complex to it. What is going on in the United States of America when an employer cannot say to a group of workers out there, the fellow down the road is producing our product at a lower price and faster than we are. What can we do to improve our productivity? And so they give him some suggestions. But it turns out that is against the law. It is illegal; it is against the law. It is illegal; it is against the law. It is illegal; it is against the law.

The TEAM Act which was passed in 1995. So we are held up, ensnared in an act that was passed 61 years ago.
So what this act, introduced by the Senator from Kansas [Mrs. Kassebaum], reported out of the committee, says is that there are certain things you can do. No, you cannot do collective bargaining with a group of employees like that. That is separate. But certain things you can do, such as how you are going to increase productivity or how you are going to make the place safer or what can we do to make it more attractive to get other workers to come and join with us in this effort.

That is what this is all about. The mere idea that we need a law to do this seems to me—I must say I never dreamed this would be required. Fundamentally, when they started talking about the TEAM Act, I did not know what it was and had to have somebody spell it out. So that is why we are here today. This is vigorously resented by the unions, and it is vigorously resented by the administration. The administration has gone so far as to say if this law is not passed, this TEAM Act, it will be vetoed. I must say I think that is unwarranted and extremely shortsighted. There are two factors, it seems to me, that convince it very important we pass this legislation. First—and this is no secret to anybody who is watching this or in the galleries or anywhere—American industry is in the fight of its life against competition. We now have a global competition. We must ask the question about it. Something made in China or the Philippines or in the Caribbean nations comes into the United States and is sold in competition.

So we in this country have seen the loss of tens of thousands of high-paying American jobs. I have seen this regrettable in my State to a considerable degree. So what this intense competition abroad has required is for American industry to produce better products at a lower price, increase productivity and be more efficient in every fashion. So this painful but necessary reexamination has required more intensive labor and management cooperation than in the past.

The second thing that has taken place—the first is the global competition. We have to compete or our jobs will not survive—our laws have not kept pace and in many ways impede our progress toward reaching this global competition. So just like manufacturing processes must change or cooperation has to be greater. And that is true of labor laws likewise. Labor laws have to reflect the need for cooperation and teamwork that is critical for our survival.

The National Labor Relations Act, as I previously mentioned, was enacted in 1935 and has changed very little in those ensuing 61 years. Unfortunately, that law is rooted in adversarial—when that law was passed in 1935, it was there to take care of a situation. At that time, there was great turbulence in our industries. There was an adversarial situation between labor and management. Indeed, workers were prohibited from organizing in many States. They were prohibited from going on strike. All of that changed in the early 1930s with the National Labor Relations Act and other laws such as the NLRA.

The act, as I say, has not been adequately changed in the 61 years that have passed, and it does not recognize that now there is a great deal of cooperation to enhance our factories and workplaces, so efforts to increase workplace cooperation were substantially hindered in 1992 by a decision called the Electromation case. That was a National Labor Relations Board case some 4 years ago. In that case, the National Labor Relations Board said that employers and employee committees which talk about attendance—people are not getting to work on time. What is going on around here? What can we do to increase the productivity? We have a lot of people who are not showing up. We have some people who work a 4-day week when they are meant to be here 5 days. What can we do about it? What can we do about no-smoking policies? What do you do when you have a separate place to smoke? Do you want no smoking? What do you want it? It was decided you cannot do that. You cannot even talk to your employees about what is the best smoking policy or no-smoking policy.

This act we are talking about today, called the TEAM Act, would simply conform labor law with what is already happening. As I say, all across our country there are, in fact, these committees, and our managers and our owners of these companies do not realize it is against the law. Indeed, there are some 30,000 of these labor-management committees across the country. But if any one of them is discovered, it could well be that it is in violation of the National Labor Relations Act and could be punished with fines of a very severe nature.

It is said that this bill is a threat to labor unions. I must say, I do not understand the rationale for that argument. This bill specifically states in its language that the committees that are entitled to be formed under this act cannot negotiate, cannot amend existing collective bargaining agreements. All they can do is talk about better productivity, talk about greater efficiency and matters of that nature.

As has been mentioned previously, the hitch is that the law says employers cannot enter into the formation of any organization that deals with these problems that I have mentioned: attendance, productivity, efficiency. This, as I further mentioned, has received a very broad interpretation from the National Labor Relations Board. So it makes illegal most of those employees, those management committees that I previously dealt with and mentioned.

What we seek in this act is to have some clear definition of what we might call a safe harbor. What is a safe harbor? A safe harbor is an area where the employer knows it is safe for him to enter into discussions with employees without running afoul of the law. That is what this is all about. The TEAM Act is this safe harbor. It would do nothing to undermine union organizing or collective bargaining. It would recognize and authorize a simple fact of life: Employers are, indeed, nowadays looking to their employees more than ever before to help them; they employ employees, have a better workplace, a smarter workplace, a more efficient workplace, a more successful workplace that, hopefully, will result in more jobs, not only for those employees and their families but others across our Nation.

This is very simple. It is a good idea that, as I say, I am stunned it is causing this furor, this fuss, because it ought to be adopted, I think, unanimously. Democrats and Republicans alike ought to adopt something that is going to make our country more efficient.

I do hope this TEAM Act, S. 295, will be adopted, and I thank the Chair.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BENNETT. I yield 6 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 6 minutes.

Mr. ASHCROFT. Mr. President, I rise again to support the concept that workers are America's most valuable asset. If we are to succeed in the next century, if we are to survive in a world of universal competition, we cannot go into the competition forbidding workers and employers from talking to each other.

If the 1960's and 1970's taught us anything at all, it was a lesson taught when foreign competition, especially in the years and the competition that gained from taking suggestions from the production floor and incorporating them in the process of the operation—almost drove some American businesses under. Suddenly, American manufacturers began to replicate this awareness of the great resource that employees can bring to business. I watched that happen when I was Governor of the State of Missouri. I observed as companies started to develop a sensitivity and how they would increase their productivity in the process.

On numerous occasions I have come here to support the TEAM Act, which
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provides specific authority for employers to talk to employees, even in the absence of a labor union—specifically in the absence of a labor union—in order to gain the benefit of those employees, their views and their opinions. A series of cases with the National Labor Relations Board has found illegal the contacts between employers and employees on fundamental issues like safety, like working conditions, like working hours, like flexible work time, like education—things that would help solve that tension that exists between the demand that we seem to have for both parents being in the workplace and the fact that we need to raise children in our homes. I believe it is good to say to our companies, “Talk to your workers, get their suggestions, become more competitive, become more productive and, as a consequence, help us be survivors in the next century; be swimmers, not sinkers.”

It is going to be encountering all across the world as those tremendous nations of the Far East come on line, nations like China, like Korea, Japan, Singapore, Indonesia—tremendous populations which will be very competitive.

One of the great examples that has been talked about in this entire debate has been a company named EFCO. It is a company in the State of Missouri that makes architectural glass, window wall systems. If you build a skyscraper that is going to be made out of glass, you order glass from someone like EFCO.

In the process of their conferring with their workers, they went from about 70 percent on-time deliveries to well over 90 percent on-time deliveries. They improved their performance so substantially that the company expected the employees to select the members after that. What a recommendation for EFCO.

No. 2, that Senator said it was pretty bad that EFCO initially selected the members of these committees. What a terrible thing that is. To get them started they did. What was not said is they wanted to have broad membership and, second, that the employees soon established a policy whereby they chose their own members.

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

Mr. BENNETT. Mr. President, I yield an additional 2 minutes.

Mr. ASHCROFT. Mr. President, I thank the Senator.

It sounded pretty bad that the company chose the members until we found out that was just a way to get it started, and then it sounded very generous that the company allowed the employees to have broad membership and chose their own members.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator has the floor.
But, by far, the majority of the Congress would say it is appropriate to have some minimum wage. Not only does the Federal Government have it, but virtually every State has a minimum wage, and some States have a minimum wage nearly identical to the Federal Government, but a higher minimum wage than the Federal Government does.

But if you believe there should be a minimum wage, then certainly you would once in a while, time to time, it ought to be adjusted.

Among all recent Presidents during their terms, we have had some adjustment in the minimum wage. Sometimes it occurs after 4 or 5 years, sometimes it is a little sooner. By and large, we do make periodic adjustments in the minimum wage.

I received a letter from a woman last week, and I will not use her name. I will not read it. But I read it last evening. It is a letter from the Member of the Senate and the House, I spend my last hours of the evening reading and signing mail and going through the substantial amount of paperwork that we do in the Senate, and I read constituted mail, mail, letters back to them late in the evening.

I read this letter late in the evening, and it almost broke my heart. It is a letter from a woman. I am just going to read the last two paragraphs, but it is a 4-page letter. She describes her circumstances and her husband's circumstances and her children's circumstances, medical problems, problems of not being able to get the education they wanted. They tried, but they had to quit school to take care of this or that and getting pregnant, having four children.

What she describes in this letter is a rather long list of setbacks from two people who married very young and struggled to make it work. Without skill and without much education were always forced to take a job at the bottom of the economic ladder and were always forced by circumstances, a fire that destroyed their trailer, and every single thing in it, and no insurance, always forced by circumstances like that, just as they started to get ahead a little bit, to be completely pushed back to start over.

It is a 4-page letter. I shall not read it, but it does break your heart to read these kinds of things. And it is not just this woman, it is so many people in this country who try very hard to get ahead but never quite seem to be able to do it.

She talks about all of her circumstances, and she said:

I wonder how we can make it like this. How can I tell my children? I wish somebody in some official office would help me tell my boys that they would need to be able to play baseball this summer because I can't afford a $25 fee for each of them, let alone paying for the baseball glove, the bats they would need to play this summer.

She says:

We don't spend our money on alcohol or drugs. We don't go out on the town. Our lives revolve on trying to make ends meet. Our dream of owning a home and of being financially secure is long gone. We're better off, I know, than a lot of other people that, for instance, have lived on the street, but how far are we from that? One paycheck? Maybe two? We're the forgotten people in this, called the working poor, the people who fall through the cracks.

Her point is, after setting out her story in 4 pages, that they work for the minimum wage, both her and her husband, and just cannot make ends meet. They cannot balance buying groceries, paying the rent, trying to handle child care expenses and all their bills at the end of the month.

So some of us think that there should be an adjustment in the minimum wage. It ought to be a reasonable adjustment. I am not suggesting that we have an adjustment that is out of line. But I think there is a reason for an adjustment.

Some people have talked about it for some while. That is one of the discussions here in the Senate. Ultimately, I think there is a discussion this year, and I think one that will probably gain some bipartisan support.

The second issue that was introduced in this discussion was a 4.3-cent gas tax reduction. Presumably the 4.3-cent tax reduction was to draw attention to the fact that a 4.3-cent gas tax was added in 1993. That is true. I voted for that. I do not regret voting for it. It was included in a long list of tax increases, some tax increases, mostly on upper income, upper income, spending cuts, and other approaches to try to reduce the Federal budget deficit.

The Federal budget deficit has been reduced in half since that time. And 4 years in a row the budget deficit has come down. I do not regret voting for that. But would I like to see lower gas prices? Yes, I would. Gas prices spiked up 20 to 30 cents a gallon in recent weeks, and as a result of that price spike, we are told now that we should reduce the gas tax 4.3 cents a gallon.

I said this morning, it is a little like treating a toothache by getting a hair-cut. I do not see much relationship here. The gas price spikes up and they say, let us reduce the gas tax 4.3 cents a gallon. The industry executives say there is no guarantee it will be passed through to the consumers at the pump, there is no guarantee that the consumers will see a lower gas price at the pump. Experts say the Tax Cut Wouldn't Reach the Pumps.

Energy expert Philip Verleger says, according to yesterday's paper:

[This] is nothing more and nothing less than a refineries' benefit bill. It will transfer upwards of $1 billion from the U.S. Treasury to the pockets of refiners and gasoline retailers.

If it is not going to go to the consumers—and there are an army of people out there who suspect there is no guarantee that it will result in a lower pump price—then the question is, who is going to get it? And it is not pennies. I know they are talking about from now until the end of the year, but there is a discussion of a 7-year proposal for $30 billion. The question is, who divides the $30 billion pie? Who gets the $30 billion?

The proposal is that before us is a point of order against a motion that brings me to the reason I rose again. The point of order against the proposal is that the proposal violates the Budget Act because the proposal that is brought to the floor to reduce the gas tax 4.3 cents a gallon that will not guarantee lower prices at the gas pump, violates the Budget Act.

Why does it violate the Budget Act? Because it increases the Federal deficit in this fiscal year by $1.7 billion. So this proposal violates the Budget Act by increasing the deficit in this fiscal year $1.7 billion. So the next vote that will occur, after the cloture vote at 5 o'clock this afternoon, will be a vote to waive the Budget Act so that Congress can reduce a gas tax that the experts say will not guarantee lower prices at the benefit of, and in doing so we will waive the Budget Act to increase the Federal deficit.

I do not know whether others think this is kind of an incongruous situation, the same people, the same people, talking about bringing a constitutional amendment to balance the budget to the floor of the Senate this week—which has now been postponed, I guess—and at the same time the Senate Budget Committee, talking about bringing a 7-year balanced budget plan, we are also constructing a mechanism now to have a vote on waiving the Budget Act in order to allow an increase in the Federal deficit in this fiscal year of $1.7 billion in order to accommodate a reduction in the gasoline tax that the experts may never reach the pockets of the consumers.

I come from a town of only 300 people. I graduated in a high school class of 36. They might not have taught the most advanced or the highest mathematics available to students in America, but this does not add up. This does not pass the test. Those who say they want to balance the budget recommend that the next vote to be one in which they will vote to waive the Budget Act so they can increase the deficit to create a tax break that the experts say is not going to reach the consumer. It sounds to me like a deal the American people can easily resist. I have heard raging and ranting and raving. I have seen the wheeling and dealing that would befit an Olympic contest out here on the floor of the Senate in recent years about the issue of a balanced budget. And we have people who stand up and they arch their back, and they point across the room, and they say, ‘We’re the ones that fight for a balanced budget. And none of you cares. You’re big-time spenders who want to spend this country into oblivion.'

Yet, in 1993 the last serious effort to do something to balance the budget, every one of us, every single one of us...
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cast the votes that were necessary to pass the bill to reduce the deficit, which has brought the deficit down by half, and we did not get one vote from the other side even by accident.

I am not backing away from that vote. And I did it. Maybe there are legitimate reasons to be critical of some parts of it. I understand that. But I am not somebody who says I wish I had not done that. We did the right thing. But it is an incongruity, it seems strange with the winds of politics that we should, on the floor of the Senate, decide to waive the Budget Act so we can increase the Federal deficit this year, to provide a tax cut the experts say will not reach the American people.

There is room for disagreement. I mean, we are talking, as I said when I started, about three different issues, the TEAM Act and the minimum wage and the gas tax. There is great room for disagreement. I notice Senator BENNETT, from Utah, on the floor. There are few in this institution for whom I have higher regard than the Senator from Utah. I think our side has even gone further than he is. I hope we have a vote on these legislative packages. I think that is a pretty generous offer. I thought that the majority leader had agreed to that in his speech and that is an even-handed offer. I thought that the majority leader, why do we not just take the TEAM Act, and stir in a little bit of gas tax repeal, stir it up, and hope it comes out as a good legislative package. It kind of reminds me in Louisiana of trying to put a gumbo in the pot, stir it up, and hope it comes out eventually, after you cook it along with something that is edible. The problem is you have to be careful what you put in the pot. If you put something that will not fit, it will come out tasting pretty bad.

The same analogy is true with regard to trying to legislate. There is no reason in the world why we should try to be putting a minimum wage bill on the back of a gas tax repeal to this TEAM Act dealing with labor. We might feel strongly about things on the floor. There are few in this institution for whom I have higher regard than the Senator from Utah. I think that the majority leader, why do we not just take the TEAM Act, and stir in a little bit of gas tax repeal, stir it up, and hope it comes out eventually, after you cook it along with something that is edible. The problem is you have to be careful what you put in the pot. If you put something that will not fit, it will come out tasting pretty bad.

The same analogy is true with regard to trying to legislate. There is no reason in the world why we should try to be putting a minimum wage bill on the back of a gas tax repeal to this TEAM Act dealing with labor-management relationships. There is not a lot of relationship between any of these three provisions, except politics. I said on the floor the other day, and I asked the distinguished majority leader, why do we not just take the bills up and vote on them in the normal course of following the Senate rules, debate minimum wage, vote on it, pass it if there is a majority for it, and kill it, pass it if there is a majority for it, and kill it, pass it if there is a majority for it, and kill it, pass it if there is a majority for it, and kill it. The same thing with the repeal of the gas tax. Let us debate it, let us vote on it, and then decide what the will of the Senate happens to be. The same thing on the TEAM Act. Bring it up, amend it, talk about it, debate it, have the normal rules of the Senate apply.

I think our side has even gone further than that and offered bringing the measures up separately and give up one tool that the Democratic side, as members of the minority now, would have as a legislative tool. That is the filibuster. Just bring it up and agree that we will debate these measures and that we will offer amendments, but that we can agree on a time certain in which to vote, that we will not filibuster if it is not going our way, being willing to let us have a vote on these legislative packages. I think that is a pretty generous offer. I thought that the majority leader had agreed to that in his press conference yesterday but find out later on, no, that is not really what he meant.

For the life of me, I do not understand why we do not just bring three bills up and debate them and vote on them, and if we get a majority for them, they pass; if we do not, they do not pass. That is sort of the way legislation is supposed to be written.

What we are engaged in now is a mix and match proposition where we are trying to mix and match things that do not mix and match. I do not think that is the way to legislate. Again, it may be the way to buy clothes, but it is not the way to produce legislation that is good for the people of this country. I think they desperately want us to start working in some type of a fashion that makes sense for the rest of the country.

The other thing I want to comment on is the proposition that we should repeal the gas tax. There was an article that caught my attention this morning, the headline of the Los Angeles Times. The last time I was on the floor I talked about the law of supply and demand, which I thought really is what the American people want. The Supreme Court passed a law that was supposed to price controls coming out of Washington, DC. What a frightening thought it would be to think that Washington will regulate the price of everything. I do not think we are qualified to come up with that kind of thing. Yet I think that, if we are going to say by removing the gas tax we will guarantee that people that buy gasoline at the pump are going to get the benefit of that reduction, the only way we can do that, for those who are not price takers, is price control. The only way we can guarantee that tax cuts somehow worked their way through to the ultimate consumer is by passing a law that mandates that. That is price control. We have tried that, and it has not worked in the past. It will not work in the future.

What does work and has always worked in this country is the law of supply and demand. The headline of today’s Los Angeles Times is “Gas Prices Show Signs of Decline as Production Surges.” “The average cost at the pump falls half a cent, and State officials predict more reductions. After lagging, refineries again operating at close to normal output.” That really should not be a headline. That is normally what happens; that is not news. But the law of supply and demand is at work. When the demand is great, the supplies are increased to meet that demand and prices adjust according to the ability to meet the demand. That is exactly what is happening.

I also said 2 days ago that the price of crude oil in this country between April 23 and May 6 decreased 10 percent. That is over $2 a barrel that oil dropped. It usually takes 30 days from the drop of price in crude oil to be reflected in the finished product at the pump. It dropped 10 percent in 1 week, over $2 a barrel. That, naturally, shows up in normal consumer business at the pump and lower prices. This headline is not a surprise. It is not really news. Yet it is the lead story. It
says “Gas Prices Show Signs of Decline as Production Surges.” That is what has happened.

This Congress is in a panic. This Congress is running for cover. We are hiding behind our desks trying to say, “Well, we will put this bill in the pocket, and take it as an extra profit over their normal course.

The lesson we get into the business of determining what prices should be for all products, the better off Americans will be. Every time the price of wheat or corn or cotton or rice is going to go up, are we going to rush in here and say, “Wait, we are going to regulate the price”? Are we going to go back to production and wage and price controls? I think not.

I would add to my friend from my home State of Louisiana, I think people who are outside the thin air that sometimes I think we breathe too much of here in Washington are thinking, I think, more rationally and more responsibly than we are here politically. I think they know what this is all about. We have a Presidential election, a congressional election in a couple of months, Senate elections in a couple of months. People are desperately running everywhere to try to do something that was not the priority of the people of this country. I think the priority was for us to balance the budget.

When they say, “We want to do something for families,” I say the best thing we can do for families in this country is to produce a balanced budget. That is what families want, so we will give them lower mortgage rates, lower interest rates on home loans, lower rates on sending their children to college, educating their families, and produce a more stable environment, make more money available, and add to the economy for growth, expansion, and job creation.

One of the papers in the State of Louisiana, the Times-Picayune, has a column written by a guy named Jack Wardlaw, whom I know. The name of his column, I say to the Senator from Utah, is called “The Little Man.” He always sort of takes the side of the “Little Man” and represents what is good for the little man as opposed to what is good for the “big man,” big business, or the big corporations. His headline in today’s paper says, “Gasoline Tax Cut Will Mean More Red Ink in the Budget.” He makes some good points. I will refer to a couple because I think it really says what I think we should all be thinking. He says, “Sometimes it seems like Members of Congress have the attention span of a honey bee. It goes on to say, “Congress is just too through with the tedious in-fighting over the national budget, the goal of which we were constantly told was to agree on a way to, over a period of years, get rid of the red ink. Now, all of a sudden, nobody cares about balancing the budget anymore. All of a sudden, the main thing to do is to cut the gasoline tax. Is everybody crazy?”

I think that, by asking the question, he sort of also answers the question himself because of what he thinks we all are about at the present time by our actions. He says, “It is a little hard to figure out what is going on, except that we seem to have been exaggerating what is going on. CNN puts on pictures of pump prices of $2.09 a gallon, but who is paying that?" he asks. He points out that, in New Orleans, at his neighborhood gas station, the posted price for a gallon of unleaded regular was $1.19 a gallon, which had gone up from around $1.05 3 months ago. He later passed a convenience store offering the stuff for $1.14 a gallon. “It appears to me that prices are dropping back into line on their own, without any action." The same thing in Los Angeles: “Gas Prices Show Signs of Decline as Production Surges.”

This is the marketplace at work. We have had economist after economist—they are political. Can I say this is the wrong thing to do. This proposal is a dagger to the heart of any effort to balance the budget. It would take over $30 billion out of any effort to balance the budget over a 7-year period. A penny tax per gallon is $1 billion a year. I suggest that we should be concentrating more on how we, in a bipartisan fashion, can come together and do the right thing with regard to balancing the budget.

I think we clearly do the wrong thing when we do what I think is about to happen, and that is, to make it even more difficult, if not impossible, to reach a balanced budget agreement.

Let me close by saying that I have explained to the American people what is and what it is not, on the floor of the Senate. I think the American people know that the time has come to avoid a vote on increasing the minimum wage.

At the same time, particularly when they were outside the beltway, they talked about helping America’s working families make ends meet. It is not to try to say you care about working families, and it is certainly not enough to say you care about working families, but the only people fooled by the Republican magic tricks are the Republican themselves. The American people cannot be fooled by legislative sleight of hand. They want an increase in the minimum wage, and they will get it. 

While Republicans in Congress complain that increasing the minimum wage is a political issue, the American people know that it is an issue of fundamental fairness. The American people know that the time has come to raise the minimum wage and make work pay for millions of working families. The American people know that inflation has eroded nearly all of the bipartisan 1989 increase in the minimum wage. The American people know that the time has come to reach its lowest real value in 40 years. The American people know that
are minimum wage workers who work 40 hours every week, yet their families live in poverty. The American people know that refusing to raise the minimum wage is wrong, it is unfair, it is unjust, and it should not continue.

Nearly every national survey finds overwhelming support for raising the minimum wage. A national poll conducted in January 1995 for the Los Angeles Times found that 72 percent of Americans backed an increase in the wage. That survey confirmed the results of the 1994 Wall Street Journal/NBC survey, which found that raising the minimum wage is favored by 75 percent of the American people. A poll for ABC News in January 1996 found that 84 percent of the American people support a minimum wage of $5.15 an hour. Other recent polls confirm that support for an increase in the minimum wage now stands at nearly 85 percent.

This support cuts across political parties, persons of different age, sex, gender and ethnic lines. It cuts across economic and racial groups. In every segment of our society, in every region of our country, a large majority of Americans want the minimum wage to be a living wage. No one who works for a living should have to live in poverty.

Another measure of broad support for raising the minimum wage is the large number of editorials from newspapers across the country supporting a higher minimum wage. Here are a few of the editorials:

Here is a New York Times editorial of April 5, headlined, “Boost the Minimum Wage:”

There is a strong case for raising the minimum wage by a modest amount. Unfortunately, the issue is caught up in election-year politics, making compromise unlikely. . . .

The Democrats proposed raising the minimum wage by one year to $5.15 an hour, which would raise earnings for these workers by 90 cents an hour, or about $1,800 a year. Even at $5.15, the minimum wage would, after allowing for inflation, remain 15 percent below its average value during the 1970’s.

Will low-paid workers lose their jobs if employers must pay higher wages? Yes, but there is widespread agreement among economic studies that the impact would be very small. A 90-cent wage hike would probably wipe out income tax losses of more than 100,000 of the approximately 14 million low-paid workers in the economy—less than a 1 percent loss. Indeed, 100,000 represents only about half the number of jobs the economy typically creates each month.

And the editorial goes on:

The Washington Post headline: “The Minimum Wage”: The purchasing power of the minimum wage is about to fall to its lowest level in 40 years. The last time Congress voted to increase it was in 1989. It is time—you could argue well past time—to do so again.

President Clinton has proposed to raise the minimum 45 cents in each of the next two years, to $5.15 an hour. That’s a one-fifth increase, and no such step is ever cost-free. It would have a significant impact on wages and the amount paid those at the minimum but those in the zones immediately above, and it would add to the pressures on smaller businesses particularly to cut costs in order to survive. But the president is proposing to restore the wage, not break new ground. In real terms, it would remain well below the levels that obtained from the 1960s through the early 1980s, and would be only a dime above the level to which George Bush agreed, and Bob Dole and Newt Gingrich agreed.

The Atlanta Journal-Constitution, its headline is “Workers Due for a Raise”:

President Clinton has picked a good time politically and economically to push for a modest increase in the minimum wage. Millions of workers need the raise, and the economy is healthy enough to absorb a hike without causing many job losses or inflation. The administration and congressional Democrats want to raise the minimum wage to $5.15 in two 45-cent steps over the next two years. A raise would help the 4 million workers who get the minimum of $4.25 an hour, and would nudge up the wages of another 8 million who earn between $4.25 and $5.14 per hour. The minimum hasn’t been raised in five years. In terms of purchasing power, the wage will fall to a 40-year low this year if Congress doesn’t act.

Such low pay for workers puts a strain on society. Making about $8,500 a year, a full-time minimum-wage worker with children needs food stamps and welfare to survive. A poverty line for a family of four is $13,600 a year which means a worker would have to make at least $7.80 an hour to keep a family out of poverty.

The St. Louis Post-Dispatch headline: “The Politics of 90 Cents an Hour.”

President Bill Clinton made some interesting observations the other day about Congress’ failure to raise the minimum wage. He pointed out that since the last time the federal minimum wage went up—five years ago on Monday—senators and representatives have increased their own salaries by about one-third. He also noted that a member of Congress made more money during the month that the government was shut down last year than a minimum-wage earner makes in an entire year.

Add those stark statistics to the more philosophical point—that the GOP majority always stresses the need for people to make it on their own government support—and the Republican blockade to raising the minimum wage becomes even harder to swallow. At $4.25 an hour, a full-time worker earns less than $8,900—far below the $15,600 poverty line set for a family of four. How can politicians try to push families off the welfare rolls on the one hand and fiddle-buster attempts to let them earn a livable wage on the other?

The San Francisco Chronicle, “Rewarding the Work Ethic.”

The minimum wage is approaching a 40-year low in terms of its purchasing power. For those fortunate enough to have no idea what the minimum wage is these days, it is $4.25 an hour. It has been at that level for five years, while inflation has steadily gnawed into the paychecks of workers at the lowest rung of compensation.

President Clinton has proposed a modest increase in the minimum wage to $5.15 an hour.

Unfortunately, the Clinton plan has become mired in election-year politics. Republicans have characterized the proposal as a windfall; that is 15 percent below the wage the administration and congressional Democrats want to raise the minimum wage to $5.15 in two 45-cent steps over the next two years.

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

[From the Seattle Times, Apr. 5, 1996]

HELP THE WORKING POOR, RAISE MINIMUM WAGES

Presidential politics threaten an overdue 90-cent increase in the federal minimum wage. As Republicans and Democrats argue over who is the greater champion of the working poor, the buying power of their paycheck-wheezes near a 40-year low.

The minimum wage, which was last increased in 1989, is earned by four million Americans, and another eight million workers range up to the proposed $5.15. Those salaries are too low, have been lowered to help Clinton fulfill a 1992 campaign pledge, and Democrats want to scorch Dole for raising his own congressional pay, and not the incomes of those whose full-time jobs only bring in $5,500 a year.

Seven years ago another 90-cent increase was a largely nonpartisan event, with Dole, Georgia congressman Newt Gingrich and most all Republicans voting for the first increase since April 1981.

Over the years, the economic facts of life have drained the issue of ideological force. Americans have overwhelmingly supported the concept of a minimum wage since its creation in the Great Depression. Current polls show strong support for efforts to help poor people willing to work.

Liberal and conservative economists agree that a moderate increase in the minimum wage have a negligible effect on employers or the number of low-paying jobs available, especially in the service industries where the majority of minimum-wage workers are over age 20, and 40 percent are the sole breadwinner in their family, according to Secretary of Labor Robert Reich.

“Raising the minimum wage is not a windfall; that is 15 percent below the wage’s buying power of the 1970s. Today a worker
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has to earn $7.80 an hour to even reach the federal poverty line of $15,000 for a family of four.)

Raising wages takes on added importance if the Republican Congress follows through on plans to cut the Earned Income Tax Credit, which holds the working poor harmless from income and payroll taxes. The EITC, a favorite of President Reagan, has been denounced by House Ways and Means Chairman Bill Archer, R-Texas, as just another welfare program.

One drawback is that workers can clear the poverty threshold for about $3,000 and tax credits of $3,500, such that the EITC makes poverty wages more attractive. By combining earnings, food stamps worth a month.

In terms of purchasing power the wage will fall to a 40-year low this year if Congress doesn’t act. Such low wages put workers a strain on society. Making about $8,500 a year, a full-time minimum-wage worker with children needs food stamps and welfare to survive. The poverty line for a family of four is $15,600 a year which means a worker would have to make at least $7.80 an hour to keep a family out of poverty.

Even though the Clinton wage proposal is quite modest, Republican leaders are fighting it aggressively. Last week, in a 55-45 roll call, Democrats in the Senate fell five votes short of the 60 needed to override Republican presidential veto to boost the wage. In other words, most senators wanted to increase the wage, but GOP leaders blocked the vote.

Republican reasons opposing the wage increase are weak. If the country were in a recession, blocking the raise would make sense because higher labor costs could cause more unemployment. Certainly, a higher minimum wage is not always a good idea: Timing is important.

But this is the right time. In today’s economy, low-wage work is being created at an incredible pace. The unemployment rate is at a mild 5.5 percent and inflation last year ran at just 2.5 percent.

Several highly respected economic studies in recent years have suggested that few jobs would be lost if the minimum wage were to rise slightly. Nobel prize-winning economist, says that among members of the American Economics Association, a consensus has emerged that “the employment effect of an increase in the minimum wage would be very, very small.”

Polls show that about three in four Americans want the wage to rise. Republican senators, who lost credibility; a study by two Princeton professors of the effects of a higher minimum wage means smaller payrolls, has the government was shut down last year—stand in the path to a decent wage.

And come November, they won’t forget who stood in the path to a decent wage.

The majority in the Senate blocked the increase last week, but when Congress returns from its spring recess, the issue will return, too. As House Minority Leader Richard Gephardt put it, “We’re going to bring it back and back and back and back until we finally prevail for America’s families and workers.”

Those families and workers are also voters, and come November, they won’t forget who stood in the path to a decent wage.

Unfortunately, the Clinton plan has become mired in election-year politics. Republicans have characterized the proposal as a big favor to organized labor that would cost jobs and mostly benefit middle-class teenagers.

Wrong, wrong and wrong. Yes, organized labor is supporting the minimum-wage increase, but it would be a bonanza for unions. At most it would have a slight indirect effect on collective bargaining, as union negotiators try to keep rank-and-file pay above minimum wage.

The lost-jobs argument is sharply refuted by many respected economists, who have calculated that the minimum-wage increase would need to approach $6 an hour before having a measurable effect on employment levels.

And this debate is not about how much high-school students should be paid for flipping hamburgers. Of the 10 million people earning $4.25 an hour, 69 percent are age 20 and older.

It’s instead, a tough living. Ninety cents an hour—or $1,800 a year for a full-time worker—can make a difference for someone at the poverty line.

Politicians like to talk about restoring the work ethic, about encouraging people to leave public assistance. Millions of people are answering the call—and getting too little in return.

Congress should vote them a raise.

[From the San Francisco Chronicle, Apr. 8, 1996]

REWARDING THE WORK ETHIC

The minimum wage is reaching a 40-year low in terms of its purchasing power. For those fortunate enough to have no idea what the minimum wage is these days, it is $4.25 an hour. It has been at that level for five years, while inflation has steadily gnawed into the paychecks of workers at the lowest rung of compensation.

President Clinton has proposed a modest increase of the minimum wage to $5.15 an hour.

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Congress should vote them a raise.

[From the St. Petersburg Times, Apr. 1, 1996]

LIES’ VOTE ON MINIMUM WAGE

Now that he has clinched the Republican nomination for president, Bob Dole is back at work in the Senate. Last week the Senate Republicans—led by frantic try to keep Democrats from bringing a proposed minimum wage increase to a vote.
Dole should end the debate and allow senators to vote. Democrats say they will keep trying to force a vote. Everyone knows a minimum wage increase has little chance of clearing the House. But that hasn’t kept either side from trying to score political points on this issue.

Disregard for the country’s poorer workers, those living on an annual salary of $8,500, is one of the hallmarks of the Grand Old Party. As usual, opponents of a minimum wage increase claimed they were acting in the interests of the working poor. Allowing those workers another 90 cents per hour, they argued, actually could do them more harm than good.

Similar arguments have been made against every previous increase in the minimum wage, and each has been proved wrong.

The proposed legislation would raise the $4.25 minimum wage by 90 cents in two increments over 15 months. That may be small change in Washington, but to those trying to live on the minimum wage, who earn about three quarters of the $12,500 income that a wage, and each has been proved wrong.

How can the majority leader keep saying no? Raise the minimum wage. No one who works for a living should have to live in poverty.

We want a vote—a clean, yes or no, up or down vote on increasing the minimum wage.

The American people look to the Congress for action on the minimum wage—and all they see are cloture petitions, quorum calls, and procedural gymnastics to avoid taking action. I say, end the gridlock, end the deadlock—act on the minimum wage. Let’s get the Senate out of the Doledrums.

Mr. President, I yield the floor.

Several senators addressed the chair.

The presiding officer. The senator from Virginia is recognized.

Mr. WARNER. Mr. President, might I inquire of my distinguished colleague—

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The president of the Senate. Mr. President, it fell to me, then chairman of the Committee on Finance, to reach agreement on our Democratic side on the Omnibus Budget Reconciliation Act of 1993. There was no Republican involvement and no Republican support, for perfectly straightforward reasons. It fell to me to negotiate among ourselves the 4.3-cent increase in the gasoline tax which is currently under discussion today. The President had originally proposed an increase in the Btu tax. And I suppose it is not inappropriate if I am going to be speaking from Alfred Marshall’s text, he having been a distinguished professor in Great Britain, to refer to the Btu, which stands for “British thermal units.”

The House voted a larger Btu tax increase, but the matter came to the Senate, and there was no disposition by the Republicans to address the general increase in energy uses—that involved coal and gas and other sources of energy—as against simply gasoline.

It was not easy to reach agreement on the 4.3 cents. That was the last part of the budget deficit reduction that we had to put together, a total reduction of $500 billion, half of it by raising—I will use that dread word “taxes”—not fees, not premiums—taxes, and some smaller proportion from reducing cutting, and, in many cases, eliminating federal programs.

The last bit we had to get was that 4.3 cents. We had to get up to 4.3 to reach our $500 billion. I record this simply to say it was not easy. It took 1 week with the Finance Committee Democrats in room 301 of this building, some of the longest days I have spent in the Senate. In the end we did it because it had to be done. And we have results to show for it.

So much of what happens in Government, as in other aspects of life, has indistinct or very long-run consequences not easily seen. To the contrary, today, the American economy is that of the world. There is no nation in the OECD, the Organization of Economic Cooperation and Development, formed just after World War II, that comes anywhere close to our rate of growth, our unemployment rate, our price stability, and the long, sustained period of growth which we are in.

We are now, sir, as of May, in the 63rd month, more than 5 years, of continued economic growth, the longest economic expansion in this nation’s history, as in the 1960’s, but something that would have been considered beyond imagining 50, 60, 70 years ago.

The budget deficit, Mr. President, has been cut in half. The numbers are astounding. We went from a budget deficit of $290 billion in 1992—their fiscal years—to what, if you average out OMB, which says 146, and CBO, 144, is a deficit of a $145 billion in the current year.

Half—we have cut it in half in 4 years. The deficit now is the lowest, in proportion to our annual gross domestic product, it has been in 15 years.

It is no longer even enough to keep a working family out of poverty.

Republican senators have voted themselves three pay increases in that 5-year period—thousands of dollars in pay raises for themselves, but not one thin dime for families struggling to survive on the minimum wage. The value of the minimum wage is now near its lowest level in 40 years.

Millions of working families are struggling to survive on the minimum wage, which is only $4.25 an hour. They have not had a pay increase in 5 years. The value of the minimum wage is now its lowest level in 40 years.

American families are waiting for our answer.
Real growth rate is at a solid 2 percent, which is very impressive, given the fact that we have full employment and no inflation.

Our distinguished Director of the Congressional Budget Office—and I apologize that Dr. Murphy is no longer a member of that committee, Dr. June O’Neill, recently testified before the Senate Budget Committee:

CBO continues to believe that the U.S. economy is fundamentally sound and estimates that the chances of a major downturn in the near future are small.

Now, one of the reasons things are very good is that we did what was difficult to do in 1993, and we did it on our own side of the aisle. We are not complaining whatever about that. If it was to be our budget, let us do it. I could wish it was bipartisan. It was not. But that has nothing to do with the fact we found 50 votes here plus the Vice President. It was close. And that last tenth of a cent on the gasoline tax did it.

In January 1994, our eminent Chairman of the Federal Reserve Board, Alan Greenspan, testified before the Joint Economic Committee as follows: The actions taken last year—

Referring to our budget deficit reduction measure with the gasoline tax, to reduce the Federal budget deficit have been instrumental in creating the basis for declining inflation expectations and easing pressures on long-term interest rates. What I argued at the time is that the purpose of a lowering of the budget deficit was essentially to improve the long-term outlook, and that if the deficit reduction is credible, the long-term outlook gets discounted upward. Indeed, that is precisely what is happening.

The term, sir, is the deficit premium on the interest rate, the expectation upfront that inflation will increase so that interest rates would be higher than they otherwise would be. They are now down 25 cents. And that added another $100 billion of deficit reduction.

That is how we were able to cut the deficit in half. Do we have problems in the outyears? Indeed, we do. But are we on the right track now? Indeed, we are. Unemployment for April was 5.4 percent. That is roughly full employment. Unemployment for April was 5.4 percent. That is roughly full employment. Unemployment for April was 5.4 percent. That is roughly full employment. Unemployment for April was 5.4 percent. That is roughly full employment. Unemployment for April was 5.4 percent. That is roughly full employment.

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To go over the ground in another way. Market values are governed by the relation of demand to stocks actually in the market. . .

This is something businessmen know. Mr. Mike Bowlin, Chairman of ARCO, said on ABC's “Nightline” Tuesday evening:

My concern is that there are other market forces that clearly will overwhelm the relatively small price changes in the price of gasoline, and that alarms me, that people's expectations will be that the minute the tax is removed we will see gasoline prices go down 4.3 cents, and that won't happen.

This is something we know. Or it can be said as much as things like this are knowable, this we know. The businessmen says it, the economist says it, the grandmother of Virginia says it 100 years ago. There is good news, which is that the futures markets show the price of crude oil going down very sharply, from about $22 a barrel today to about $18 for next September. Gas prices will go down. Can we not just let them go down by normal market forces and keep the budget agreement intact, the agreement which has brought us to this happy moment?

I do thank the President for his patience. I look forward to listening attentively to my friend from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I rise in support of the TEAM Act. I was privileged, at the request of the distinguished chairman from Missouri, Mr. Bond, to chair the Small Business Committee and hold a hearing on this subject. In my remarks today, I will refer to a number of very important pieces of testimony, some coming from those in Virginia, who came before that committee to clearly, clearly support the need for this change in the law.

I refer back to the 1930's when the original Wagner act was enacted in 1935.

It is time that we should change the law. That is all we are asking. This is not talking about organized unions: I am not suggesting I refer to soldiers, “Yours is not to reason why but to do or die” in the workplace.

Those days are gone, and today we recognize each human being for their individual worth: man and woman, experienced worker, inexperienced worker, young and old. Yet they are hobbled by this ancient, ancient law.

Another example is the employee lounge: a reserved area in the plant where they might go for a break or have their lunch or just enjoy themselves.

As far as vacations, no way, no discussion is allowed.

I urge my colleagues, no matter how you feel about unions, look at this law. Decide it upon its own merits. Think of those people all across our Nation today who are working to compete in this global market.

This bill, again, in no way affects the rights of workers who choose not to unionize. Rather, it assists only the workers who have chosen not to unionize, such as those in my State, which is, proudly, a right-to-work State.

I went back and looked at so much of the testimony from the Small Business hearing. Most people would be shocked to learn that the current labor law makes it illegal for employees in non-union plants, workplaces, to discuss matters such as safety and productivity and work schedules, the daily routine, where they might have lunch, the quality of the food, safety of the machinery, the age of the machinery. It is such logical discourse between labor and management in today's market, yet this law stands there like a stone wall to prohibit the exchange of ideas.

Section 8(a)(2) of the National Labor Relations Act just does that. The NLRB casts a cloud of illegality on all types of organized employee participation in the workplace; that is, when groups get together. You can drop your suggestion in, but you cannot join with four or five other workers and go into the boss' office, perhaps put your feet up, and have a discussion on these subjects. It sounds crazy. It is just totally out of context with our lifestyle today.

Listen to the type of issues which cannot—I repeat cannot—be discussed in any organized group discussion. I am not talking about organized unions: I am talking about just organized group discussion, even if it is initiated by the employees. One has been the day care center. We did not have day care centers in the 1930's. I am not suggesting I sit down and in the workplace discuss the fact that my parents were. There may have been a work or day care center in some plant, but certainly they did not exist in the breadth that is all common in America today. But these people in their workplace cannot go in and talk about day care with the management.

There are softball teams. Sports have become a part of the lifestyle, fortuitously, in many industrialized places in America today, but the workers cannot go in and discuss the after hours, extracurricular athletic participation of the employees.

Another example is the employee lounge: a reserved area in the plant where they might go for a break or have their lunch or just enjoy themselves.

As far as vacations, no way, no discussion is allowed.

How about rules on arguments among employees? Today, there is a lot of tension in many of our workplaces, but people are not free to go in and just discuss that with their bosses in the hopes to alleviate this situation of tension.

Just stop to think, dress codes cannot even be discussed. Nor can parking regulations, smoking or nonsmoking policies and, indeed, safety in labeling. And on and on it goes.

To me, this just defies common sense, defies good judgment. It goes back to the old days: Yours is not to reason why, but just to do or die. And that is totally alien to today's workplace.

The TEAM Act is a piece of legislation which will help lessen that roadblock put on in 1935 and allow the workers in our industrial plants all across America to use their skills, their energies and their ideas to create a more productive and, hopefully, safer workplace environment, and to make America collectively more competitive throughout the world.

The workers in comparable plants in Asia or Europe have these problems? No. They can sit down with their bosses. As a matter of fact, much of the concept of this TEAM Act originated abroad and has been brought to our shores. And yet here there is a law to stop it.

The TEAM Act is necessary to free business and workers from the shackles of an ancient law.

Mr. President, do I note the time has arrived?

The PRESIDING OFFICER (Mr. SANTORUM). The Senator has 30 additional seconds.

Mr. WARNER. I thank the Chair.

I have met with a number of employees in the context of our hearing and in private meetings who have told me the actual stories and experiences of those who are participating in plants where these roadblocks are put down and talk with their bosses, risking prosecution by the National Labor Relations Board.
I have met with employees and management from some Virginia companies which have had great success with the team concept. The AMP Corp., which makes electrical connectors used around the world has a plant in Roanoke, VA, is one such example. Employees and management established a number of teams to help meet the challenge of foreign competition. One team of workers went with management to another AMP facility, learned a new stamping process and implemented it in Roanoke, creating 20 new jobs. An increase output made possible by the new process.

Another team of workers was assigned the task of comparing AMP’s production processes to foreign competitors, a task which management had done by themselves previously. The team was better able to see how inventory levels, technology changes, and production cycles affected productivity than management had been. As a result, delivery in inventory prices are lower, and the company and its employees are more secure.

Last, a third team of AMP, known as the community education team, reaches out to local schools. Through the community education team, its employees are more secure. Prices are lower, and the company and their business.

Among the issues which cannot be ignored are the gains in productivity and quality, the decrease in injuries, the decrease in turnover, and the decrease in absenteeism. Employees have been seeking for years. The Clinton administration has recognized that employee participation in unionized workplaces have brought enormous gains in productivity and safety. President Clinton even remarked about this fact in his State of the Union Address. His thought is correct, but it must be applied not just to union workplaces. The 90 percent of nongovernment employees who have chosen not to unionize be given similar rights and opportunities. I am particularly concerned about small businesses most at risk under current law. Most small businesses are too small to have classifications like manager and employee— all employees have to act and think like managers. Second, many businesses cannot afford to hire labor attorneys to analyze every employee-manager interaction. Third, the expense of contesting a NLRB action is too great a threat to many businesses to even think about starting employee team programs.

Unions seem to fear that employees able to contribute to their workplace will be less anxious to unionize. Well, what’s wrong with that? Unionization works where collective bargaining is necessary to balance the bargaining scale—it is not necessary for nonunion workplaces. These are happier and more productive without a union, the Government should not block their wishes.

In conclusion, the TEAM Act is not only needed to keep America competitive, it is desperately sought by American workers. The world has changed since the 1980’s, and the law must change as well. The PRESIDING OFFICER. The Senator’s time has expired.

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending Dole amendment, No. 3960: Bob Dole, Orrin Hatch, John Warner, Trent Lott, Thad Cochran, Slade Gorton, Phil Gramm, Kay Bailey Hutchison, Connie Mack, Strom Thurmond, Dan Coats, Craig Thomas, Dirk Kempthorne, Jesse Helms, Bob Smith, Jim Jeffords.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that amendments No. 3960 be brought to a close? Yeas and nays are required. The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that the debate on amendment No. 3960 be brought to a close? The yeas and nays are required. The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. The question is, Is it the sense of the Senator from New Jersey [Mr. Bradley] and the Senator from West Virginia [Mr. Rockefeller] are necessary absent.
May 9, 1996

I also announce that the Senator from Vermont [Mr. Leahy] is absent due to death in the family.

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

The yeas and nays resulted—yeas 52, nays 44, and 2 not voting. [Roll Call Vote No. 111 Leg.]

YEAS—52

Bennett, R. Colorado  Grass, R. Mont.  Nickles, R. Ariz.
Bond, R. R. Missouri  Grassley, R. Iowa  President pro tempore
Cohen, R. N. Jersey  Inhofe, R. Okla.  Stresser, R. S. Dakota
Craig, R. Mont.  Kasebaum, R. Kan.  Thurmond, R. S. Carolina
D'Amato, R. R. New Jersey  Kempthorne, R. Idaho  Thomas, R. S. Carolina
Domenici, R. N. Mexico  Logar, D. N. Colombia  Tynan, R. S. Dakota
Faircloth, R. N. Carolina  Mack, R. S. Carolina  Watt, D. N. Carolina

NAYS—44

Akaka, D. Hawaii  Feingold, D. Wis.  Lieberman, D. Conn.
Bingaman, D. N. Mexico  Graham, D. S. Carolina  Moynihan, D. R.
Dodd, D. Conn.  Kohl, D. Wis.  Simon, D. S. Dakota
Dorgan, D. S. Dakota  Lautenberg, D. N. Jersey  Wellstone, D. Minn.

NOT VOTING—4

Glenn, D. Okla.  Rockefeler, D. W. Virginia

The PRESIDING OFFICER. On this vote the yeas are 52, the nays are 44. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. Dole. The bill (H.R. 2137) was deemed read three times and passed.

Mr. Dole. I think, just for the information of my colleagues, this bill just passed is commonly referred to as Megan’s law.

WHITE HOUSE TRAVEL OFFICE LEGISLATION

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3960 WITHDRAWN

Mr. Dole. Mr. President, I withdraw my amendment No. 3960.

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

The amendment (No. 3960) was withdrawn.

AMENDMENT NO. 3961 TO AMENDMENT NO. 3955

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas [Mr. Dole], for himself and Mr. Roth, proposes an amendment numbered 3961 to amendment No. 3955 to the instructions of the motion to refer H.R. 2397.

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

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

(The text of the amendment is printed in today’s Record under “Amendments Submitted.”)

CLOTURE MOTION

Mr. Dole. I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

Megan's Law

Mr. Dole. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar No. 393, H.R. 2137.

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

The clerk will report.

The bill clerk read as follows:

A bill (H.R. 2137) to amend the Violent Crime Control and Law Enforcement Act of 1994 to require the release of relevant information to protect the public from sexually violent offenders.

The Senate proceeded to consider the bill.

Mr. Dole. Mr. President, Tuesday night the House passed an important measure that will help protect our Nation's children from sexual predators.

By a vote of 418 to 0, the House passed legislation, known as Megan's law, that strengthens existing law to require all 50 States to notify communities of the presence of convicted sex offenders who might pose a danger to children.

In 1994, the crime bill allowed but did not require States to take such steps. And since that time, 49 States have enacted sex offender registration laws, and 30 States have added community notification provisions.

But not all States have taken the necessary steps to require such notification, and this is a tragedy in the making.

For once, let us prevent a tragedy instead of waiting for some other horrific crime and then taking action. We should pass this law now.

How can we hesitate one moment?

Every parent in America knows the fear, the doubts, he or she suffers worrying about the safety of his or her children. Parents understand that their children cannot know how truly evil some people are. They know that no matter how hard they try, they cannot be with their children every second of the day.

And a second is all it takes for tragedy to strike.

We have an obligation to ensure that those who have committed such crimes will not be able to do so again. This is a limited measure, but an absolutely necessary one.

Mr. GORTON. Mr. President, we will act tonight on Megan's law, which strengthens and improves a good law, and provides families with needed protection against the most heinous of crimes. Although Megan's law will not affect my State of Washington, which should, and does serve as a model for other States around the country, it will assure that States, that, for whatever reason, have been slower to act or more timorous in their fight against crime.

In 1994, Congress passed the Violent Crime Control and Law Enforcement Act. The act contained a number of good provisions, perhaps the one I cared about most was the provision calling for the registration of sexual offenders and community notification. Most States have already implemented systems to require people who abduct children, or who commit sexual crimes, to register their addresses with State or local law enforcement officials. The provision in the 1994 act, however, was not as tough as I would have liked. The Act permitted State and local law enforcement to notify communities that there was a sexual predator in their midst, but it did not require this notification.

We are back now to improve upon that law by requiring community notification. Even with this mandate, however, State and local law enforcement officials, still will retain the substantial discretion to determine when community notification is called for, what information to release, and how to best inform the community.

Parents have a right to know that their children are in danger, that the person living next door to them, or down the street is a convicted sexual predator. The need for this notification was tragically illustrated by the case of Megan Kanka, for whom the law before us today is named. Two years ago, Megan was allegedly raped and murdered by a man who lived across the street from her, a man who twice before had been convicted of being a sexual predator, and who lived with two house mates who were themselves sexual predators. Megan’s parents did not know this. If they had, they could have advised their daughter not to accept her neighbor’s invitation to come into his house to see a puppy.

Mr. Dole. I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and any statements in the bill be printed at the appropriate place in the RECORD.

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

The bill (H.R. 2137) was deemed read three times and passed.

Mr. Dole. I think, just for the information of my colleagues, this bill just passed is commonly referred to as Megan’s law.

WHITE HOUSE TRAVEL OFFICE LEGISLATION

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3960 WITHDRAWN

Mr. Dole. Mr. President, I withdraw my amendment No. 3960.

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

The amendment (No. 3960) was withdrawn.

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The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

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

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

(The text of the amendment is printed in today’s Record under “Amendments Submitted.”)
We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Dole amendment, No. 3961.

Mr. Dole.

I have laid down another amendment which I believe will be passed through about penny-per-gallon this week. You have heard the so-called BIF—SAIF provision. It was discussed by the President, and Secretary Rubin has specifically for the RECORD the letter from the Secretary printed at this time.

We, the undersigned Senators, in accordance with the Standing Rules of the Senate, do hereby move to bring to a close debate on the Dole amendment, No. 3961.

Mr. Dole.

I have thought about it—in the spirit of the President's press conference yesterday asking for cooperation, I have decided to offer the gas tax repeal, which he said would sign, and pay for it with a measure that he wants desperately. In fact, on April 14 he said that there is a proposal before Congress from the administration to:

- restore the Savings Association Insurance Fund to full health and assure that interest payments on the so-called FICO bonds continue uninterrupted. With the enactment of this legislation, we could all take pride in achieving a resolution of the last remaining consequences of the thrift industry's problems of the 1980's. Moreover, we can do so without imposing additional costs on American taxpayers.

This necessary proposal will protect taxpayers, who have already paid over $125 billion to assure that no insured depositor suffered any loss as a result of these problems.

I am accommodating the President's request for some of the bankers and others may not be totally satisfied with this, but I suggest they call area code 202-456-1414.

I also wish to print in the RECORD a letter from Secretary Rubin received just yesterday, pleading with us to move on this legislation which is important. Underlining the importance of the legislation, it would 'restore the Savings Association Insurance Fund.' They said they have had it before us for some time and they have "convinced the Administration should receive immediate action.'

Again in response, and I discussed this with my assistant leader, Senator Lott, in response to the request of the President, his bipartisan appeal yesterday, and the letter from the Secretary of the Treasury, we have offered that as a way to pay for the repeal of the gas tax.

I ask unanimous consent to have the letter from the President and the letter from the Secretary printed at this point in the RECORD.

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

The White House, Washington, DC, April 24, 1996.

Hon. BOB DOLE, Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. DOLE: The Congress has before it a proposal from the Administration that would restore the Savings Association Insurance Fund to full health and assure that interest payments on the so-called FICO bonds continue uninterrupted. With the enactment of this legislation, we could all take pride in achieving a resolution of the last remaining consequences of the thrift industry's problems of the 1980's. Moreover, we can do so without imposing additional costs on American Taxpayers.

This necessary proposal will protect taxpayers, who have already paid over $125 billion to assure that no insured depositor suffered any loss as a result of these problems. I believe this legislation has broad bipartisan support, and I urge the Leadership to consider immediate Congressional action.

Sincerely, 

BILL CLINTON.

DEPARTMENT OF THE TREASURY, April 14, 1996.

Hon. ROBERT E. RUBIN, Majority Leader, U.S. Senate, Washington, DC.

DEAR BOB: I am writing to you in furtherance of the President's letter of April 24, 1996. As the President explained, it is a matter of great national importance to enact legislation to provide full health and assure that interest payments on the FICO bonds continue uninterrupted. The Congress has before it a proposal from the Administration that would accomplish the Administration's objectives. As the Administration has consistently urged the SAIF legislation should receive immediate urgent action. Moreover, we believe that this legislation is a suitable means to help pay for other appropriate legislation.

Sincerely, 

ROBERT E. RUBIN.

Mr. Dole.

So, I would say hopefully on Tuesday, then, we can obtain closure. Then we will decide how to deal with the TEAM Act and minimum wage. They are still floating around the conference and some of the bankers and others may not be totally satisfied with this, but I suggest they call area code 202-456-1414.

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Sincerely, 

ROBERT E. RUBIN.
prohibited by law from dictating the price that its dealers and distributors charge their customers at the retail level.

Retail prices at the approximately 400 outlets operated directly by the company also are set in response to competitive factors in the markets in which they compete.

Competitive factors include, among others, the supply of fuel, consumers' demand for gasoline, crude oil costs, state and federal excise taxes, and the cost of complying with environmental regulations.

**Chevron Response to Gasoline Tax Decrease**

In response to many comments in the press and from customers concerning possible oil company actions in the event of a decrease in the federal gasoline tax, a Chevron spokesman said the following:

Any decrease in the federal gasoline tax would be immediately reflected in the prices Chevron charges to motorists at our 600 company-operated stations in the U.S. through reductions which, on average, would equal the amount of the tax decrease. We also separately collect these taxes from our thousands of Chevron dealers and jobbers throughout the U.S. and we would immediately reduce our collections from these dealers and jobbers by the amount of the tax decrease. However, these Chevron dealers and jobbers are independent businesses and women who independently set their own pump prices at the more than 7,000 Chevron stations they operate.

Many factors influence gasoline prices which are set by competition in the marketplace. It is impossible to predict where gasoline prices may stand in absolute terms at any time in the future. However, if these taxes are reduced, it is logical in a free market economy that overall prices will in the future be lower for our customers than they otherwise would have been by the amount of the tax decrease.

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**American Business Association**

Washington, DC, May 7, 1996.

Hon. Robert Dole,
Majority Leader, U.S. Senate,
Washington, DC.

Dear Senator Dole:

On behalf of the American Business Association, I want to thank you once again for your proposal to repeal the 4.3 cents per gallon deficit reduction fuel tax. We fully support your efforts in this regard.

We want to assure you that any benefits as a result of a tax repeal will accrue to the consumer, in our case, the interstate bus passenger.

With all our best wishes.

Sincerely,

Thomas J. Donohue,
President and Chief Executive Officer.

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**American Trucking Associations**

Alexandria, VA, May 7, 1996.

Hon. Robert Dole,
Majority Leader, U.S. Senate,
Washington, DC.

Dear Senator Dole:

I was relieved to hear the representative of the service station industry testify that they will pass along tax savings to their customers. We have heard similar statements from the major oil companies.

I am confident that, after covering the cost of rising fuel prices, the savings will be passed on to our customers and consumers because we are a highly competitive industry with over 350,000 interstate trucking companies.

Thank you for the opportunity to expand upon my comments. Please call me if I can be of further assistance.

Sincerely,

Anthony J. Saggesse, Jr.,
Senior Vice President,
Government Relations.

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**American Association of Railroads**

Washington, DC, May 9, 1996.

Hon. Bob Dole,
Majority Leader, U.S. Senate,
Washington, DC.

Dear Senator Dole:

On behalf of the American Association of Railroads, I want to thank you once again for your proposal to repeal the 4.3 cents per gallon deficit reduction fuel tax. We fully support your efforts in this regard.

We want to assure you that any benefits as a result of a tax repeal will accrue to the consumer, in our case, the interstate bus passenger.

With all our best wishes.

Sincerely,

Susan Perry,
Senior Vice President,
Government Relations.

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**Air Transport Association**


Hon. Robert Dole,
Senate Majority Leader,
U.S. Senate, Washington, DC.

Dear Mr. Leader:

We have been asked whether the reduction in the 4.3 cents-per-gallon transportation fuels tax will result in lower air fares to consumers. In fact, if operating costs go down as a result of a tax repeal, the Air Transport Association has no role in the setting of air fares. Moreover, we do not support the tax because we believe that the windfall gains will not be passed on to our members carriers adjusting fares in a coordinated manner. However, notwithstanding those limits, I would like to address your inquiry.

First, we know that a decrease in the 4.3 cents-per-gallon tax will be reflected in the price airlines pay for fuel. Our members purchase fuel from vendors, in large measure, through a competitive bidding process. The 4.3 cents-per-gallon tax is thus added to the price bid by the vendors. Therefore, once the tax is eliminated, we are confident that the industry's fuel costs will be reduced.

Secondly, because of the competitive nature of the airline business, carriers continually try to keep their prices as low as possible. The 4.3 cents-per-gallon tax has increased carrier costs, thereby putting pressures on airlines to raise their fares. Eliminating the tax will remove one of the cost pressures which individual carriers must consider in setting their respective air fares. Moreover, with a reduction in the tax, there will be one less cost which needs to be factored into air carrier fares.

Inevitably, tax changes manifest themselves in the costs of doing business which will ultimately impact the prices airlines charge.

Mr. Leader, I hope that this response to your inquiry will be helpful. Please let me know if there is further information we can provide.

Sincerely,

Carol B. Hallett,
President and Chief Executive Officer.

Mr. Dole, the point being they are going to pass the savings on to consumers. Maybe in some cases, out of millions and millions of transactions, it may not happen, but that is the intent of all those who will be in the process. I think those letters might be helpful to some, and we do, of course, thank Dorgan, who does have legitimate questions. We want to respond to those questions. If he has a better idea than our amendment, which is a credit, we will be happy to consider it.

So I would just say it seems to me we have now, sort of, on this single issue—if you want to vote for lower gas prices then you vote for cloture on Tuesday. If you want to vote for lower travel costs, lower inflation, better job protection for employees in the transportation industry, this will be an opportunity. It is something the President said yesterday in a press conference he would sign. We have now complied with the President's request and the Treasurer's request to take any savings from what we have. That is part of this amendment. It seems to me it is almost—it could have come from the White House. We are pleased to accommodate the White House when we can.

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

The PRESIDING OFFICER (Mr. Bennett). The clerk will call the roll.
I can identify with that. I can empathize with Senator DOLE’S query in March 1993. I, second, appreciate his question because, ironically and coincidentally, we find ourselves in virtually the same situation. I say “virtually” because here it says, he asks, “is there going to be some open debate on the amendments, or are you going to determine which amendments can be offered?” In our case, that has already been determined. There are no amendments to be offered. There is no opportunity for the side to even address the issue of amendments, because we have been precluded from doing so. We are farther off the mark now than we were even back in March 1993.

Mr. President, regrettably, we end this week with the realization that we have not resolved the matter. We want very much to have a vote on the gasoline tax reduction. While there are very strong reservations expressed throughout our caucus, those reservations can be addressed if we can adequately address the question of who will benefit, if we can adequately address the question of what kind of an offset we will have.

As I understand it, the majority leader has proposed a new offset that will take care of the point of order. The BIF-SAIF is an issue that has to be resolved. But I am not sure that we do it justice simply to use it as a convenient offset, in this case for a gasoline tax reduction amendment that may or may not go to the consumer, first of all, and that, second, may or may not require the entire amount that BIF-SAIF will provide.

But the real issue is, should we have a good debate, a good discussion about the BIF-SAIF issue in and of itself? Should we analyze whether or not this is the right approach? Is this exactly the right formulation for BIF-SAIF? Those are issues we ought to discuss.

I have not seen the BIF-SAIF proposal the majority leader referred to. It may be an agreement involving an offset for the gasoline tax reduction in my view, does not do justice to the entire issue of BIF-SAIF, nor does it satisfy all of the difficulties that we have, of course, with the gasoline tax reduction itself.

We still must address the issue, who gets the benefit? Will it go to the consumer? Will we have the opportunity to ensure that it is not the oil companies that benefit but the consumer? Can we offer that opportunity in regard to this issue?

I know our words sometimes come back to haunt us. I am sure in many cases mine have and will. But I was curious and very interested in a comment made by my Republican colleague Bob DOLE in 1993. This is taken from the Record on page 3934, dated March 29:

I guess the thing I need to resolve is whether or not there is going to be any flexibility. I recall a occasion that a majority of members are going to be under the total control of the distinguished chairman of the committee. Is there going to be free and open debate on the amendments, or are you going to determine which amendments can be offered? We cannot accept that on this side.
The fourth point, Mr. President, if we are, indeed, interested in paycheck security, health security, pension security, the workers themselves ought to have an opportunity to determine what that means and how they can empower themselves more effectively. If that is going to happen, we want to protect the rights we have established over the last 60 years for workers to organize themselves. It is just not right to set up rump organizations where employers are negotiating with themselves, thereby weakening paycheck security, denying people the opportunity to grow in this economy along with everybody else, the opportunity to have meaningful health security, the opportunity to have good pensions.

That is what collective bargaining is all about. That has worked in this country and other countries, collective bargaining where we can ensure some opportunities to workers to enjoy the fruits of the success of a given company.

Mr. President, we will get into this a lot more next week. I do believe there has been a lot of misinformation. Again, I do not accuse anybody of purposefully misinforming, but I have never seen so much misinformation as I have seen this afternoon on any one issue.

We will have more opportunities to clarify it, more opportunities to work on it and, hopefully, to work together. I know where the companies are on this. The company says it is about all we have had. We have not been able to get votes because it has been blocked by a variety of delaying tactics—points of order, filibusters, if you will—but that is the Senate. We have had free and open debate. We have been able to have this discussion during the past couple of days. In fact, in the past couple of weeks, on the minimum wage, on the freedom in the workplace, the TEAM Act, and the gas tax, there has been plenty of talk.

So I want to address something I have seen this afternoon on any one issue.

We have no problem with trying to develop an amendment that might further guarantee that the consumers get the benefit of this gas tax repeal. On behalf of the leader, I have talked to Senator Daschle and to Senator Dorgan, who has been working on this and, indeed, has had some additional ideas you have. We want to make sure that that happens. We are satisfied that the legislation we have taken care of that. Now people are coming forward in writing and saying that they will make sure that the consumers get this 4.3-cent gas tax repeal. But I think that the leader would be open to some reasonable recommendations in that area.

Now, it has been suggested that we have not been having free and open debate. That is not true. It is about all we have had. We have not been able to get votes because it has been blocked by a variety of delaying tactics—points of order, filibusters, if you will—but that is the Senate. We have had free and open debate. We have been able to have this discussion during the past couple of days. In fact, in the past couple of weeks, on the minimum wage, on the freedom in the workplace, the TEAM Act, and the gas tax, there has been plenty of talk. So I want to address something I have heard two or three times today. We are clearly acting within the rules. We are not setting any new precedents. I can remember when the majority leader was Senator Mitchell from Maine. I remember him offering second-degree amendments to block our amendments. I remember him filling up the tree so that we could not offer our amendments. This is nothing unprecedented here. We are clearly within the rules.

I remind my colleagues that we are in the majority. We have some responsibility to try to move the agenda forward. That is what the leader has done with this proposal—get the issue that everybody says they are for out there where we can debate it and vote on it. So I think we need to make it clear that we are strictly playing by the rules.

I might note that when the Senator from Massachusetts, who is here on the floor now, offered his minimum wage amendment, I believe he almost immediately sent down a cloture motion to the desk on that. At least, I believe that is true. Is that not correct?

Mr. Kennedy. I will wait for recognition to speak. But the Senator is inaccurate in that characterization, as the Senator was when he talked about Senator Mitchell filling out the tree.

Mr. Lott. Did the Senator send a cloture motion to the desk on that?

Mr. Kennedy. After we denied the opportunity for an up-or-down vote.

Mr. Lott. But he did send a cloture motion up to limit debate on that issue. Is that correct?

Mr. Kennedy. The Senator can characterize my position in any way that he likes to. It is a routine procedure around here.

Mr. Lott. That is the point I am trying to make.

Mr. Kennedy. I will wait until I can be recognized in my own right, and I will address the Senate then.

Mr. Lott. That is my point. That happens around here. Cloture motions are not unusual. Second-degree amendments are not unusual. So we are strictly playing by the rules, and we would not have it any other way. I appreciate the cooperation, frankly, that we get from the Democratic leader. We have been working together for the last 2, 3 days to try to find a good solution to how we vote on these issues.

Now, with regard to the TEAM Act, I want to make a couple of points, again, on why we are advancing this legislation. First, we are not unusual. Second-degree amendments are not unusual. So we are in the workplace, not the TEAM Act, because most folks do not realize what that is. We would like for employees and employers to be able to work together, to have teams in the workplace in order to promote safety and greater productivity. There are all kinds of benefits that will come from that.

Why, then, are we pushing this? Because the point has been made that, well, this is already occurring. Some employers have some sort of team arrangements. There is a good reason for it. The National Labor Relations Board, in some of its rulings, and the courts, have been putting a chill on these relationships. They are beginning to stop them. There was one court decision that said when an employee notified the employer that there was a problem with one of the electrical devices, that was ruled to be improper under the current laws. So there needs to be some clarification of this.

As a matter of fact, the President indicated he thought this was a good approach. In his State of the Union Address earlier this year, he said, ‘‘When
companies and workers work as a team, they do better, and so does America."

So, that is what we are trying to do here. This bill simply amends the Federal laws to make it clear that employers and employees may meet together in consequence or other employee involvement programs, to address issues of mutual concern, such as quality, productivity, and efficiency. So it expressly says, also, that they cannot engage in collective bargaining. It expressly forbids company unions and sham unions. It simply lets workers and employers try to work as a team.

I am amazed that there is such concern about this. But my attitude on that, also, is that if there are some amendments that can be offered on that and we can debate it and have votes, if they pass, fine, and if they do not, fine. But this is something we ought to move on.

One other point, in terms of trying to block the free expression of ideas here. As a matter of fact, we have done a little research, and we have found that in the 104th Congress, there has been a need for cloture motions more than in any recent time. In fact, in the 102d Congress, there were 9 cloture motions filed, and in the 103d, 47; but in the 104th Congress, it has been necessary, already, to file 63 cloture motions.

Let me give one example of how ridiculous this really is. S. 1, the first bill we considered last year, on unfunded mandates, had broad support and passed overwhelmingly. I think the vote was 98 to 2, or something like that. It was overwhelming, whatever the final vote was. But we had to file four cloture motions to try to get it to come to conclusion, and get a vote on it.

So I really find it sort of surprising when our colleagues on the other side of the aisle seem to hint that we have been trying to shut them out. That has not been the case. But we have a responsibility to try to get the work done around here. Yes. Let us have free debate. But after a certain period of time you have to get down to voting. That is what we are trying to set up with our process this afternoon.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

PUBLIC BROADCASTING

Mr. PRESSLER. Mr. President, I also am pleased to release today draft legislation to reauthorize the Corporation of Public Broadcasting. The draft would provide a simple reauthorization of $250 million each year for the fiscal years 1998, 1999, and 2000. It is my hope that by then, public broadcasting would no longer need a reauthorization, but would have the resources to thrive on its own.

Last year we began a very worthwhile debate about the future direction of public broadcasting. The proposal was not a real issue. I believe public broadcasting will do more than just survive—it will thrive. Public broadcasting is a success story still being written. I am confident of this. Public broadcasting offers a quality product supported by quality individuals who care about what people, especially young people, see or hear on television and radio.

It was in part due to my confidence in public broadcasting that I proposed last year to put public broadcasting on a glide path to independence from Washington—indeed, from Congress and independent from the Corporation for Public Broadcasting. I support public broadcasting. Yet, I've never perceived a loss of the funding process. There has to be a better way to fund public broadcasting than through CPB, which soaks up a large share of funding before it ever gets to the 350 public television stations and 639 radio stations. A large chunk comes right back here to D.C. to buy programming disproportionately produced in the largest media markets. There just has to be a better way—especially for small city broadcasters.

Last year's debate produced some much-needed innovations. Public broadcasting has improved as a result. I called on public broadcasting to take advantage of the popularity and value of its wonderful programming. They're doing so now. Last year, new ancillary agreements were reached that will see a larger portion of merchandise revenue from public broadcasting products go right back to public broadcasting. Media companies, for example, with MCI and Turner to distribute public broadcasting programs on video and CD-ROM's. Even PBS has discovered that its logo generates revenue. Foreign markets are an untapped source for programming and products. Even the Internet offers enormous potential for public broadcasting, both as a conduit for classroom-based, interactive educational programming and as a base to market its products. In short, we really haven't begun to tap the enormous potential of funding public broadcasting in the worldwide marketplace.

I also believe we must continue to push for greater efficiencies within CPB—reforms that also can free up revenues. Will all these potential funding sources and markets allow public broadcasting to achieve financial independence? It's a question that we should explore.

So today I am circulating a discussion draft that would not only reauthorize public broadcasting, but also explore and chart a path toward independence. The first way is to give public broadcasting tools to generate more revenue. My draft legislation would give public broadcasting enhanced underwriting authority—enough to draw in new corporate sponsors but not too far to undermine the noncommercial integrity of public broadcasting. The draft also would allow public broadcasting stations to use overlapping station capacity to generate revenue.

These proposals would allow some stations to benefit. However, if all of public broadcasting cannot thrive, especially smaller stations such as in South Dakota, North Dakota, and Montana, we need to bring the best people in finance, government and broadcasting together to chart a course for independence. To do this, the draft proposes creation of a Commission on Public Broadcasting Empowerment. This commission would have 2 years to submit recommendations to Congress that would: foster long-term funding for public broadcasting; avoid compromising its essential noncommercial nature; improve economic efficiencies within public broadcasting; guarantee universal access to public broadcasting, particularly in rural, underserved areas; and stimulate the development of regional programming centers in order to increase geographic diversity in the origination of programming.

Finally, the draft would authorize the creation of a trust fund to be used to generate sufficient capital for public broadcasting to achieve financial independence. This trust fund approach was first proposed by the public broadcasting community late last year. Public broadcasters proposed a more far-reaching approach that would enable a private trust to generate funds through the management of advanced spectrum and the leasing of unused spectrum for financial return. A thoughtful proposal has merit. I support the creation of a trust fund. I believe that the draft spectrum legislation I have proposed today would provide public broadcasters with the resources needed to capitalize a trust fund that would benefit the entire public broadcasting community—radio and television, in markets large and small.

Because this proposal would bring major change to public broadcasting, it deserves careful review. I'm already beginning that review.

Clearly, financial independence will be a key issue. However, other reforms are needed, particularly in the distribution of funding and programming. I am particularly interested in reforms that will enhance the capabilities and creativity of small cities and rural broadcasters. In small cities and towns, public broadcasting is vital. It provides localism. South Dakota Public Radio [SDPR], for example, provides pool coverage to emergency stations around the State for legislative reporting, because it has the only radio news reporter on duty during the legislative session. In some markets, SDPR is the sole radio provider of local news, and the exclusive source of Emergency Broadcast System announcements.
For SDPR and similar radio and television stations, continued oversight by Congress is important to ensure they receive their fair share of the public broadcasting dollar. I would like to see public broadcasting be a self-sustaining operation, but I will not forego congressional oversight responsibilities, nor support a disbursement of funds from any trust fund until I am satisfied that there are legal and contractual safeguards in place that will protect the financial and programming interests of small city and rural broadcasters.

What kind of safeguards? First and foremost, there should be service requirements that public broadcasting should follow. As you know, telephone companies are required to provide universal service to its customers, regardless of their location. Public broadcasting should be required to fulfill a similar standard—universal access for all Americans.

Second, any future trust fund should have a formula that recognizes the unique roles of small city broadcasters and the need to achieve universal access goals.

Third, I support giving small broadcasters a share of any revenue generated through enhanced underwriting. A similar arrangement exists with major networks and their affiliates—large and small. It makes sense. It’s simple fairness. Large and small stations that broadcast underwritten programming contribute to the exposure of the corporate sponsor to the viewing public. They should benefit.

Fourth, we should be encouraging the development of regional programming outlets. At present, there is a disproportionate concentration of program development in the large cities. Regional programming will not only further the diversity of public broadcasting, but improve viewership in these areas.

So, in conclusion, there are a number of issues worth discussing. Funding sources and funding distribution are the two key issues. I am hopeful that the proposed Commission on Public Broadcasting Empowerment will help lay the groundwork for both financial independence and distribution fairness. The funding sources may change, new technologies may emerge, but the central mission of public broadcasting—to be a dependable source of educational, community-based programming—is strong and growing stronger. That’s a credit to the people in the communities that make it all happen.

This draft is a starting point. I look forward to working with the public broadcasting community and my colleagues on both sides of aisle to improve this draft and pass a bill. Mr. President, I ask unanimous consent to provide a copy of the draft being introduced today.

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

S. — 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 “Public Broadcasting Financial Resources Enhance- ment Act of 1996”.

SEC. 2. PURPOSE. The purpose of this Act is to ensure that public broadcasting stations have sufficient resources—

(a) to carry on the mission of public broad- casting services; (b) to ensure continued efficiency and effectiveness in the provision of public broadcasting services, through technological advances and, where appropriate, through mergers, consolidations, and joint operating agreements;

(c) to preserve and enhance the geographic and cultural diversity of public broadcasting programs and services;

(d) to support public broadcasting services to rural and underserved areas and audiences, and to ensure the universal availability of public broadcasting services;

(e) to create and deliver creative and diverse programming and services of high quality and excellence;

(f) to preserve and protect their editorial integrity and independence; and

(g) to continue to pioneer new tele- communications technologies and to adapt those technologies for educational and public service purposes.

TITLE I—EARNED INCOME OPPORTUNITIES

SEC. 101. ENHANCED UNDERWRITING. (a) BUSINESS CONSTITUTIONAL LOGOS.—Section 399A of the Communications Act of 1934 (47 U.S.C. 399A) is amended:

(1) by striking “exclusive” in subsection (a);

(b) BY STRIKING “organization, and which is not used for the purpose of promoting the products, services, or facilities of such corporation, company, or other organization.” before the phrase “of the organization” and inserting “organization,”; and

(c) by inserting “established” before “business” in subsection (a); and

(b) SERVICES, FACILITIES, AND PRODUCTS.—Section 399B(a) of the Communications Act of 1934 (47 U.S.C. 399B(a)) is amended by inserting “a corporation through a strictly quantifiable comparative description,” after “promote”.

SEC. 102. TELEVISION CHANNEL EXCHANGES.

Subpart E of part IV of title III of the Communications Act of 1934 (47 U.S.C. 397 et seq.) is amended by adding at the end thereof the following:

S. 399C. TELEVISION CHANNEL EXCHANGES.

(a) PERMITTED.—The licensees or permittees of commercial and public broadcast television stations may file a joint petition with the Commission requesting an exchange of channels (including public television stations on VHF channels to be exchanged for UHF channels). Within 90 days after receiving such a petition, the Commission shall amend the television table of allotments and modify the licenses or permits of the petitioners to specify operation on the exchanged channels if the Commission finds that—

(1) the stations serve substantially the same market; and

(2) the consideration paid to the public broadcast television for permission to do so—

(A) fairly reflects the value of the exchange of channels and related facilities; and

(B) will be dedicated to the provision of public broadcasting services.

(b) OTHER CONSIDERATIONS PROHIBITED.—In considering a petition under subsection (a), the Commission may not consider the proposals by other parties to become licensees or permittees on the channels to be exchanged.

SEC. 103. CONVERSION OF STATIONS TO COMMERCIAL STATUS.

Subpart E of part IV of title III of the Communications Act of 1934 (47 U.S.C. 397 et seq.), as amended by section 103, is amended by adding at the end thereof the following:

S. 399D. USE OF PUBLIC BROADCASTING STATIONS FOR REMUNERATION.

(a) IN GENERAL.—(1) USE OF OVERLAPPING STATION CAPACITIES.—Subject to the requirements and limitations of this section, the licensees or licensees of 2 overlapping stations may, notwithstanding the allocated and licensed status of such stations as noncommercial educational television stations, operate one such station for remunerative purposes, including the transmission of commercial television programming originated by such licensee or by another party and transmission of subscription television or pay-per-view services.

(b) LICENSORS OF STATIONS.—Subject to the requirements and limitations of this section, the licensees of 2 overlapping stations may be required to provide other parties to become licensees or permittees of the channels to be exchanged.

(c) APPLICATION OF LIMITATIONS.—Nothing in this section shall apply to

(1) the stations operated for educational purposes; or

(2) the stations operated for remunerative purposes, but for the remunerative operations, otherwise operated consistently with the requirements of this section and the regulations and policies of the Commission applicable to such operations.

SEC. 104. INELIGIBILITY FOR GRANTS.—No noncommercial educational television station operating under an agreement or other instrument filed under paragraph (2), and no transferee of such station, or assignee of the license associated with such station, may receive any funds under section 396, except to the extent provided for by the Commission on the basis of the contribution to the public broadcasting system made by that station, transferee, or assignee.

SEC. 105. SALE PERMITTED.—Upon application by the licensee of 2 or more overlapping public television stations, the Commission shall approve the assignment of one of the licenses of such licensee for a television station to another person or entity, without rule making or opening the assigned channel to general application, and shall permit such person or entity to operate such station as a commercial television station, if such licensees agree that the license will dedicate all compensation in excess of costs of sale received for such assignment to the...
support of the local noncommercial educational broadcast operations of the retained station; and "(2) the compensation provided to the license of which such license reflects the value of the license and related facilities. "(c) Definitions.—For purposes of this section— "(1) OVERLAPPING STATIONS.—The term 'overlapping stations' means 2 or more public television stations— "(A) that serve the same market; "(B) with respect to which the Grade A contour of one of such stations reaches more than 50 percent of the Grade A population reached by the other station; and "(C) with respect to which less than 20 percent of the population reached by either station is unduplicated by the other. "(2) TELEVISION MARKET.—The term 'television market' has the meaning provided in section 76.55(e)(1) of the Commission's rules (47 C.F.R. 76.55(e)(2)).

II—PUBLIC BROADCASTING EMPOWERMENT COMMISSION

SEC. 201. ESTABLISHMENT. There is established a Commission on Public Broadcasting (referred to in this section as the 'Commission').

SEC. 202. DUTIES. (a) SCIENTIFIC AND RECOMMENDATIONS.—The Commission shall— "(1) conduct a comprehensive study of— "(A) alternatives for providing long-term funding and programming services other than with appropriated Federal funds, with particular emphasis on the development of earned income opportunities; "(B) the feasibility of generating revenue for a trust fund based upon spectrum grants or other sources of funding; "(C) the effectiveness and adequacy of those means by which revenue for public broadcasting services made available by title I of this Act; "(D) the impact that particular funding methods may have on the purpose, role, and availability of public broadcasting, particularly in smaller markets; "(E) funding distribution formulas for smaller markets that take into account the special nature of such markets, including the additional infrastructure investment necessary to obtain sufficient audience reach; and "(F) opportunities for reducing the cost of public broadcasting through increased efficiency in production, distribution, and operation without impairing universal access to public broadcasting; and "(2) submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Commerce of the House of Representatives a report setting forth the results of its study and making recommendations for— "(A) long-term funding for public broadcasting that would not compromise its essential noncommercial nature; "(B) improving the economic efficiency with which public broadcasting operates; "(C) guaranteeing universal access, particularly to rural and underserved areas; and "(D) stimulating the development of regional and local programming centers in order to increase geographic diversity in the origination of programming.

(b) BROADCASTING REPORTS.—The Commission shall submit a preliminary report under subsection (a)(2) not later than December 31, 1997, and a final report not later than December 31, 1998.

(c) TRUST FUND ESTABLISHED.—(1) IN GENERAL.—There is hereby established in the Treasury of the United States a trust fund to be known as the "Public Broadcasting Trust Fund".

(2) ACCOUNTS.—The Public Broadcasting Trust Fund shall consist of such accounts as may be provided by law. Each such Account shall consist of such amounts as may be appropriated, credited, or paid to it as provided by law.

(3) EXPENDITURES.—Amounts in the Public Broadcasting Trust Fund shall be available for making such expenditures as may be provided by law.

(4) MANAGEMENT.—The Public Broadcasting Trust Fund shall be managed in accordance with the provisions of section 9602 of the Internal Revenue Code of 1986.

SEC. 203. MEMBERSHIP. (a) COMPOSITION.— "(1) APPOINTMENT.—The Commission shall be composed of 12 voting members and 3 ex officio members to be appointed not later than 60 days after the date of the enactment of this Act as follows: "(A) SENATORS.—One Senator shall be appointed by the Majority Leader of the Senate, and one Senator shall be appointed by the Minority Leader of the Senate. "(B) MEMBERS OF THE HOUSE OF REPRESENTATIVES.—One Member of the House of Representatives shall be appointed by the Speaker of the House of Representatives, and one Member of the House of Representatives shall be appointed by the Majority Leader of the House of Representatives. "(C) ADDITIONAL MEMBERS.—Eight members shall be appointed by the President, without regard to political affiliation, on the basis of demonstrated expertise in public broadcasting, education, entertainment, finance, or investment.

(b) VACANCIES.—(1) A PPOINTMENTS.—The Secretary of Commerce, the Chairman of the Federal Communications Commission, and the President of the Corporation for Public Broadcasting shall serve on the Commission as nonvoting ex officio members.

(2) VACANCIES.—Any vacancy on the Commission shall be filled in the manner in which the original appointment was made. The vacancy shall not affect the power of the remaining members to execute the duties of the Commission.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall elect a chairperson and a vice chairperson from among the members of the Commission.

(d) QUORUM.—Eight members of the Commission shall constitute a quorum for all purposes, except that a lesser number may constitute a quorum for the purpose of holding hearings.

SEC. 204. COMPENSATION. (a) PAY.—Voting members of the Commission shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Commission shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, when performing duties of the Commission.

SEC. 203. FACILITIES AND SERVICES. (a) USE OF FEDERAL FACILITIES.—Upon the request of the Commission, the head of any Federal agency may make available to the Commission any of the facilities and services of such agency.

(b) USE OF CIVIL SERVICES.—Upon the request of the Commission, the head of any Federal agency may make available to the Commission the services of the facilities and services of such agency.

(c) PERSONNEL FROM OTHER AGENCIES.—On the request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to serve as an Executive Director of the Commission or assist the Commission in carrying out the duties of the Commission. Such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(d) VOLUNTARY SERVICE.—Notwithstanding section 1942 of title 31, United States Code, the chairperson of the Commission may accept for the Commission voluntary services provided by a member of the Commission.

SEC. 206. TERM OF OFFICE. The Commission shall terminate 30 days after the date of the submission of the final report of the Commission to Congress.

APPROPRIATIONS. (a) COMMISSION.—There are authorized to be appropriated, credited, or paid to it as provided by law.

(b) CORPORATION FOR PUBLIC BROADCASTING. —Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended— "(1) by striking ‘‘and’’ after ‘‘1995,’’; and "(2) by striking ‘‘1996,’’ and inserting ‘‘1996, and $250,000,000 for each of fiscal years 1998, 1999, and 2000.’’

SPECTRUM REFORM DISCUSSION DRAFT

Mr. PRESSLER. Mr. President, I rise today to take another step in my overall telecommunications and information policy reform agenda. As I have stated many times, the historic enactment earlier this year of the Telecommunications Act of 1996 was only the first step in this national telecommunications policy for 21st Century America.

Today, I am putting out for public comment a discussion draft of spectrum reform legislation to institute comprehensive reforms in the Federal Government uses—and fails to use—our most important valuable national resource, the radio frequency spectrum.

THE SPECTRUM AND ITS USES

The radio spectrum is to the information age what oil and steel were to the Industrial Age. Like any resource, it is finite. Therefore it must be managed responsibly.

This valuable resource is one of the principle building blocks for tomorrow’s "Information Economy." It also is critical to delivering new and valuable services to the American public.

All of us have seen the contribution traditional radio-based services—such as public and commercial broadcasting—have made to our national life. We have seen the birth of low-cost satellite communications, which have enormously expanded the range of news, information, and entertainment...
choices. We have seen the proven value of cellular radiotelephones. In addition, there are an array of other critical radio-based telecommunications services—everything from the radar systems so important to air traffic control, the radios police, firemen, and ambulance use, to communications networks central to maintaining a strong national defense.

From its very beginning, wireless communications has played a vital role in preserving our freedoms and security. Through the development of radio and television broadcasting, it has delivered information and entertainment programming to the public at large. More recently, wireless, spectrum-based telecommunications services, products and technologies have proven indispensable enablers and drivers of productivity and economic growth, as well as international competitiveness.

Wireless technology can deliver telecommunications and information services directly to individuals on the move. No longer is being away from the office desk or factory floor an impediment to doing business. Fixed locations that cannot be served economically by wireline facilities because of physical infrastructure prohibitive high costs are made accessible. Wireless services also are critically important in bringing competition to the wireline telephone network—one of the key goals of the Telecommunications Act.

There is almost limitless demand for the use of this spectrum. In other words, the spectrum is an enormously valuable, yet finite natural resource. This is the crux of the problem with our current spectrum policy structure. Unless a reform plan is developed to create a more effective and efficient use of the spectrum, a vast array of new spectrum-based products, services, and technologies will go unrealized for the American people.

Spectrum

We are on the cusp of great change. Over the past couple of years, we in the Congress and the Federal Communications Commission (FCC) have accelerated the deployment of a whole new generation of pocket phones—so-called “Personal Communications Services.” Just this spring, the FCC authorized a new generation of wireless computers—radio-based systems that may make it possible for us to interconnect our schools and provide our students with access to the Internet on a low-cost, highly, effective basis.

America has pioneered the development of digital television. Later this year, actual digital broadcast operations may begin. By the turn of the century—less than 4 years from now—we could have the equivalent of a digital overlay network in the United States, relying on a new electronic infrastructure broadcasters hope to put in place.

These and other accomplishments have been achieved despite a regulatory framework that dates to the days of Marconi. It is a policy designed for an environment characterized by stable technology and stable, predictable demand for very basic communications. Under this antiquated model, the Government—not consumers—largely decides who uses frequencies, what they are used for, and how they are used—a government-sponsored electronic industrial policy.

This system is slow. It is anti-competitive. It is antifree speech.

Efficiencies in the Current Policy

As with other systems of central planning, the spectrum management system currently utilized in the United States tends to result in inefficient use of the spectrum resource. Federal regulators—rather than consumers—decide whether taxis, telephones, service, broadcasters, or foresters are in greatest need of spectrum. Not surprisingly it is a highly politicized process. Most important, new services, products and technologies are delayed or, worse yet, denied. This obviously harms consumers.

Consider cellular phones, the lengthy delay in making cellular telephone service available imposed tremendous costs on the economy. One study estimated the delay cost $86 billion. As important, American consumers were denied a new productivity and security tool for many years.

Equally troubling, the system constrains competition. One of the most important qualities of a competitive industry is the ability of new firms to enter the business. Yet, the bureaucratic allocation process typically provides for a set number of licenses for each service. This excludes additional competitors. Only two cellular franchises, for instance, are allowed in each market.

Delays associated with the allocation and assignment processes, while perhaps acceptable in a slow changing world, are seriously out of step with the fast-changing, high-technology world of today. Pressures on the traditional radio frequency management structure are increasing. Demand for channels is outstripping supply.

The current environment hobbles progress. It makes it hard for innovators to gain access to the radio spectrum resources they need to deliver technology’s promise to the American people.

Another problem with current policy is that the Federal Government alone claims nearly one-third of this critical resource. There has been a bipartisan commitment to privatize some of the spectrum the Government has warehoused. Among the benefits of that bipartisan effort has been a series of spectrum auctions. Those auctions have produced more than $20 billion for the U.S. Treasury. Although spectrum auctions have provided significant revenues for the U.S. Treasury, the overriding policy reason for adopting a spectrum auction policy is not—I repeat not—to provide more money for the Government.

Much more important, spectrum auctions have accelerated access to the resources by private sector entrepreneurs. The key policy goal achieved with auctions is placing the spectrum resource in the hands of those who value it most highly. Those who will put it to its best, highest valued use.

The FCC’s current auction authority expires in 1998. We need to address these issues before then. We then ought to make the FCC’s auction authority permanent.

But as I stated here on the Senate floor on March 13 much more definitely needs to be done.

Under the comprehensive discussion draft of spectrum reform legislation I am unveiling today, a far reaching series of reforms would be initiated.

Spectrum Auction Authority and Exhaustive Licensing

The spectrum reform discussion draft would expand the FCC’s spectrum auction authority. This change would, once and for all, place the spectrum issue outside of the budget context and squarely in the arena of communications policy.

The FCC also would be required to exhaustively license all available spectrum by selecting bands of unallocated and unassigned frequencies to be auctioned. Any existing licensees in these bands would be protected and grandfathered. Indeed, they would gain flexibility in use within their actual or implied service area and spectrum block.

The FCC is directed to maximize the value of spectrum licenses by selecting broad, low frequency bands of contiguous spectrum that are not fully assigned. The spectrum seeking flexibility in use may also apply for any adjacent or cochannel spectrum contiguous to its existing license that is allocated but unassigned.

Spectrum Flexibility

The key reform contained in this discussion draft is freedom in spectrum use. While important, auctions are not the most important reform contained in this legislation. Much more important is replacing the current Government-mandated industrial policy system with a market-based system.

Auctions only tell you who gets a license. We now need to discuss what the license allows you to do.

Like land, the Government shouldn’t tell people what they can do with frequencies. So long as they don’t interfere with their neighbors, they should be able to use it for whatever consumers want.

Like newspapers, the Government shouldn’t tell broadcasters what they say or how they say it. That should be up to viewers.

Simply put, frequencies should be treated more like private property.

Mr. President, at the core of the spectrum reform I am today proposing is the concept of spectrum flexibility. Flexibility for a changing world.
For instance, radio frequency management historically has limited the permissible uses of allocated bands and assigned channels. This, in part, has been a function of technology, as well as the characteristics associated with particular service needs.

For example, channels allocated to the Forest Products Service traditionally have been quite low frequencies. This is because those frequencies have been shown to have the greatest ability to penetrate tree branches, leaves, and other obstructions naturally occurring in a forest. New digital communications technologies have gone a long way toward changing this reality. Today's digital technology includes error correction and other features which lessen interference.

Another good example of why today's technology requires increased spectrum flexibility occurs in spread spectrum and digital overlay. These techniques make it possible for multiple communications organizations to establish concurrent operations within the same radio frequency channel. In other words, using this technology, broadcasters could transmit communications in addition to video and sound signals. Radio broadcast operations such as those already provide local links for paging operations. Government policy must allow multiple, more intensive use of radio frequency resources where there is no perceptible adverse technical impact.

Allowing radio frequency licensees greater flexibility also could facilitate equipment and systems modernization and upgrading in the public sector. This would enhance public safety. For example, many public communications systems today are in need of modernization, to meet the demand for more cost-effective and responsive law enforcement, fire safety, and emergency medical services. At the same time, the resources available to many public safety communications organizations are quite limited.

If local police forces were permitted greater flexibility in use of their channels, however, this challenge would be less severe. Switching to new digital communications techniques typically achieves a significant increase in the total number of channels available—-in some cases, by a factor of four or more. Thus, a local police department could increase the number of channels available for emergency operations and, at the same time, have capacity available which it could lease or barter with private communications organizations. Such arrangements could generate the funds needed to finance modernization.

Greater flexibility is a public interest win-win situation—an option that benefits all involved and affords the general public both better service and more communications options. The FCC already has taken steps to allow some radio licenses more flexible use. The Commission's cellular radiotelephone rules, for example, place few constraints on permissible communications. The same is true in the case of the new PCS services. What is needed, however, is far greater application of this fundamental principle of flexible spectrum use. My bill does just that.

Under this discussion draft, each existing and future licensee would have increased flexibility in use including: The right to use assigned spectrum for any service, under any regulatory classification, and under any technical parameters. In addition, the licenses would have the right to freely transfer the license to others. The flexible use would have to be within the licensee's existing or implied service area and spectrum block and could not be inconsistent with international treaty obligations of the United States. The spectrum licensee also would bear the burden of showing any new use was within the existing or implied service area and spectrum block.

**SPECTRUM PRIVATIZATION**

Another major feature of the draft legislation is spectrum privatization. Simply put, under the discussion draft, the Federal Government would be obliged to relinquish one-quarter of its spectrum stockpile. Spectrum auctions would be held to place that spectrum in the hands of the public as quickly as possible. In addition, Government agencies would be required to rely, to the maximum extent possible, on the private sector to meet their radiocommunications needs. Taking into account the taxes paid, if nothing else, this would definitely help the public and strengthen the American information technology economy.

**SPECTRUM MANAGEMENT CONSOLIDATION**

The discussion draft would place the responsibility for managing the spectrum in the United States solely with the FCC. The Commission would be required to factor in critical national defense, law enforcement, and national policy priorities. However, the current regime divides responsibility between the FCC and the Department of Commerce, which would be eliminated. This would improve the overall management process. It also would increase accountability.

**SELF-MANAGED REGULATION**

One of the more promising options for radio frequency management reform is self-managed regulation—the use of private sector radio frequency coordinator groups to handle routine engineering, frequency coordination, and other functions which, in the past, typically had been undertaken by FCC staff.

At present, the FCC relies on frequency coordinators to handle many of the routine chores associated with private mobile radio systems. Organizations such as the National Association of Business & Educational Radio (NABER), the Associated Public-Safety Communications Officers [APCO], and the Special Industrial Radio Service Association (SIRSA) process applications, conduct engineering surveys, and otherwise facilitate licensing and channel usage in these specific private radio services. The FCC does not generally rely on frequency coordinators, however, with regard to broadcast services, particularly community and other large frequency using services.

The task of being a frequency coordinator depends, in large part, upon two things: Access to computerized data bases; and some expertise in radio frequency engineering, to access to data bases today, of course, is routine. At the same time the number of individuals with substantial radio frequency management expertise is growing. This is due in part to Federal Government and defense agency downsizing. There is, in short, no good reason to assume that multiple frequency coordinators could not be sanctioned by the FCC. This would have the effect of broadening users’ options. Competition among frequency coordinator groups, moreover, should have the effect of ensuring efficient charges and effective, responsive operations. That has been true in virtually every market in which competition has been introduced. It should be true in this case as well. That is why the discussion draft directs the FCC to expand substantially the agency's use of private sector frequency coordinator groups.

**PUBLIC SAFETY SPECTRUM**

The draft legislation also directs the FCC to make spectrum block grants to States for public safety spectrum needs. In lieu of processing, issuing, and renewing tens of thousands of public safety communications licenses—at significant cost to licensees, as well as the FCC—the agency would issue 55 block grants to the chief executive officer of each State, Guam, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia. It would then be the responsibility of State Governors to determine eligibility, to access to data compliances with standard FCC—and other—operating rules, and to resolve disputes among public safety licensees within their jurisdiction.

This reform would reduce delays and heighten responsiveness to actual user requirements. It would lessen substantially the burdens of traditional regulation now borne by the FCC. Most important, it would tend to ensure more and better public safety communications across State resistance to digital television.

**BROADCAST TELEVISION SPECTRUM**

Mr. President, this draft legislation also would resolve the controversy that has surrounded the digital—or high-definition—television issue. It would speed up the migration of broadcast television to digital channels. At the same time, it would firm up the plans which have been announced regarding the retrocession of one 6 MHz channel—assets which could be used for many purposes in addition to straight broadcast television.

Spectrum in the VHF and UHF television bands has the potential of being extremely valuable for a variety of
Mr. President, we enacted comprehensive telecommunications legislation earlier this year for one very simple reason: because more and more is apparent to all of us that the traditional, highly bureaucratized telecommunications regulatory system no longer served the public’s best interest. There were unexplainable delays. New services were not being offered. New investment and job opportunities were not materializing fast enough.

The oldtime telecommunications regulatory system, in short, had become the classical regulatory bottleneck. It was stalling forward progress. As a result—after nearly two decades of struggling with these issues—this Congress developed and enacted comprehensive reform legislation.

The discussion draft I am unveiling today is very much the other side of that fundamental regulatory reform equation. It addresses issues and choices that Congress, the FCC, and the executive branch have wrestled with for years. The approach is fair and for years. The approach is fair and balanced, and it will pay substantial dividends. Let me stress, however, that the unveiling of this discussion draft is merely the beginning of what I hope will be a spirited, robust debate. I look forward to continuing to work cooperatively with all of my colleagues in the Senate and the House to develop sound, consensus legislation that can be introduced in the near future. I also want to encourage all affected parties to provide comments to the committee regarding this proposal.

Mr. President, the radio frequency management and use reforms contained in this spectrum reform discussion draft hold significant promise. They would reduce regulatory burdens. They would protect public policies including advances in technology and innovation, greater choice and more customer options, and more effective, efficient, and responsive use of this valuable national resource.

Mr. President, I ask unanimous consent that a summary of the discussion draft together with the draft legislation language itself be printed in the RECORD.

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

SUMMARY OF PRESSLER SPECTRUM BILL DISCUSSION DRAFT: THE ELECTROMAGNETIC SPECTRUM MANAGEMENT POLICY REFORM AND PRIVATIZATION ACT

SPECTRUM AUCTION AUTHORITY

Permanency Authority. FCC’s spectrum auction authority is extended and made permanent.

Expanded Authority. FCC’s spectrum auction authority to make spectrum license assignments is expanded with the following limited exceptions: non-mutually exclusive applications; public safety services; digital television licenses for broadcasters; and spectrum and associated orbits within an international satellite system. FCC’s auction authority also expanded to include allocations, where consistent with the Act.

Exhaustive License. The contractor is required to exhaustively license all available spectrum by selecting bands of unallocated and unassigned frequencies to be auctioned. Any assigned, exclusive capacity, which was protected and grandfathered and gain flexibility in use within their actual or implied service area and spectrum block. FCC is directed to license any combination of licensees by selecting broad, low frequency bands of contiguous spectrum that are not fully assigned.

VOLUNTARY REALLOCATION—SPECTRUM FLEXIBILITY

Flexibility In Use. Each existing and future nonbroadcast licensee will have flexibility in use which includes: the right to use assigned spectrum; under any regulatory classification; under any technical parameters; and the right to freely transfer this right to others.

Limitations. The flexible use must be within the licensee’s existing or implied service area and spectrum block and cannot be inconsistent with international treaty obligations or policies adopted by the FCC. The spectrum licensee bears the burden of showing that any new use is within the existing or implied service area and spectrum block.

The spectrum owner seeking flexibility in use may also apply for any adjacent or co-channel spectrum contiguous to its existing license that is allocated but unassigned.

GOVERNMENT SPECTRUM USERS

Flexibility In Use. Government spectrum users are also granted spectrum flexibility rights, including the right to transfer any spectrum rights now assigned to them to any government or private sector entity and to receive compensation for rights transferred.

Privatization. The Federal government is required to make an additional 25 percent of its exclusive or shared spectrum below 5 GHz available to the FCC for allocation to private sector spectrum licensees using spectrum auctions.

BRAC-Like Commission. A Presidential appointed Advisory Committee On Withdrawal will be established to determine how to make available the shared spectrum for privatization and to determine what, if any, amount of spectrum beyond the mandatory 25 percent which will be made available to the private sector over a period of 10 years.

Financial Incentives. To encourage government agency and personnel cooperation, financial incentives will be developed to reward them for opening more spectrum for private sector use.

Relocation Compensation. Federal government users are allowed to accept compensations, including reimbursement of costs, from any entity to defray the costs of relocating the Federal entities operations from one set of spectrum frequencies to another.

Additional Privatization. The Act adopts as statutory law OMB’s Circular A-76 which requires Federal agencies to undertake an extensive cost-benefit analysis prior to vertically integrating or continuing to vertically integrate to meet their needs, and to take into account taxes forgone when the Government chooses to make rather than buy products or services to meet its needs.

A-76 analysis has simply not been consistently—nor continuously—applied to Government radio communications requirements. The Act will change Federal agencies to systematically review their communications systems and operations, and shift to private sector suppliers wherever feasible.

Technology Teaming. The number of communications channels can be significantly multiplied if the analog communications facilities used by many Federal agencies were changed to digital. Federal agencies will be required to team with a private company to install advanced, digital capability and inconstancy, which in turn can be equitably apportioned between agency and private partner.

Multi-Agency Systems. Federal agencies will be required to consider using the availability of private sector suppliers but also other government agency suppliers. Today each Federal agency maintains—and needlessly guard—its own system. As a result, there are very few “common user” systems.

CONSOLIDATION OF FEDERAL SPECTRUM MANAGEMENT FUNCTION

NTIA Eliminated. Management of spectrum for Federal government agencies, together with the IRAC Secretariat and associated support activities, is transferred from NTIA to the FCC.

National Security Safety Valve. The President may veto any FCC action which limits the amount of spectrum available to government users, limits the uses to which spectrum may be put, or interferes with or compromises Federal use, if such action substantially harms national security or public safety.

NON-EXCLUSIVE LICENSES

For non-exclusive spectrum licenses not assigned by spectrum auction, the FCC will
have the authority to use other economic incentives, including user fees, to ensure that spectrum is assigned and used efficiently and that the public is fairly compensated for the use of the spectrum.

**SELF MANAGED REGULATION**

FCC is directed to substantially expand its use of private sector frequency coordinator groups thus reducing need for FCC in house engineering.

**PUBLIC SAFETY SPECTRUM BLOCK GRANTS**

Each State may assume responsibility as a block grant licensee for managing the spectrum currently allocated to public safety uses within its State boundaries. Each grant licensee shall have the same flexibility in use available to private FCC licensees.

**Interference disputes between the States will be resolved by the FCC.**

**BROADCAST TV SPECTRUM—DEPOSIT, RETURN AND OVERLAY (A MARKET-BASED ALTERNATIVE TO A GOVERNMENT MANDATED AND DICTATED TRANSITION POLICY)**

**Purpose.** Spectrum in the VHF and UHF television bands is potentially extremely valuable for a variety of uses. Current licensing policy, however, keeps this spectrum "locked up" behind a small number of existing licensees, and ensuring the public is fairly compensated for the use of spectrum. This alternative proposal recognizes the equities of incumbent full power broadcasters and permits the band to fully and fairly compete in the digital era, most especially their desire to convert to digital technology. At the same time it will maintain the current level of free television service for American consumers.

No Standards Setting. FCC is specifically precluded from mandating an HDTV or digital television (DTV) standard for broadcast licensees or establishing a requirement that all TV sets sold or imported must be digital compatible to guarantee market penetration.

Deposit. One 6 MHz DTV channel will be assigned non-competitively to each existing NTSC licensee, and assuring the public is fairly compensated for the use of spectrum. This alternative proposal recognizes the equities of incumbent full power broadcasters and permits the band to fully and fairly compete in the digital era, most especially their desire to convert to digital technology. At the same time it will maintain the current level of free television service for American consumers.

The amount of the deposit returned to the DTV licensee will be determined by the auction of the overlay licenses (see below). Any DTV licenses not accepted will be auctioned by the FCC as part of an overlay license.

Return. The money deposited for the DTV license can be paid in installments over a period of 15 years with the money going into an interest bearing account to the U.S. Treasury for deficit reduction. After 15 years from the date the FCC assigns a DTV license, the broadcast licensee will have the right to relinquish any right to the DTV license for payment of a fee (Deposit) or to simply keep their existing NTSC license and relinquishing their right to the DTV license. The deposit will be based on the market value of the license determined by the auction of the overlay licenses (see below). Any DTV licenses not accepted will be auctioned by the FCC as part of an overlay license.

**SPECTRUM REPORT**

After 2 years the FCC will prepare a cost-benefit report on the results of the legislation together with any recommendations for additional legislation.

SEC. 1. SHORT TITLE.

This Act may be cited as the “Electromagnetic Spectrum Management Policy Reform and Privatization Act.”

SEC. 2. FINDINGS.

The Congress finds that—

(1) New applications of wireless communications technologies await access to the electromagnetic spectrum to provide innovative services and utilities.

(2) The spectrum, however, is often characterized as overcrowded and filled to capacity with current allocations.

(3) Capacity may now be underutilized due to the use of obsolete technologies, while bands with great promise for delivering better quality communications products to consumers are underutilized.

(4) This seeming paradox may be the result of a regulatory structure that is increasingly inefficient in the dynamic worlds of telecommunications and information technologies.

(5) This inefficiency results from structural defects in the system itself, not from the expertise, or competence at, the regulatory agencies.

(6) Central allocation mechanisms provide insufficient information with which to rank competing uses for spectrum, or competing technologies for delivering those uses.

(7) Approximately one-third of the usable spectrum is allocated to government yet otherwise unavailable for private sector use. Innovations to help and encourage the government to use spectrum more efficiently should be adopted.

(8) The dramatic acceleration in the pace of technological change and the increasing complexity of allocation and assignment decisions make the case for an overhaul of the current system more compelling than ever before.

(9) Lack of capital and outmoded equipment have led to inefficient utilization of the spectrum bands used by Federal agencies and public safety users.

(10) The management of spectrum can be substantially reformed by giving most licensees the freedom and incentive to use the spectrum more efficiently.

(11) In particular, within its explicit or implicit service area and spectrum block, a licensee should be given—

(A) the right to use assigned spectrum for other DTV assignments.

(B) freedom to resell or sublease; and

(C) freedom to pick regulatory classification.

(12) To get the full benefit of liberalizing existing licenses, currently unassigned or underutilized spectrum will have to be made available in an efficient manner. The Commission will have to exhaustively license this spectrum expeditiously. These new assignments should

(A) be exclusive;

(B) provide new licensees marketplace freedoms similar to those enjoyed by existing licensees; and

(C) be assigned through simultaneous multiple round auctions where there are mutually exclusive applicants.

(13) Similar incentive-based reforms should be adopted for the spectrum used by the Federal government and by the public safety community, including substantial privatization, flexibility in use, financial incentives and compensation for relocation and band clearing, consolidation of the Federal spectrum management function, and spectrum block grants to the States.

(14) An alternative broadcast television spectrum policy is needed to guide the spectrum to its highest valued use while preserving the current level of free television service, noncompetitively assigning an additional 6 MHz to each existing NTSC licensee, and ensuring the public is fairly compensated for the use of spectrum.

(15) All reforms should encourage private innovations to help and encourage the government to use spectrum more efficiently.

(16) All reforms will ultimately increase the expertise of, or competence at, the regulatory agencies.

SEC. 3. DEFINITIONS. When used in this Act—

(1) Commission.—The term "Commission" means the Federal Communications Commission.

(2) Flexibility in use.—The term "flexibility in use" means—

(A) the right to use assigned spectrum for any service (including but not limited to those defined by the Commission), under any regulatory classification, and under any technical parameters, including necessary receiving equipment to the use of obsolete technologies, while bands with great promise for delivering better quality communications products to consumers are underutilized.

(B) This seeming paradox may be the result of a regulatory structure that is increasingly inefficient in the dynamic worlds of telecommunications and information technologies.

(5) This inefficiency results from structural defects in the system itself, not from the expertise, or competence at, the regulatory agencies.

(6) Central allocation mechanisms provide insufficient information with which to rank competing uses for spectrum, or competing technologies for delivering those uses.

(7) Approximately one-third of the usable spectrum is allocated to government yet otherwise unavailable for private sector use. Innovations to help and encourage the government to use spectrum more efficiently should be adopted.

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(16) All reforms will ultimately increase the expertise of, or competence at, the regulatory agencies.
with international treaty obligations of the United States, and
(B) the right to freely transfer this right to others.

(5) IMPLIED SERVICE AREA.—The term ‘‘implied service area’’ means the service area implied by the potential power level and antenna height for a licensee, even if that area is not licensed to a licensee.

(6) SERVICE AREA.—The term ‘‘service area’’ means the geographic area over which a licensee may provide service and is protected by interference.

(5) SPECTRUM BLOCK.—The term ‘‘spectrum block’’ means the range of frequencies over which the apparatus licensed by the Commission is capable of transmitting signals.

SEC. 4. SPECTRUM AUCTION AUTHORITY.

(a) SPECTRUM AUCTION AUTHORITY MADE PERMANENT.—Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (12) and (13) as paragraphs (11) and (12).

(b) EXPANSION OF SPECTRUM AUCTION AUTHORITY.—

(1) IN GENERAL.—Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended—

(A) by striking paragraphs (1) and (2) and inserting the following:

(1) IN GENERAL.—The Commission may not apply the competitive bidding authority granted by this subsection to licenses or construction permits issued by the Commission:

‘‘(A) for public safety radio services, including non-Government uses the sole or principal purpose of which is to protect the safety of life, property and public; or

‘‘(B) for spectrum and associated orbits used in the provision of any satellite within a global satellite system.’’;

(2) CONFORMING AMENDMENT.—Section 309(j)(6) of such Act is amended—

(A) by striking paragraph (E); and

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (E) through (G), respectively.

(c) EXHAUSTIVE SPECTRUM LICENSING POLICY.—

(1) IN GENERAL.—The Commission shall complete all actions necessary to permit the allocation and assignment by competitive bidding pursuant to section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) of licenses for the use of bands of frequencies that—

(A) in the aggregate span not less than 250 megahertz and that are located below 5 gigahertz, within 1 year after the date of enactment of this Act; and

(B) in the aggregate span not less than 5 gigahertz and that are located between 5 gigahertz and 60 gigahertz, within 2 years after the date of enactment of this Act; and

(C) have not, as of the date of enactment of this Act—

(1) been assigned or designated by Commission regulation for assignment pursuant to such section;

(2) been identified by the Secretary of Commerce in section 110 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923); or

(3) have reserved for exclusive Federal Government use pursuant to section 305 of the Communications Act of 1934 (47 U.S.C. 305); and

(D) may include spectrum exhaustively licensed throughout the United States under the provisions of section 337(c)(4)(C) of the Communications Act of 1934.

(2) CURRICULUM VITAE.—In making available bands of frequencies for competitive bidding pursuant to paragraph (1), the Commission shall, to the greatest extent feasible, maximize the value of the spectrum licenses by—

(A) selecting broad, low-frequency bands of contiguous spectrum that are not fully assigned; and

(B) exhaustively licensing it throughout the United States.

(d) EFFECTIVE DATE.—The amendment made by section (b) does not apply with respect to any license or permit for a terrestrial radio or television broadcast station for which the Commission has not mutually exclusivity at the time of enactment of this Act.

(e) INTRA-SERVICE EXHAUSTION.—The term ‘‘intra-service exhaustion’’ means the geographic area over which the new use is within the licensee’s existing explicit or implied service area or spectrum block.

(f) APPLICATION; PROCEDURE.

(1) APPLICATION.—If mutually exclusive applications are accepted for any initial license or construction permit which will involve use of electromagnetic spectrum, then the Commission shall grant such license or permit to a qualified applicant through a system of competitive bidding that meets the requirements of this subsection.

(2) APPLICATION Window For Competing Applications. —The Commission may also accept applications to allocate spectrum where it determines that such an auction is consistent with the purposes of this Act.

(3) Filing Window for Competing Applications.—(A) In General.—The Commission shall publish notice of application for additional spectrum under subsection (b) if no other applicant applies for that spectrum within 20 days after publication of notice of the other person’s application is first published in the Federal Register.

(B) Approval of Noncontest Applications.—(I) In General.—The Commission shall approve an application for additional spectrum under subsection (b) if no other applicant applies for that spectrum within 60 days after publication of notice of application.

(C) Approval of Additional Spectrum Requests.—(I) In General.—The Commission shall, to the greatest extent possible, maximize the value of the spectrum licenses by—

(A) selecting broad, low-frequency bands of contiguous spectrum that are not fully assigned; and

(B) exhaustively licensing it throughout the United States.

(II) EFFECTIVE DATE.—The amendment made by section (b) does not apply with respect to any license or permit for a terrestrial radio or television broadcast station for which the Commission has not mutually exclusivity at the time of enactment of this Act.

(III) INTRA-SERVICE EXHAUSTION.—The term ‘‘intra-service exhaustion’’ means the geographic area over which the new use is within the licensee’s existing explicit or implied service area or spectrum block.

(2) APPLICATION Procedure.—(A) FLEXIBILITY IN USE.

(i) The Commission shall approve an application for flexibility in use under subsection (a), or for flexibility in use and for additional spectrum under subsection (b), if the Commission determines that the change of use is consistent with the purposes of this Act.

(ii) The Commission may require and shall include an adequate interference showing.

(B) ADDITIONAL SPECTRUM.—The holder of a nonbroadcast license making application for a change of use of a license under this title is hereby granted flexibility in use. A licensee may change the use for which the license was granted to provide any other use of that license within its existing explicit or implied service area and spectrum block, unless the Commission disapproves the holder’s application for such change under subsection (c).

(C) APPLICATION Procedure.—(1) APPLICATION.—(I) FLEXIBILITY In USE.

(A) GENERAL.—If no objection is filed with the Commission, the application shall be deemed approved.

(B) GENERAL.—If an objection is filed with the Commission, the application shall be deemed approved.

(2) INTERFERENCE GUIDELINES.—The costs of arbitration shall be paid by the applicant for license use flexibility or any party who is the arbitrator.

(3) INTERFERENCE GUIDELINES.—The term ‘‘Commission’’ means the United States.

(4) APPROVAL OF ADDITIONAL SPECTRUM REQUIREMENTS.—(A) FILING WINDOW FOR COMPETING APPLICATIONS.—Any person may apply for spectrum requested by another person if the application is filed within 30 days after notice of the other person’s application is first published in the Federal Register.

(B) APPROVAL OF NONCONTEST APPLICATIONS.—The Commission shall approve an application for additional spectrum under subsection (b) if no other applicant applies for that spectrum within 30 days after publication of notice of application.

(C) COMMISSION FAILURE TO ACT.—If no objection is filed with the Commission and the Commission fails to act in the application within 60 days, the application shall be deemed approved.

(3) THIRD PARTY CHALLENGES.—A co-channel licensee or adjacent channel licensee has standing to object to the approval of an application under subsection (a) if the objection is filed in writing with the Commission within 30 days of the date on which the notice of application is published in the Federal Register.

(4) ARBITRATION OF INTERFERENCE DISPUTES.—The Commission shall appoint an arbitrator to resolve the dispute.

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(B) APPROVAL OF NONCONTEST APPLICATIONS.—The Commission shall approve an application for additional spectrum under subsection (b) if no other applicant applies for that spectrum within 30 days after publication of notice of application.

(C) COMMISSION FAILURE TO ACT.—If no objection is filed with the Commission and the Commission fails to act in the application within 60 days, the application shall be deemed approved.

(5) ARBITRATION OF INTERFERENCE DISPUTES.—The Commission shall appoint an arbitrator to resolve the dispute.

(A) INTERFERENCE GUIDELINES.—The costs of arbitration shall be paid by the applicant for license use flexibility or any party who is the arbitrator.

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(B) APPROVAL OF NONCONTEST APPLICATIONS.—The Commission shall approve an application for additional spectrum under subsection (b) if no other applicant applies for that spectrum within 30 days after publication of notice of application.

(C) COMMISSION FAILURE TO ACT.—If no objection is filed with the Commission and the Commission fails to act in the application within 60 days, the application shall be deemed approved.
[Extracted text not provided due to the nature of the request.]
States Government to enter into contracts, leases, partnerships, teaming agreements, and other cooperative business-government arrangements, that will enable the private sector to develop, in whole or in significant part, in the upgrading of government radiocommunications systems, and permit an equitable apportionment of the use of such systems between the government as well as private sector needs.

(2) APPLICATION TO LEGISLATIVE AND JUDICIAL BRANCHES.

(A) THE CONGRESS.—As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, the regulations promulgated by the Commission under paragraph (1) are deemed to have been adopted by each House of the Congress, respectively, as rules applicable only to that House, for permitting or superseding other rules of each House of the Congress only to the extent that they are inconsistent with those other rules, and they are enacted with full recognition of the constitutional right of each House to change them, to the extent that they relate to that House, in the same manner and to the same extent as any other rule of that House.

(B) THE FEDERAL JUDICIARY.—The judicial branch of the United States Government is authorized and requested to adopt the regulations promulgated by the Commission under paragraph (1) as applicable to the operations of that branch.

(3) COMPETITIVE PROCUREMENT TECHNIQUES.—Each department, agency, and instrumentality of the United States Government is authorized and encouraged to employ competitive procurement techniques in selecting private sector partners for the purpose of mutually benefiting from the upgrading of technology associated with Federal radiocommunications systems, except that the head of any such department, agency, or instrumentality may waiver compliance with competitive procurement techniques in whole or part, if it is in the government's interests; and

(B) business-government arrangements undertaken under this Act shall not be subject to limitations regarding gifts and bequests to Federal agencies.

The provisions of this paragraph shall apply to the legislative and judicial branches of the United States Government to the extent that such branches adopt the same or similar rules.

(4) REPORT.—The President shall include as part of the Budget of the United States for each fiscal year beginning after the date of enactment of this Act, a report detailing the number and scope of cooperative business-government radiocommunications arrangements undertaken in accordance with this Act for the preceding fiscal year.

(F) GOVERNMENT COMMUNICATIONS SYSTEMS; MULTIPLE USE AND APPLICATION.—

(1) It is the policy of the United States to encourage and facilitate the multiple, shared use of government communications systems to the maximum extent possible, in order to foster more effective and efficient use of radio spectrum resources.

(2) To implement this policy, the Commission in consultation with the Director of Management and Budget, and the Administrator of the General Services Administration and other appropriate officers or employees of the United States Government, within 1 year after the date of enactment of this Act shall adopt rules, regulations, and business guidelines which:

(A) establish a Federal radiocommunications system register, to be maintained by the Director, or his designee, which shall include forth capacity which could be available for use by other Federal agencies;

(B) require the heads of all Federal agencies seeking additional radio spectrum licenses or assignments to certify that they have fully considered the availability of private sector systems that meet both government and as private sector needs.

(C) require all Federal agencies holding radio spectrum licenses or assignments promptly, and on a continuing basis, to assess the capability and desirability of sharing the capacity of their radiocommunications systems with other Federal agencies, and to report their findings for inclusion in the register required by this Act.

(g) CONSOLIDATION OF FREQUENCY MANAGEMENT RESPONSIBILITIES.—The radio frequency management functions of the National Telecommunications and Information Administration (hereinafter referred to as "NTIA"), including the Interdepartmental Radio Advisory Committee, are hereby transferred to the Commission.

(h) ADMINISTRATIVE INJUSTICE.—(A) The President may invalidate any Commission action that—

(1) limits the amount of spectrum available to departments, agencies, or instrumentalities of the United States, and

(2) limits the uses to which such spectrum may be put; or

(3) interferes with or compromises any use by any such department, agency, or instrumentality if, after a hearing on the record, the President finds that such action would substantially harm national security or public safety.

SEC. 7. NONEXCLUSIVE LICENSES.

The Commission may use such other economic incentives as it deems appropriate, in place of the requirements of section 5 of this Act, as amended by the Communications Act of 1996, to ensure that nonexclusive and licenses and licenses not issued utilizing competitive bidding are used efficiently and that the public is fairly compensated for such spectrum.

(3) REASSIGNMENT OF RELINQUISHED LICENSES.

The Commission shall reallocate any spectrum that had been previously encumbered by a license to whom a DTV license was assigned, but for which it was assigned or transferred. Any spectrum that had been previously encumbered by a relinquished DTV license shall be available for use by other Federal agencies;
MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, 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.)
and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of final rules (FRL-5500–9, FRL-5501–4, FRL-5467–8, FRL-5501–3, FRL-5468–2, FRL-5500–4, FRL-5467–1, FRL-5464–1, FRL-3368–9) received on May 3, 1996; to the Committee on Environment and Public Works.

EC–2551. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of final rules (FRL-5467–1, FRL-5464–9, FRL-5467–3, FRL-5467–8, FRL-5468–2, FRL-5464–2, FRL-5464–1) received on April 30, 1996; to the Committee on Environment and Public Works.

EC–2552. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule (RIN 2120–AA64) received on April 30, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2553. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule (RIN 2120–AA64) received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2554. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule (RIN 2120–AA64) received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2555. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a final rule (RIN 2120–AA64) received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2556. A communication from the Acting Assistant Secretary of State, Legislative Affairs, transmitting, pursuant to law, the report of a certification regarding the incidental effects on commercial fishing operations of the commercial shrimping operations; to the Committee on Commerce, Science, and Transportation.

EC–2557. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of the Appropriations Committee, with an amendment in the nature of a substitute: S. 1014. A bill to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and for other purposes (Rept. No. 104–240).

EC–2558. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report of the Maritime Administration for fiscal year 1995; to the Committee on Commerce, Science, and Transportation.

EC–2559. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of the Appropriations Committee, with an amendment in the nature of a substitute: S. 1527. A bill to designate the visitor center at Jean Lafitte National Historical Park in New Orleans, La., as the “Laura C. Hudson Visitor Center.” (Rept. No. 104–362).


EC–2561. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of a rule received on April 30, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2562. A communication from the Secretary of the Consumer Product Safety Commission, transmitting, pursuant to law, the report of a rule received on April 30, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2563. A communication from the Management Director of the Federal Communications Commission, transmitting, pursuant to law, the report of a rule received on May 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2564. A communication from the Program Manager Director of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule (RIN 0648–AB06) received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2565. A communication from the Program Manager Director of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2566. A communication from the Program Manager Director of the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule received on May 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2567. A communication from the Associate Director of the National Institute for Standards and Technology, Department of Commerce, transmitting, pursuant to law, the report of rules (RIN 0693–ZA02, RIN 0693–ZA06) received on May 3, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2568. A communication from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute: H.R. 2635. A bill to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria (Rept. No. 104–265).

EC–2569. A communication from the Committee on Armed Services, without amendment: S. 1719. A bill to authorize multiyear contracting for the C-17 aircraft program, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

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


Mary Ann Vlam Lemmon, of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

Edmund A. Sargus, Jr., of Ohio, to be United States District Judge for the Southern District of Ohio.

Dean P. Replogle, of California, to be United States District Judge for the Central District of California.

Walker D. Miller, of Colorado, to be United States District Judge for the Northern District of West Virginia.

By Mr. THURMOND, from the Committee on Environment and Public Works.

The following nominations were returned with the recommendation that they be confirmed:

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ASHCROFT (for himself, Mr. LOTT, Mr. DEWINE, Mr. MACK, Mr. HATCH, Mr. SMITH, Mr. CRAIG, and Mr. SHELBY):

S. 1741. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes; to the Committee on Finance.

By Mr. SPECTER (for himself and Mr. SAXBECH):

S. 1742. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to exempt minor parties from liability under the Act, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ASHCROFT (for himself, Mr. LOTT, Mr. DEWINE, Mr. MACK, Mr. HATCH, Mr. SMITH, Mr. CRAIG, and Mr. SHELBY):

S. 1741. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes; to the Committee on Finance.

THE WORKING AMERICANS WAGE RESTORATION ACT

Mr. ASHCROFT. Mr. President, during this year when so much discussion
is being focused on the future of America. I think it is important for us to inventory what it is that has made America a place of opportunity and a land which has welcomed individuals with initiative and industry from around the world. I think one of the keys to that component of the American experience which has allowed that to happen has been the component of growth. We have understood that the purpose of government is to provide a framework for growth, that growth should be the hallmark of a citizenry that identifies America as the land of opportunity. As a matter of fact, that citizens and corporations, individuals, and institutions should enjoy conditions of growth—that is the reason to have government. It is the reason to have public safety, so people can grow and develop. It is the reason to have national defense, so the Nation can grow. Not that we would have big government, but that we would have a largeness in terms of opportunity and citizenship; so that we could indeed meet the needs of the next generation.

It has been the kind of thing that has allowed us, as a country, to welcome all comers. It is the kind of thing that inspired Emma Lazarus to write the poem on the base of the Statue of Liberty:

Give me your tired, your poor,
Your huddled masses yearning to breathe free.
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tossed, to me:
I lift my lamp beside the golden door.

That is only available—we can only have the work, growth, growth for the community, growth for the citizen, growth for the individual. That is the purpose of government.

Yet, during the 1990s we find ourselves with a sense of dis-ease, a sense of dis-ease, if you will, not dis-ease, but dis-ease. We find that workers' wages are stagnant, some of them slipping. And we do not have that sense of growth. We do not find ourselves with that large reservoir of confidence that is rightfully American. What should we do? Where are we? People feel that we are adrift.

We have a forgotten middle class. It has been detected in the Presidential campaigns. It has been understood by people who have been out among the voters. You and I have detected it when we have talked to folks. They feel like there is a flatness, there is a staleness. You feel like there has not been any growth. Then you begin to look for a reason. All of a sudden it becomes apparent. The Commerce Department of the U.S. Government last week told us about growth. It told us about the growth in the amount of taxes that government is taking from individuals. It told us that we have reached an all-time high in terms of the taxes that individuals are paying. We tax people more now in America than we have taxed them at any time in history. We tax people more than we taxed them to fight the war in Vietnam, to win the Second World War. We tax people more now than we taxed them to spend our way out of the Great Depression. We tax people a lot less than we tax people now.

It is beginning to dawn on America, on citizens, that we have had growth in taxes but no growth in wages. People are beginning to understand that you choose to spend by government you cannot choose to spend as individuals. The Government has taken the increase in wages from people, the working people of the United States, for the last several years. The tax increases of this decade, including the 1993 tax increase of President Clinton, the largest tax increase in the history of America, has literally siphoned off the pay increase, the take-home pay that people would have had in the United States. It is time for us to understand that high taxes have hurt the ability of people to have more take-home pay.

I would like to correct this. I think we ought to be able to say that it is time for us to give people back the tax which we took from them. It is time for us to restore to the American people the wage increases which have been stolen by Government. So it is my privilege to introduce a measure, which I think is important to millions and millions of working Americans. I want to introduce the Working Americans Wage Restoration Act. This measure is a measure which is designed to increase the take-home pay of well over 77 million working Americans. It is a measure which would say that individuals, when they pay their Social Security taxes, have a right to deduct that tax payment from their income taxes. And, of course, that Social Security taxes would continue to be paid. There is nothing in this measure which would impair the Social Security trust fund. But right now American workers are being taxed on a tax. They pay their Social Security taxes but they also have to pay income tax on the money they use to pay their Social Security tax. A tax on a tax is something America has never long tolerated. It is time for us to say that we will not double tax American workers in this way.

It is especially egregious, it is especially aggravating, it is a special affront to the American people to say to them that you have to pay this tax on a tax. Half the tax is paid by people, the other half is paid by corporations. And, guess what, corporations do not pay a tax on a tax. Corporations can deduct from their income tax the amount of Social Security tax they pay as part of the payroll tax. So it is time for us to provide equity to the American people. For most Americans, the payroll tax is the most substantial of all taxes. So my proposal, which I send to the desk, is a proposal to eliminate the tax on this tax. Mr. President, I submit a bill for filing today at this time.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. ASHCROFT. Mr. President, this bill has endorsements of a wide variety of groups and individuals. Jack Kemp, who was the chairman of the Tax Reform Commission, our leader, has endorsed this. It was a part of the Commission report. Carroll Campbell, of the Tax Reform Commission; Grover Norquist, Americans for Tax Reform; David Keating, National Taxpayers Union; David Keene and Bill Pascoe, American Conservative Union; Steve Moore, Cato Institute; Jack Faris, NFIB; Steve Entin, of IRET; Aldona Robbins, Fiscal Associates; Tom Schatz, of Citizens Against Government Waste; Jim Carter, of the RNC; Greg Conko, of Competitive Enterprise Institute; Paul Huard, National Association of Manufacturers; Paul Beckner, Nancy Mitchell, and Decy Gray, Citizens for a Sound Economy; Beau Boulter, of the Tax Foundation; Seniors' Action Network; the Small Business Survival Committee; J. D. Foster, of the Tax Foundation; David L. Thompson, the Business Leadership Council—all have endorsed this matter, and we are grateful for their endorsements.

This matter is cosponsored in the Senate by Senators LOTT, DEWINE, MACK, HATCH, SMITH, CRAIG, and SHELBY and sponsored in the House by Congressman NETHERCUTT, cosponsored by Congressmen CRANE, HOSTETTLER and Congresswoman DUNN. I thank all of these people, along with Gordon Jones, of the Seniors Coalition, for their participation in promoting this important idea.

Mr. President, I yield the floor.

Mr. CRAIG. Mr. President, I am pleased to join my colleagues from Missouri. John Ashcroft, in the introduction this legislation, and I thank him for the thoughtfulness and, most important, the foresight and I think this legislation represents.

The Senator spoke well when he said Americans will not for long tolerate double taxation, and it is unique in the area of Social Security taxes that we allow corporate America, in their partnering in this tax, to deduct it, but we do not allow the individual who pays that tax to deduct it. So, as a result of the first $62,700 of income, the individual is, in essence, double taxed.

My colleague from Missouri today has introduced legislation in essence saying that the time of that fallacy is over. We ought to do that, if we are to restore the wage-earning capability of the American worker, we should let them keep the money they have earned, and we do so with this legislation today. For a typical two-income family, and most of the tax is coming that now—the Federal income tax liability would be dropped by more than $1,000.
By Mr. SPECTER (for himself and Mr. SANTORUM)

S. 1742. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to exempt minor parties from liability under the act, and for other purposes; to the Committee on Environment and Public Works.

THE SUPERFUND MINOR PARTY LIABILITY RELIEF ACT OF 1996

Mr. SPENCER. Mr. President, today I am introducing legislation to expedite the cleanup of our Nation’s toxic waste sites. My bill, the Superfund Minor Party Liability Relief Act, would exempt minor parties that contribute insignificantly to such sites from liability under the Superfund law. This will reduce the litigation brought by the primary polluters of toxic waste sites and reduce the current delays in cleaning up the sites.

Since the 1980 enactment of the Superfund law, 1,321 sites have been placed on the National Priorities List. I find it disturbing, however, that 16 years later only 83 sites have been cleaned up and removed from the list. I am also troubled by a recent report issued by the RAND Corp. which found that transaction costs for industrial firms and insurance companies, representing primarily legal fees, account for up to 80 percent of their total Superfund-related expenses.

Pennsylvania has 110 Superfund sites, many of which have been on the National Priorities List for years. The Congressional Budget Office estimates the average cleanup time for Superfund sites at 10 years. One of such sites, the Keystone Sanitation landfill, located in Adams County, PA, was added to the National Priorities

It is part of what we are here on the floor debating today. Some of our colleagues argue that the way you solve the human crisis in this country, no matter how that crisis is defined, is to bring about a Government program. I suggest that most Americans in our country want to solve their own problems if they simply have the tools of solution. One of the great tools of solution for problem solving is the ability to retain your own earnings so you can spend it for yourself and your family to improve your lot in society or to correct a problem that has somehow gone wrong.

This legislation offers that opportunity, and I hope that it gets heard, gets debated. I relish an opportunity for the Senate to debate it and vote upon it.

Mr. President, as we will in the next little while decide whether this Senate is going to vote on a gas tax repeal or whether we are going to find some loophole, as the other side now struggles to do to argue that this is no good, I am going to be a unique challenge for all of us.

Like you, I did not vote for this gas tax increase. I am a Westerner, and I recognize the kind of burden you place on somebody who must commute long miles in the West, or the farmer or rancher who uses fuel as a tremendous tool of their production, and we lessen their ability to profit when we increase the cost of their tools, their tools of incomemaking, if you will.

That is part of what this debate is all about. But the idea that we would use a gas tax, which we have traditionally directed toward roads and bridges and improving the transportation of country and, therefore, improving the ability of this economy to expand that my colleague from Missouri talks about—the business of growth in the economy should be the business of Gov- ernment both at the State and Federal level. It is a loophole, as the other side now struggles to do it, staying out of the way and promoting that growth. The gas tax has been one that always has. It has promoted growth in the economy by the building of roads and bridges and allowing the kind of flow of labor that has been the hallmark of our society.

But this President, President Clinton, said, “I need that money to pay for social programs,” even when in 1992, Candidate Clinton said, “I won’t increase your taxes. It’s a wrong kind of thing to do. It does not allow the economy to grow and expand.”

But of course, promises made, promises broken, tax increase, billions of dollars now pouring out of the economy of our country and into the hands of Government to be spent in social programs.

Is it a big part of the gas increase, the fuel costs that consumers are about today? No, it is not, but it is an important issue to be debated and voted upon to return not only the gas tax to its traditional use but to reduce the overall ability of Government to spend and to expand programs.

You are going to hear more talk today, as you have had for the last several days, that somehow this does damage to Government. I suggest you just cut the spending of Government in direct relation to the amount of revenue that will remain not as a tax but as an income to the consumer in the consumer’s pocket.

Right now, every time that consumer pulls up to a gas pump, sticks the nozzle in the tank of their car, they see a tremendous outpouring from the pocketbook.

So, if we were to pass legislation of the kind just introduced by my colleague from Missouri, if we were to repeal the gas tax and allow that to remain in the pocket of the consumer, we could cut the cost and job creation in our economy that we have not seen, that cannot be talked about by this administration because of the taxes that have been pushed through stifling the overall ability of that economy to grow.

Growth, progrowth, work incentives, 500,000 new jobs possibly created by the legislation of the Senator from Missouri, that two-income family being able to maintain more of their income, $1,000-plus you that is the type of thing that this Congress ought to be talking about and doing something about instead of talking about, “Oh, my goodness, this takes away from our ability to spend. We might have to reduce this program or that program.”

Mr. President, we just left tax free- dom day. We just said to the American taxpayer, “Today is the day when you’ve paid your taxes, and you can go out and spend for yourself.” Last week I stood on the floor of the Senate and said that the first 3 hours of every working day the taxpayer, or the worker, spent their time working for Gov- ernment, both at the State and Federal level.

So I thank you for your insightfulness and innova- tiveness in proposing this legislation. I hope that in the coming year this becomes a major part of what this Congress is about and what this Senate is about in providing for the American people.

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Pennsylvania has 110 Superfund sites, many of which have been on the Na- tional Priorities List for years. The Congressional Budget Office estimates the average cleanup time for Superfund sites at 10 years. One of such sites, the Keystone Sanitation landfill, located in Adams County, PA, was added to the National Priorities...
List July 22, 1997. The Environmental Protection Agency selected the remedy for cleaning up the site in 1990. The site, however, remains contaminated as a multitude of minor party defendants with little or no responsibility for the environmental contamination of the site are forced to litigate to protect their rights and the courts are tied up with endless motions and appeals.

I am concerned with the impact of such a delay on the adults and children who live and play in close proximity to the Keystone site. The site continues to be a source of ground water contamination, which, if left untreated, will contaminate or create the health and safety of local residents.

This legislation would reduce such delays in remediating toxic waste sites by forcing the primary parties responsible for the pollution to focus on restoring sites to a safe condition instead of using their resources to shift blame to the multitude of minor contributors of negligible amount of waste. My bill will reduce the waste of money and time by exempting minor parties from liability at the outset, when a site is selected for the National Priorities List. It will expedite the legal proceedings and encourage major polluters to work constructively with federal, state, and local governments on actual cleanup.

Specifically, this bill would exempt from liability those minor parties who have only contributed up to 110 gallons of liquid material or up to 200 pounds of solid material to a contaminated site. This exemption, however, would not apply to parties considered to have contributed significantly to a site's contamination. Thus, on Superfund sites containing tens of thousands of gallons of liquid contamination, or tons of solid hazardous waste, we would narrow the litigation field to only the significant parties. I am willing to examine whether or not these are the appropriate levels, but I am advised by some of those involved in Pennsylvania Superfund cleanups that such relief will go a long way toward alleviating the undue burden they currently face.

It is unclear whether Congress will finally enact comprehensive Superfund reform legislation this year. Therefore, I urge my colleagues to support this legislation.

ADDITIONAL COSPONSORS
S. 834
At the request of Mr. HAFFTED, the names of the Senator from Maryland [Mr. SARBANES] and the Senator from Arizona [Mr. McCAIN] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 1144
At the request of Mr. MURKOWSKI, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1144, a bill to reform and enhance the management of the National Park System, and for other purposes.

S. 1145
At the request of Mr. FAIRCLOTH, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1145, a bill to abolish the Department of Housing and Urban Development and provide for reducing Federal spending for housing and community development activities by consolidating and eliminating programs, and for other purposes.

S. 1419
At the request of Mrs. KASSEBAUM, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1419, a bill to impose sanctions against Nigeria.

S. 1487
At the request of Mr. GRAMM, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive Medicare reimbursement for health care services provided to certain Medicare-eligible beneficiaries under TRICARE.

S. 1657
At the request of Mr. FAIRCLOTH, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 1657, a bill requiring the Secretary of the Treasury to make recommendations for reducing the national debt.

S. 1740
At the request of Mr. NICKLES, the names of the Senator from Indiana [Mr. COATS], the Senator from North Carolina [Mr. HELMS], the Senator from Oklahoma [Mr. BONNICHSEN], and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 1740, a bill to define and protect the institution of marriage.

SENATE CONCURRENT RESOLUTION 42
At the request of Mrs. KASSEBAUM, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Concurrent Resolution 42, a concurrent resolution concerning the emancipation of the Iranian Baha'i community.

SENATE RESOLUTION 226
At the request of Mr. DOMENICI, the names of the Senator from Montana [Mr. BURNS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Vermont [Mr. JEFFORDS], the Senator from Oklahoma [Mr. INHOFE], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Resolution 226, a resolution to proclaim the week of October 13 through October 19, 1996, as "National Character Counts Week."

AMENDMENTS SUBMITTED
THE WHITE HOUSE TRAVEL OFFICE EXPENSES AND FEES REIMBURSEMENT ACT

DOLE AMENDMENT NO. 3961
Mr. DOLE proposed an amendment to amendment No. 3955 proposed by him to the bill (H.R. 2937) for the reimbursement of legal costs and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that Office on May 19, 1993; as follows:

1. Strike the word "enactment" and insert the following:

TITLE — FUEL TAX RATES

SEC. 1. REPEAL OF 4.3-CENT INCREASE IN FUEL TAX RATES ENACTED BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993 AND DEDICATED TO GENERAL FUND OF THE TREASURY.

(a) In General.—Section 4081 of the Internal Revenue Code of 1986 (relating to imposition of tax on gasoline and diesel fuel) is amended by adding at the end the following new subsection:

(4) Repeal of 4.3-Cent Increase in Fuel Tax Rates Enacted by the Budget Reconciliation Act of 1993 and Dedicated to General Fund of the Treasury.—
SEC. 3. FLOOR STOCK REFUNDS.

(a) IN GENERAL.—If—

(1) before the tax repeal date, tax has been imposed under section 4612 of such Code; except that the term “dealer” includes a producer, and (2) the term “tax repeal date” means the 7th day after the date of the enactment of this Act.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 4. FLOOR STOCK TAX.

(a) IMPOSITION OF TAX.—In the case of any liquid on which tax was imposed under section 4601 or 4601 of the Internal Revenue Code of 1986 before January 1, 1997, and which is held on such date by any person, there is hereby imposed a floor stocks tax of 4.3 cents per gallon.

(b) LIABILITY FOR TAX AND METHOD OF PAYMENT.—(1) LIABILITY FOR TAX.—A person holding a liquid on January 1, 1997, to which the tax imposed by subsection (a) applies shall be liable for such tax.

(2) METHOD OF PAYMENT.—The tax imposed by subsection (a) shall be paid in such manner as the Secretary shall prescribe.

(3) TIME FOR PAYMENT.—The tax imposed by subsection (a) shall be paid on or before June 30, 1997.

(c) DEFINITIONS.—For purposes of this section—

(1) HELD BY A PERSON.—A liquid shall be considered as “held by a person” if title thereto has passed to such person (whether or not delivery to the person has been made).

(2) GASOLINE AND DIESEL FUEL.—The terms “gasoline” and “diesel fuel” have the respective meanings given such terms by section 4083 of such Code.

(3) AVIATION FUEL.—The term “aviation fuel” has the meaning given such term by section 4093 of such Code.

(d) EXCEPTION FOR EXEMPT USES.—The tax imposed by subsection (a) shall not apply to gasoline, diesel fuel, or aviation fuel held by any person exclusively for any use to the extent a credit or refund of the tax imposed by section 4081 or 4091 of such Code is allowable as credits against excise tax deposits made on or prior to the date of the enactment of this Act.

(e) EXCEPTION FOR FUEL HELD IN VEHICLE TANK.—A liquid held in the tank of a motor vehicle or motorboat shall not be subject to tax if the liquid held in such tank is fuel to be used on the highways of any State or the District of Columbia.

(f) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—(1) IN GENERAL.—No tax shall be imposed by subsection (a) on gasoline held on January 1, 1997, by any person if the aggregate amount of gasoline held by such person on such date does not exceed 4,000 gallons, and

(2) on diesel fuel or aviation fuel held on such date by any person if the aggregate amount of diesel fuel or aviation fuel held by such person on such date does not exceed 2,000 gallons.

The preceding sentence shall apply only if such person submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this paragraph.

(2) EXEMPT FUEL.—For purposes of paragraph (1), there shall be taken into account fuel held by any person which is exempt from the tax imposed by subsection (a) by reason of subsection (d) or (e).

(3) COMBINED GROUPS.—For purposes of this subsection—

(A) CORPORATIONS.—

(i) IN GENERAL.—All persons treated as a controlled group under section 414(b)(1)(A) of the Internal Revenue Code of 1986 shall be treated for purposes of this paragraph as 1 person.

(ii) CONTROLLED GROUP.—The term “controlled group” has the meaning given to such term by subsection (a) of section 302 of such Code; except that for such purposes the phrase “more than 50 percent” shall be substituted for the phrase “at least 80 percent” each place it appears in such section 302.

(B) NONINCORPORATED PERSONS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraph (A) of this paragraph may apply to a group of persons under common control where 1 or more of such persons is not a corporation.

(d) ADDITIONAL LEGISLATION APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4081 of such Code to the case of gasoline and diesel fuel and section 4091 of such Code in the case of aviation fuel shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply to the floor stock taxes imposed by subsection (a) to the same extent as if such taxes were imposed by such section 4081 or 4091.

SEC. 5. BENEFITS OF TAX REPEAL SHOULD BE PASSED ON TO CONSUMERS.

(a) PASSTHROUGH TO CONSUMERS.—

(1) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) consumers immediately receive the benefit of the repeal of the 4.3-cent increase in the price of fuels excise tax rates enacted by the Omnibus Budget Reconciliation Act of 1993, and

(B) transportation motor fuel producers and other dealers take such actions as necessary to pass through to consumers the reduction in fuel motor fuel prices to reflect the repeal of such tax increase, including immediate credits to customers accounts representing tax refunds allowed as credits against excise tax deposit payments under the floor stocks refund provisions of this Act.

(2) STUDY.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the repeal of the 4.3-cent increase in the fuel tax imposed by the Omnibus Budget Reconciliation Act of 1993 to determine whether there has been a passthrough of such repeal.

(B) REPORT.—Not later than January 31, 1997, the Comptroller General of the United States shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representa- tives the results of the study conducted under subparagraph (A).

SEC. 6. AUTHORIZATION OF APPROPRIATIONS FOR EXPENSES OF ADMINISTRATION OF THE DEFENSE AUTORITY.

Section 660 of the Department of Energy Organization Act (42 U.S.C. 7270) is amended—

(1) by inserting “(a) IN GENERAL.—” before “APPROPRIATIONS”; and

(2) by adding at the end the following:—

“$90,000,000 for fiscal year 2000; $104,000,000 for fiscal year 1998; $104,000,000 for fiscal year 1997; $104,000,000 for fiscal year 1996; and $104,000,000 for fiscal year 1995.”

There are authorized to be appropriated for salaries and expenses of the Department of Energy for departmental administration and other activities in carrying out the purposes of this Act—

(1) $104,000,000 for fiscal year 1997; $104,000,000 for fiscal year 1996; $100,000,000 for fiscal year 1995; $90,000,000 for fiscal year 2000; $90,000,000 for fiscal year 2001; and $90,000,000 for fiscal year 2002.”

SEC. 7. SPECTRUM AUCTIONS.

(a) COMMISSION OBLIGATION TO MAKE ADDITIONAL SPECTRUM AVAILABLE BY AUCTION.—The Comptroller General of the United States shall complete all actions necessary to permit the assignment, by March 31, 1996, by competitive bidding pursuant to section 309(d) of the Communications Act of 1934 (47 U.S.C. 309(d)) of licenses for the use of bands of frequencies that—
Sec. 1011. Special assessment to capitalize
SAIF.

SEC. 1012. Financing Corporation assessments
shared proportionally by all insured depository
institutions.

Ssection 1013. Members of BIF and SAIF.

Sec. 1014. Creation of SAIF Special Reserve.

Sec. 1015. Refund of amounts in deposit
insurance fund in excess of designated
reserve amount.

Sec. 1016. Assessment rates for SAIF
members may not be less than assessment
rates for BIF members.

Sec. 1017. Assessments authorized only if
needed to maintain the reserve
ratio of a deposit insurance
fund.

Title I—BANKING, HOUSING, AND
RELATED PROVISIONS

SEC. 1001. TABLE OF CONTENTS.

The table of contents for this title is as fol-

ows:

Title I—BANKING, HOUSING, AND
RELATED PROVISIONS

Sec. 1001. Table of contents.

Sec. 1011. Special assessment to capitalize
SAIF.

Sec. 1012. Financing Corporation assessments
shared proportionally by all insured depository
institutions.

Sec. 1013. Members of BIF and SAIF.

Sec. 1014. Creation of SAIF Special Reserve.

Sec. 1015. Refund of amounts in deposit
insurance fund in excess of designated
reserve amount.

Sec. 1016. Assessment rates for SAIF
members may not be less than assessment
rates for BIF members.

Sec. 1017. Assessments authorized only if
needed to maintain the reserve
ratio of a deposit insurance
fund.

Sec. 1018. Definitions.

SEC. 1011. SPECIAL ASSESSMENT TO CAPITALIZE
SAIF.

(a) In General.—Except as provided in
subsection (f), the Board of Directors shall
impose a special assessment on the SAIF-as-

sessed deposits of each insured depository
institution at a rate applicable to all such
institutions that the Board of Directors, in
its sole discretion, determines (after taking
into account determinations described in
subssections (g) through (j)) will cause the
Savings Association Insurance Fund to
achieve the designated reserve ratio on
March 31, 1996.

(b) Factors To Be Considered.—In car-
rating out subsection (a), the Board of
Directors shall base its determination on—

(1) the monthly Savings Association Insur-
ance Fund balance most recently calculated;

(2) data on insured deposits reported in the
most recent audit conducted not later than 70
days before the date of enact-

ment of this Act by insured depository
insti-
tutions;

(3) any other factors that the Board of Di-
rectors deems appropriate.

(c) Date of Determination.—For pur-
poses of subsection (a), the amount of the
SAIF-as-
sessment shall be deter-

mined as of March 31,
1996.

(d) Date Payment Due.—The special
assessment imposed under this section shall be
paid to the Corporation not later than 60
days after the date of enactment of this Act.

(e) Assessment of SAIF.—Notwith-

standing any other provision of law, the
proceeds of the special assessment imposed
under this section shall be deposited in the
Savings Association Insurance Fund.

(f) Exemptions for Certain Insti-
tutions.

(1) Exemption for WRAI Institutions.—

(A) In General.—The Board of Directors
may, by order, in its sole discretion, exempt
any insured depository institution that the
Board of Directors determines to be weak,
from paying the special assessment imposed
under this section if the Board of Directors
determines that the exemption would reduce
the risk to the Savings Association Insurance
Fund.

(B) Guidelines Required.—Not later than
30 days after the date of enactment of this
Act, the Board of Directors shall publish
guidelines setting forth the criteria that the
Board of Directors will use in exempting
institutions under subparagraph (A). Such
guidelines shall be published in the Federal
Register.

(2) Exemption for Certain Newly
Charged and Other Defined Institutions.—

(A) In General.—In addition to the institu-
tions exempted from paying the special
assessment under paragraph (1), the Board of
Directors shall exempt any insured deposi-
tory institution facing hardship as a result of
the special assessment if the institution—

(i) was in existence on October 1, 1995, and

(ii) was a Federal savings bank which—

(I) was established de novo in April 1994 in
order to acquire the deposits of a savings
association which was in default or in danger
default; and

(II) received minority interim capital as-
sistance from the Resolution Trust Corpora-
tion under section 21A(w) of the Federal
Home Loan Bank Act in connection with the
acquisition of any such savings association;

(iii) is a savings association, the deposits of
which are insured by the Savings Associa-
tion Insurance Fund, which—

(I) prior to January 1, 1987, was chartered
as a Federal savings and loan association by
the Federal Savings and Loan Insurance
Corporation for the purpose of acquiring all or
substantially all of the assets and assuming
all or substantially all of the deposit lia-

bilities of a national bank in a transaction con-
summated after July 1, 1986; and

(II) as of the date of that transaction, had
assets of less than $150,000,000.

B. Definition.—For purposes of this para-
graph, an institution shall be deemed to have
been acquired if it was in existence prior to
January 1, 1993, if—

(i) it directly held SAIF-assessable insured
deposits prior to that date; or

(ii) it succeeded to ownership of, or

(iii) it otherwise holds any SAIF-assessable
deposits as of the date of enactment of this
Act that were SAIF-assessable deposits prior
to January 1, 1993.

G. Exempt Institutions Required to Pay
Assessments at Former Rates.

(A) Payments to SAIF and DIF.—Any in-
sured depository institution that during a
year in which the Board of Directors exempts
under this subsection from paying the special
assessment imposed under this section shall pay
semiannual assess-

ments—

(i) during calendar years 1996 and 1997, into
the Savings Association Insurance Fund,

(ii) during calendar years 1998 and 1999—

(I) into the Deposit Insurance Fund, based
on SAIF-assessable deposits of that institu-
tion as of December 31, 1997, at assessment
rates calculated under the schedule in effect
for Savings Association Insurance Fund
members on June 30, 1995; and

(ii) in accordance with clause (i), if the
Deposit Insurance Fund and the Savings
Association Insurance Fund members on June 30, 1995; and

(ii) in accordance with clause (i), if the
Deposit Insurance Fund and the Savings
Association Insurance Fund are not merged into the
Deposit Insurance Fund.

(B) Optional Pro Rata Payment of Spe-
cial Assessment.—The paragraph shall not
apply with respect to any insured depository
institution (or successor insured depository
institution) that has paid, during any cal-
endar period from 1997 through 1999, upon such
terms as the Corporation may announce, an
amount equal to the product of—

(i) 12.5 percent of the special assessment
that the institution would have been re-
quired to pay under subsection (a), if the
Board of Directors had not exempted the in-
stitution; and

(ii) the number of full semiannual periods
remaining between the date of the payment
and December 31, 1999.

(4) Special Election for Certain Institu-
tions Facing Hardship as a Result of the Special
Assessment.—

(A) Election Authorized.—If

(1) an insured depository institution, or

(2) the depository institution holding company
which, directly or indirectly, controls such
institution, is subject to terms or covenants
in any debt obligation or preferred stock
outstanding on September 13, 1995; and

(B) the payment of the special assessment
under subsection (a) would pose a signifi-
cant risk of causing such depository institution
or holding company to default or violate any
such term or covenant.

the depository institution may elect, with
the approval of the Corporation, to pay such
special assessment in accordance with para-

graphs (2) and (3) in lieu of paying such as-

sessment in the manner required under sub-
section (a).

(2) Special Assessment.—An insured depository
institution which makes an election under
paragraph (1) shall pay an assessment of 50
percent of the amount of the special assess-
ment that would otherwise apply under sub-
section (a), by the date on which such special
assessment is otherwise due under sub-
section (d).

(3) Initial Assessment.—An insured depository
institution which makes an election under
paragraph (1) shall pay a 2d assessment, by
the date established by the Board of Directors in accordance with paragraph (4), in an amount equal to the product of 51 percent of the rate determined by the Board of Directors using subparagraph (a) for determining the amount of the special assessment and the SAIF-assessable deposits of the institution on March 31, 1996, or such other date in calendar years as the Board of Directors determines to be appropriate.

(4) DUE DATE OF 2D ASSESSMENT.—The date established by the Board of Directors for the payment of the final assessment under paragraph (3) by a depository institution shall be the earliest practicable date which the Board of Directors determines to be appropriate, which shall be on or after the date used by the Board of Directors under paragraph (3).

(5) SUPPLEMENTAL SPECIAL ASSESSMENT.—An insured depository institution which makes an election under paragraph (1) shall pay a supplemental special assessment, at the same time the payment under paragraph (3) is made, in an amount equal to the product of—

(A) 50 percent of the rate determined by the Board of Directors under subsection (a) for determining the amount of the special assessment; and

(B) 95 percent of the amount by which the SAIF-assessable deposits used by the Board of Directors under paragraph (3), in determining the amount of the 1st assessment under paragraph (2) exceeds, if any, the SAIF-assessable deposits used by the Board for determining the amount of the 2d assessment under paragraph (3).

(h) ADJUSTMENT OF SPECIAL ASSESSMENT FOR CERTAIN BANK INSURANCE FUND MEMBER BANKS.—

(1) IN GENERAL.—For purposes of computing the special assessment imposed under this section with respect to a Bank Insurance Fund member bank, the amount of any deposits of any insured depository institution which section 5(d)(3) of the Federal Deposit Insurance Act treats as insured by the Savings Association Insurance Fund shall be reduced by 20 percent—

(A) if the adjusted attributable deposit amount of the Bank Insurance Fund member bank is less than 50 percent of the total domestic deposits of that member bank as of June 30, 1995; or

(B) if, as of June 30, 1995, the Bank Insurance Fund member bank—

(i) had an adjusted attributable deposit amount equal to less than 75 percent of the total assessable deposits of that member bank;

(ii) had total assessable deposits greater than $5,000,000,000; and

(iii) was owned or controlled by a bank holding company that owned or controlled insured depository institutions having an aggregate amount of deposits insured or treated as insured by the Federal Deposit Insurance Fund greater than the aggregate amount of deposits insured or treated as insured by the Savings Association Insurance Fund.

(2) ADJUSTED ATTRIBUTABLE DEPOSIT AMOUNT.—For purposes of this subsection, the “adjusted attributable deposit amount” shall be determined in accordance with section 5(d)(3)(C) of the Federal Deposit Insurance Act.

(1) ADJUSTMENT TO THE ADJUSTED ATTRIBUTABLE DEPOSIT AMOUNT FOR CERTAIN BANK INSURANCE FUND MEMBER BANKS.—Section 5(d)(3)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1815(d)(3)) is amended—

(i) in subparagraph (C), by striking “The adjusted attributable deposit amount” and inserting “Except as provided in subparagraph (K), the adjusted attributable deposit amount”;

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

“(K) ADJUSTMENT OF ATTRIBUTABLE DEPOSIT AMOUNT.—The amount determined under subparagraph (i) for deposits acquired by March 31, 1995, shall be reduced by 20 percent for purposes of computing the adjusted attributable deposit amount for the payment of any assessment for any semiannual period ending after March 31, 1996 (other than the special assessment imposed under section 1011(a) of the Balanced Budget Act of 1996), for a Bank Insurance Fund member bank that—

(1) had an adjusted attributable deposit amount that was less than 50 percent of the total deposits of that member bank; or

(2) had an adjusted attributable deposit amount equal to less than 75 percent of the total assessable deposits of that member bank;

(II) had total assessable deposits greater than $5,000,000,000; and

(III) was owned or controlled by a bank holding company that owned or controlled insured depository institutions having an aggregate amount of deposits insured or treated as insured by the Savings Association Insurance Fund.

(iii) for purposes of computing the special assessment imposed under this section, the term “converted association” means—

(A) any Federal savings association—

(i) that is a member of the Savings Association Insurance Fund and that has deposits subject to assessment by that fund which did not exceed $4,000,000,000, as of March 31, 1995; and

(ii) that had been, or is a successor by merger, acquisition, or otherwise to an institution that had been, a State savings bank, the deposits of which were insured by the Federal Deposit Insurance Corporation prior to August 9, 1989, that converted to a Federal savings association pursuant to section 5(i) of the Home Owners’ Loan Act prior to January 1, 1985;

(B) a State savings association that is a member of the Savings Association Insurance Fund that had been a State savings bank prior to October 15, 1982, and was a Federal savings association on August 9, 1989;

(C) an insured bank that—

(i) was established de novo in order to acquire the deposits of a savings association in default or in danger of default;

(ii) did not open for business before acquiring the deposits of such savings association; and

(iii) was a Savings Association Insurance Fund member as of the date of enactment of this Act; and

(D) an insured bank that—

(i) resulted from a savings association that became a member of the Federal Deposit Insurance Fund on or after December 31, 1991, in accordance with section 5(d)(2)(G)(i) of the Federal Deposit Insurance Act; and

(ii) had an increase in its capital in conjunction with the conversion in an amount equal to the increased capital of the institution on the day before the date of the conversion.

SEC. 1012. FINANCING CORPORATION ASSESSMENTS SHARED PROPORIONALLY BY ALL INSURED DEPOSITORY INSTITUTIONS.

(a) IN GENERAL.—Section 21 of the Federal Home Loan Bank Act (12 U.S.C. 1411) is amended—

(1) in subsection (f)(2)—

(A) in the matter immediately preceding subparagraph (A)—

(i) by striking “Savings Association Insurance Fund member” and inserting “insured depository institution”; and

(ii) by striking “members” and inserting “institutions”; and

(iii) by striking “, except that—” and all that follows through the end of the paragraph and inserting “, except that—”;

(iv) by striking “(A)” and inserting “(B)”;

(B) by striking paragraph (1); and

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective on January 1, 1997.

SEC. 1013. MERGER OF BIF AND SAIF.

(a) IN GENERAL.—

(1) MERGER.—The Bank Insurance Fund and the Savings Association Insurance Fund shall be merged into the Deposit Insurance Fund established by section 11a(4) of the Federal Deposit Insurance Act, as amended by section 115.

(b) TRUSTEES.—The powers and duties of the Banking Board, and the members of the Board, shall become the powers and duties of, and members of, respectively, the Financing Corporation Board established by section 115.

(c) DUTIES.—The Financing Corporation Board shall exercise such powers and perform such duties as are prescribed by section 115.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—
(1) Deposit Insurance Fund.—Section 11(a)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)) is amended—
(A) by redesignating subparagraph (B) as subparagraph (C); and
(B) by striking subparagraph (A) and inserting the following:

"(A) Establishment. —There is established the Deposit Insurance Fund, which the Corporation shall—
"(i) maintain and administer;
"(ii) use to carry out its insurance purposes in the manner provided by this subsection; and
"(iii) invest in accordance with section 13(a).

"(B) Use. —The Deposit Insurance Fund shall be available to the Corporation for use with respect to Deposit Insurance Fund members, and
(C) by striking "(4) General provisions relating to funds." and inserting the following:

"(4) Establishment of the Deposit Insurance Fund.".

(2) Other references.—Section 11(a)(4)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(C), designated by paragraph (1) of this subsection) is amended by striking "Bank Insurance Fund and the Savings Associations Insurance Fund" and inserting "Deposit Insurance Fund".

(3) Deposits into fund.—Section 11(a)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)) is amended by adding at the end the following:

"(D) Deposits.—All amounts assessed against insured depository institutions by the Corporation may be deposited in the Deposit Insurance Fund."

(4) Special reserve of deposits.—Section 11(a)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(5)) is amended to read as follows:

"(5) Special Reserve of Deposit Insurance Fund.—

"(A) Establishment.—

"(i) In General.—There is established a Special Reserve of the Deposit Insurance Fund, which shall be administered by the Corporation and shall be invested in accordance with section 13(a).

"(ii) Limitation.—The Corporation shall not provide any assessment credit, refund, or other payment from any amount in the Special Reserve.

"(B) Emergency use of special reserve.—Notwithstanding section 11(a)(4)(C), the Corporation may, in its sole discretion, transfer amounts from the Special Reserve to the Deposit Insurance Fund, for the purposes forth in paragraph (4), only if—

"(i) the reserve ratio of the Deposit Insurance Fund is less than 50 percent of the designated reserve ratio; and

"(ii) the Corporation expects the reserve ratio of the Deposit Insurance Fund to remain at less than 50 percent of the designated reserve ratio for each of the next 4 calendar years.

"(C) Exclusion of special reserve in calculating reserve ratio.—Notwithstanding any other provision of law, any amounts in the Special Reserve shall be excluded in calculating the reserve ratio of the Deposit Insurance Fund under section 7.


(A) in subclause (I), by striking "to Savings Association Insurance Fund members" and inserting "to insured depository institutions, and their successors, which were Savings Associations Insurance Fund members on September 1, 1995;

(B) in subclause (II), by striking "to Savings Associations Insurance Fund members" and inserting "to insured depository institutions, and their successors, which were Savings Associations Insurance Fund members on September 1, 1995.

(6) Repeal.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813(y)) is amended to read as follows:

"(y) Definitions relating to the Deposit Insurance Fund.—

"(1) Deposit insurance fund.—The term 'Deposit Insurance Fund' means the fund established under section 11(a)(4)."
(14) FURTHER AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(A) in section 3(a)(1) (12 U.S.C. 1813(a)(1)), by striking subparagraph (B) and inserting the following:

"(B) includes any former savings association."

(B) in section 5(b)(5) (12 U.S.C. 1815(b)(5)), by striking "the Bank Insurance Fund or the Savings Association Insurance Fund," and inserting "the Deposit Insurance Fund";

(C) in section 5(d) (12 U.S.C. 1815(d)), by striking paragraphs (2) and (3); and

(D) in section 12(a)(1) (12 U.S.C. 1821(d)(1))—

(i) in subparagraph (A), by striking "reserve ratios in the Bank Insurance Fund and the Savings Association Insurance Fund and the Savings Association Insurance Fund" and inserting "reserve ratio of the Deposit Insurance Fund";

(ii) by striking subparagraph (B) and inserting the following:

"(2) Fee credited to the Deposit Insurance Fund.—The fee paid by the depository institution under paragraph (1) shall be credited to the Deposit Insurance Fund;"

(iii) by striking "(1) Uninsured Institutions," and

(iv) by redesignating subparagraphs (A) and (C) as paragraphs (1) and (3), respectively, and moving the margins 2 ems to the left;

(E) in section 7(e) (12 U.S.C. 1816(e))—

(i) in paragraph (5)(A), by striking "Bank Insurance Fund or the Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(ii) by striking paragraph (6); and

(iii) by redesignating paragraphs (7), (8), and (9) as paragraphs (6), (7), and (8), respectively;

(F) in section 8(5) (12 U.S.C. 1816(5)), by striking "Bank Insurance Fund or the Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(G) in section 7(b) (12 U.S.C. 1816(b))—

(i) in paragraph (1)(D), by striking "each deposit insurance fund" and inserting "the Deposit Insurance Fund";

(ii) in clauses (1)(i) and (iv) of paragraph (2)(A), by striking "each deposit insurance fund" each place such term appears and inserting "the Deposit Insurance Fund";

(H) in section 11(a) (12 U.S.C. 1821a(a))—

(i) in paragraph (1), by striking "the Deposit Insurance Fund";

(ii) in subparagraph (B), by striking "that fund";

(iii) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (3), respectively, and moving the margins 2 ems to the left; and

(I) in section 11(a)(1) (12 U.S.C. 1821a(1))—

(i) by striking subparagraph (B); and

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(iii) in subparagraph (B) (as redesignated), by striking "paragraphs (A) and (B)" and inserting "paragraph (A)'";

(J) in section 11(a)(2) (12 U.S.C. 1821a(2))—

(i) by striking "LIABILITIES." and all that follows through "Except" and inserting "LIABILITIES.—Except";

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

(iii) in paragraph (3), by striking "the Bank Insurance Fund, the Savings Association Insurance Fund," and inserting "the Deposit Insurance Fund, the Special Reserve of the Deposit Insurance Fund;"

(K) in section 11(b) (12 U.S.C. 1821a(b)), by striking paragraph (4);

(L) in section 11a(f) (12 U.S.C. 1821a(f)), by striking "Savings Association Insurance Fund" and inserting "Deposit Insurance Fund";

(M) in section 13 (12 U.S.C. 1823)—

(i) in subsection (a)(1), by striking "Bank Insurance Fund, the Savings Association Insurance Fund," and inserting "Deposit Insurance Fund, the Special Reserve of the Deposit Insurance Fund;"

(ii) in subsection (c)(4)(E)—

(I) in the subparagraph heading, by striking "FUNDS and inserting "FUND"; and

(ii) in clause (i), by striking "any insurance fund" and inserting "the Deposit Insurance Fund;"

(iii) in subsection (c)(4)(G)(I)—

(I) by striking "appropriate insurance fund" and inserting "Deposit Insurance Fund;"

(II) by striking "the members of the insurance fund (of which such institution is a member)" and inserting "insured depository institutions;"

(III) by striking "each member's" and inserting "each insured depository institution;" and

(IV) by striking "the member's" each place such term appears and inserting "the institution's;"

(iv) in subsection (c), by striking paragraph (11); and

(v) in subsection (h), by striking "Bank Insurance Fund" and inserting "Deposit Insurance Fund;"

(vi) in subsection (k)(4)(B)(i), by striking "Savings Association Insurance Fund" and inserting "Deposit Insurance Fund;" and

(vii) in subsection (k)(5)(A), by striking "Savings Association Insurance Fund" and inserting "Deposit Insurance Fund;"

(N) in section 14(a) (12 U.S.C. 1824(a)) in the fifth sentence—

(i) by striking "Bank Insurance Fund or the Savings Association Insurance Fund" and inserting "Deposit Insurance Fund;" and

(ii) by striking "each such fund" and inserting "the Deposit Insurance Fund;"

(O) in section 14(b) (12 U.S.C. 1824(b)), by striking "Bank Insurance Fund or Savings Association Insurance Fund" and inserting "Deposit Insurance Fund;"

(P) in section 14(c) (12 U.S.C. 1824(c)), by striking paragraph (3); and

(Q) in section 14(d) (12 U.S.C. 1824(d))—

(i) by striking "BIF" each place such term appears and inserting "DIF;" and

(ii) by striking "Bank Insurance Fund" each place such term appears and inserting "Deposit Insurance Fund;"

(R) in section 15(c)(5) (12 U.S.C. 1825(c)(5))—

(i) by striking "the Bank Insurance Fund or Savings Association Insurance Fund, respectively" each place such term appears and inserting "the Deposit Insurance Fund;" and

(ii) by striking subparagraph (B), by striking "the Bank Insurance Fund or Savings Association Insurance Fund, respectively" and inserting "the Deposit Insurance Fund;"

(S) in section 17(a) (12 U.S.C. 1827(a))—

(i) by striking "the Deposit Insurance Fund;" and

(ii) in paragraph (1), by striking "the Bank Insurance Fund or the Savings Association Insurance Fund," each place such term appears and inserting "the Deposit Insurance Fund;"

(T) in section 17(d) (12 U.S.C. 1827(d)), by striking "the Bank Insurance Fund or the Savings Association Insurance Fund," each place such term appears and inserting "the Deposit Insurance Fund;"

(U) in section 18(m)(3) (12 U.S.C. 1828(m)(3))—

(i) by striking "Savings Association Insurance Fund" each place such term appears and inserting "Deposit Insurance Fund;" and

(ii) in subparagraph (C), by striking "or the Bank Insurance Fund;"

(V) in section 18(p) (12 U.S.C. 1828(p)), by striking "deposit insurance funds" and inserting "Deposit Insurance Fund;"

(W) in section 24 (12 U.S.C. 1831a) in subsections (a)(1) and (d)(1)(A), by striking "appropriate deposit insurance fund" each place such term appears and inserting "Deposit Insurance Fund;"

(X) in section 28 (12 U.S.C. 1831e), by striking "affected deposit insurance fund" each place such term appears and inserting "Deposit Insurance Fund;"

(Y) by striking section 31 (12 U.S.C. 1831h); and

(Z) in section 36(1)(3) (12 U.S.C. 1831m(1)(3))—

(i) by striking "affected deposit insurance fund" and inserting "Deposit Insurance Fund;"

(AA) in section 38(a) (12 U.S.C. 1831a(a)) in the paragraph heading, by striking "FUNDS and inserting "FUND;"

(BB) in section 38(k) (12 U.S.C. 1831k(a))—

(i) in paragraph (1), by striking "a deposit insurance fund" and inserting "the Deposit Insurance Fund;" and

(ii) in paragraph (2)(A)—

(I) by striking "A deposit insurance fund" and inserting "The Deposit Insurance Fund;"

(ii) by striking "the deposit insurance fund's outlays" and inserting "the outlays of the Deposit Insurance Fund;" and

(CC) in section 38(o) (12 U.S.C. 1831o(o))—

(i) by striking "ASSOCIATIONS.--" and all that follows through "Subsections (e)(2)" and inserting "ASSOCIATIONS.—Subsections (e)(2)"

(ii) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and moving the margins 2 ems to the left; and

(iii) in paragraph (1) (as redesignated), by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and moving the margins 2 ems to the left.

(15) AMENDMENTS TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT
ACT OF 1991.—The Financial Institutions Reform, Recovery, and Enforcement Act (Public Law 100–242) is amended—


(B) by striking “(C), by striking “Bank Insurance Fund, the Savings Association Insurance Fund, and inserting “Deposit Insurance Fund,” and


SEC. 1014. CREATION OF SAIF SPECIAL RESERVE. Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by adding at the end the following new subsection:

“(ii) AMOUNTS IN SPECIAL RESERVE.—If, on January 1, 1998, the reserve ratio of the Savings Association Insurance Fund exceeds the designated reserve ratio, there is established a Special Reserve of the Savings Association Insurance Fund which shall be administered by the Corporation and shall be invested in accordance with subchapter V of title 15, United States Code.

“(iii) LIMITATION.—The Corporation shall not provide any assessment credit, refund, or other payment from any amount in the Special Reserve of the Savings Association Insurance Fund.

“(v) EMERGENCY USE OF SPECIAL RESERVE.—Notwithstanding clause (iii), the Corporation may, in its sole discretion, transfer amounts from the Special Reserve of the Savings Association Insurance Fund to the Savings Association Insurance Fund for the purposes set forth in paragraph (4), only if—

“(I) the reserve ratio of the Savings Association Insurance Fund is less than 50 percent of the designated reserve ratio; and

“(II) the Corporation expects the deposit ratio of the Savings Association Insurance Fund to remain at or below 50 percent of the designated reserve ratio for each of the next 4 calendar quarters.

“(v) SPECIAL RESERVE IN EXCESS OF DESIGNATED RESERVE AMOUNT. Subsection (e) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(e) is amended to read as follows:

“(e) REFUNDS.—

“(1) OVERPAYMENTS.—In the case of any payment of an assessment by an insured depository institution with respect to the assessment for excess of the amount due to the Corporation, the Corporation may—

“(A) refund the amount of the excess payment to the insured depository institution; or

“(B) credit such excess amount toward the payment of assessments with respect to any future assessments until such credit is exhausted.

“(2) BALANCE IN INSURANCE FUND IN EXCESS OF DESIGNATED RESERVE.—

“(A) Subject to subparagraphs (B) and (C), if, as of the end of any semiannual assessment period, the amount of the actual reserves in—

“(I) the Deposit Insurance Fund (until the merger of such fund into the Deposit Insurance Fund pursuant to section 1031 of the Balanced Budget Act of 1996); or

“(II) the Savings Association Insurance Fund (after the establishment of such fund),

(exceeds the balance required to meet the designated reserve ratio applicable with respect to such fund, such excess amount shall be refunded to insured depository institutions by the Corporation on such basis as the Board of Directors determines to be appropriate, taking into account the factors considered under the risk-based assessment system.

“(B) REFUND NOT TO EXCEED PREVIOUS SEMI-ANNUAL ASSESSMENT.—The amount of any refund under subparagraph (A) with respect to any member of a deposit insurance fund for any semiannual assessment period may not exceed the total amount of assessments paid by such member to the insurance fund with respect to such period.

“(C) REFUND LIMITATION FOR CERTAIN INSTITUTIONS.—No refund may be made under this paragraph with respect to the amount of any assessment paid by any insured depository institution described in clause (v) of subsection (b)(2)(A).”.

SEC. 1016. ASSESSMENT RATES FOR SAIF MEMBERS MAY NOT BE LESS THAN ASSESSMENT RATES FOR BIF MEMBERS. Section 7(b)(2)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(E)), as reenacted by section 1013(d)(6) of this Act, is amended—

(1) by striking “and” at the end of clause (I).

(2) by striking the period at the end of clause (II) and inserting “; and”;

and

(3) by adding at the end the following new clause:

“(III) notwithstanding any other provision of this subsection, during the period beginning on the date of enactment of the Balanced Budget Act of 1996, and ending on January 1, 1998, the rate a Savings Association Insurance Fund member may not be less than the assessment rate for a Bank Insurance Fund member that poses a comparable risk to the deposit insurance fund.”.

SEC. 1017. ASSESSMENTS AUTHORIZED ONLY IF NECESSARY TO MAINTAIN THE RESERVE RATIO OF A DEPOSIT INSURANCE FUND. (a) IN GENERAL.—Section 7(b)(2)(A)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(i)) is amended to read as follows:

“(I) LIMITATION ON ASSESSMENT.—Except as provided in clause (v), the Board of Directors shall not set semiannual assessments with respect to a deposit insurance fund in excess of the assessed rate.

“(II) to maintain the reserve ratio of the fund at the designated reserve ratio; or

“The Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(i)) is amended to read as follows:

“(I) LIMITATION ON ASSESSMENT.—Except as provided in clause (v), the Board of Directors shall not set semiannual assessments with respect to a deposit insurance fund in excess of the assessed rate.

“(II) to maintain the reserve ratio of the fund at the designated reserve ratio; or

“(III) if the reserve ratio is less than the designated reserve ratio, to increase the reserve ratio to the designated reserve ratio.”.

(c) EXCEPTION TO LIMITATION ON ASSESSMENTS.—Section 7(b)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)) is amended by adding at the end the following new clause:

“(v) EXCEPTION TO LIMITATION ON ASSESSMENTS.—The Board of Directors may set semiannual assessments in excess of the amount permitted under clauses (i) and (ii) with respect to insured depository institutions that exhibit financial, operational, or compliance weaknesses ranging from moderately severe to unsatisfactory, or are not well capitalized, as that term is defined in section 38.”.

SEC. 1018. DEFINITIONS. For purposes of this title—

(1) the term “Bank Insurance Fund” means the fund established pursuant to section 11(a)(5)(A) of the Federal Deposit Insurance Act, as that section existed on the date before the date of enactment of this Act;

(2) the terms “Bank Insurance Fund member” and “Savings Association Insurance Fund member” have the same meanings as in section 7(i) of the Federal Deposit Insurance Act; and

(3) the terms “bank”, “Board of Directors”, “Corporation”, “insured depository institution”, “Federal savings association”, “savings association”, “State deposit insurance corporation”, and “State depository institution” have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(4) the term “Deposit Insurance Fund” means the fund established under section 11(a)(4) of the Federal Deposit Insurance Act, as amended by section 1013(d) of this Act;

(5) the term “depository institution holding company” has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(6) the term “designated reserve ratio” has the same meaning as in section 7(b)(2)(A)(iv) of the Federal Deposit Insurance Act;

(7) the term “Savings Association Insurance Fund” means the fund established pursuant to section 11(a)(6)(A) of the Federal Deposit Insurance Act, as that section existed on the date before the date of enactment of this Act; and

(8) the term “SAIF-acceptable deposit”—(A) means—

(A) a deposit that is subject to assessment purposes of the Savings Association Insurance Fund under the Federal Deposit Insurance Act; and

(B) a deposit that section 5(d)(3) of the Federal Deposit Insurance Act treats as insured by the Savings Association Insurance Fund; and

(A) includes a deposit assumed after March 31, 1995, if the insured depository institution, the deposits of which are assumed, is not an insured depository institution when the special assessment is imposed under section 1011(a) of this Act.

THE TAXPAYER BILL OF RIGHTS 2

GLENN AMENDMENT NO. 3962

(Ordered to lie on the table.)

Mr. GLENN submitted an amendment intended to be proposed by him to the bill (H.R. 2337) to amend the Internal Revenue Code of 1986 to provide for increased taxpayer protections; as follows:

At the end of title XII, insert the following new section:
SEC. 1212. PENALTY FOR UNAUTHORIZED INSPECTION OF RETURNS OR TAX RETURN INFORMATION.

(a) In General.—Part I of subchapter A of chapter 75 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7213 the following new section:

"SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.

"(a) PROHIBITION.—It shall be unlawful for

"(1) any officer or employee of the United States or any former such officer or employee,

"(2) any person described in section 6103(n), an officer or employee of such person, or any former such officer or employee, or

"(3) any person described in subsection (d), (i)(3)(B)(i), (i) (6), (7), (8), (9), (10), or (12), or (m) (2), (4), (6), or (7) of section 6103, willfully to inspect (as defined in section 6103(b)) except as authorized by this title, any return or return information (as defined in section 6103(b))."

"(b) PENALTY.—

"(1) IN GENERAL.—Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding $1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

"(2) FEDERAL OFFICERS OR EMPLOYEES.—An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter A of chapter 75 is amended by inserting after the item relating to section 7213 the following new item: "7213A. Unauthorized inspection of returns or return information.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on and after the date of the enactment of this Act.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in the Senate Office Building, on Wednesday, May 15, 1996, at 10 a.m., to hold a hearing on campaign finance reform.

For further information concerning this hearing, please contact Bruce Kasold of the committee staff on 224-3448.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURkowski. Mr. President, I would like to announce that there are two oversight field hearings have been scheduled to receive testimony on the Tongass land management plan and the administration of timber sale contracts.

The first hearing will take place on Tuesday, May 28, 1996 at 10:30 a.m., in Ketchikan, AK. Ted Ferry Civic Center, 888 Venetia Avenue, Ketchikan, AK, 99901. The second hearing is scheduled for Wednesday, May 29, 1996, at 9 a.m., in Juneau, AL. Centennial Hall Convention Center, Ballroom 3, 191 Egan Drive, Juneau, AK, 99801.

Because of the limited time available and in the interest in the subject matter, and in order to have a balanced hearing, witnesses will be by invitation. Written testimony will be accepted for the RECORD. Oral testimony will be limited to 5 minutes. Witnesses testifying at the hearing are requested to bring 10 copies of their testimony with them on the day of the hearing. In addition, please send or fax a copy in advance to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, Fax 202-224-5353.

For further information, please contact the Energy and Natural Resources Committee, at 202-224-6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, May 9, 1996, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to receive testimony on the recent increases in gasoline prices.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be granted permission to meet on Thursday, May 9 at 10 a.m. for a hearing on IRS Oversight.

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

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, May 9, 1996, at 10:00 a.m. to hold an executive business meeting.

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

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, May 9, 1996 at 9:30 a.m. to conduct an Oversight Hearing on the impact of the U.S. Supreme Court’s recent decision in Seminole Tribe versus Florida. The hearing will be held in Room G-50 of the Dirksen Senate Office Building.

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

SPECIAL COMMITTEE TO INVESTIGATE WHITNEY DEVELOPMENT CORPORATION AND RELATED MATTERS

Mr. LOTT. Mr. President, I ask unanimous consent that the special committee to investigate Whitewater Development Corporation and related matters be authorized to meet during the session of the Senate on Thursday, May 9, 1996 to conduct hearings pursuant to Senate Resolution 120.

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

ADDITIONAL STATEMENTS

DEFENSE OF MARRIAGE ACT

Mr. COATS. Mr. President, today I am pleased to cosponsor Senator DOLE’s and Senator NICKLES’ bill (S. 1740) defining marriage as a legal union between one man and one woman.

Marriage is the institution that civilizes our society by humanizing our lives. It is the social, legal, and spiritual relationship that prepares the next generation for its duties and opportunities.

The definition of marriage is not created by politicians and judges, and it cannot be changed by them. It is rooted in our history, our laws, our deepest moral and religious convictions, and our nature as human beings. It is the union of one man and one woman. This fact can be respected or it can be rejected, but it cannot be altered.

Our society has a compelling interest in respecting that definition. The breakdown of traditional marriage is our central social crisis—the cause of so much anguish and suffering, particularly for our children. Our urgent responsibility is to nurture and strengthen that institution, not undermine it with trendy moral relativism.

The institution of marriage is our most valuable cultural inheritance. It is our duty—perhaps our first duty—to pass it intact to the future.

The distortion of marriage is sometimes defended as a form of tolerance. But this represents a fundamental misunderstanding, both of marriage and tolerance.

I believe strongly in tolerance, not only for the peace of society, but because it is the proper way to treat others. But even what we may mean giving legal preference to that

A government, however, has another duty. All law embodies some moral consensus. No society can be indifferent to its moral life, because there are consequences for us all. Every government must set certain standards as signposts. It must create expectations for responsible behavior. Not every lifestyle is equal for the purposes of the common good. This does not mean the persecution of those who fall short of the standard, but it does mean giving legal preference to that
standard. A tolerant society does not need to be an indifferent society.

A government that values freedom can permit some things that it would not encourage or condone. But a government must also promote things that are weak or complex and social ideals. Government cannot be neutral in the debate over marriage. It has sound reasons to prefer the traditional family in its policies. As social thinker Michael Novak has written:

A people whose marriage and families are weak have no solid institutions. Family life is the seedbed of economic skills, money habits, attitudes toward work and the arts of independence.

When we prefer traditional marriage and family in our laws, it is not intolerance. Tolerance does not require us to say that all lifestyles are morally equal, only that no individual deserves to be persecuted. It does not require us to weaken our social ideals. It does not require a reconstruction of our most basic human institutions. It does not require special recognition for those who have rejected the standard.

It is amazing and disturbing that this legislation should be necessary. It is a sign of the times, and an indication of a decline in the moral fiber of our society. But it is up to us to have made this definition essential.

The preservation of marriage has become an issue of self-preservation for our society. I strongly urge my colleagues to support this measure.

TRIBUTE TO NANCY CHUDA

Mrs. BOXER. Mr. President, I am pleased today to announce my intentions to introduce in the near future, a bill that will help protect the children of this country from the harmful effects of environmental contaminants. I can not think of a more appropriate time of the year than the time we recognize the achievements of mothers to focus our Nation’s attention on protecting the health and safety of our children. Mr. President, I am working hard on this piece of legislation, not only because I am a mother, but because I want to pay tribute to one exceptional mother. This mother knows the intense sadness of losing her child.

This very special mother lives in my State and I am proud to call her my friend. Three years ago, Mrs. Nancy Chuda came to me to ask for help. Her little girl, all of 5 years old, had died of cancer—a nongenetic form of cancer. No one knows why or how or what caused little Colette Chuda to become afflicted. She was a normal, beautiful girl in every way. She liked to draw pictures of flowers and happy people. One thing is certain, she was blessed to have two wonderful parents. Nancy and Jim Chuda, despite their grief, chose to turn their own personal tragedy into something positive. They have laboriously worked to bring to the country’s attention the environmental dangers that threaten our children. They want to make sure that what happened to their Colette will not happen to another child. No mother should have to go through what Nancy Chuda went through. If future deaths can be prevented, I know we will all be indebted to the tremendous energy and perseverance of Nancy and, of course, the behavior she chose to turn their own personal grief, to their own personal joy.

Mr. President, science has shown us that children are special. They are not simply a smaller version of you and me. They are still growing, many of their internal systems are still in the process of developing and maturing and, of course, the behavior is different. Studies show that they breathe faster. They come in contact with numerous objects in their quest to learn and explore the world around them. They eat differently—children consume foods in different amounts in proportion to their body weight. I can remember, when I was a kid, I ate mayonnaise sandwiches and I consumed whole boxes of cereal while watching TV.

Today, there are more questions than answers about children’s development. And Mr. President, I am sad to say there are very few answers. The factors behind the special environmental risks that children face need special attention. A recent study issued by the National Academy of Sciences (NAS) reported on the effects of pesticides in the diets of infants and children. The study concluded that the Federal Government is not doing enough to protect our children from exposure to pesticides. The study essentially confirmed what many in the regulatory community were already worried about. Although we may have the highest quality and the safest food in the world, the fact is that risk assessments of pesticides and toxic chemicals do not differentiate clearly enough between the risks to children and the risks to adults.

It has been estimated that up to one-half of a person’s lifetime cancer risk may come from childhood years of life. There is currently not enough information to know exactly how to account for all of the differences when conducting a risk assessment. We need to know more about what health risks our children are exposed to. We need to collect exposure data not only on our children’s diets, but also, on our children’s exposure to air pollutants and surface pollutants. The fact is that we do not have the data that allows us to quantify and measure the differences between how children respond to environmental pollutants.

The absence of this data often precludes effective government regulation of environmental pollutants. In my bill, I intend to change this. We must ensure that our regulators have the data they need to be able to assess the risks of these substances to children. This would let them do their job of protecting our most vulnerable sector of society from environmental pollutants.

Although most people associate pesticide use with agriculture, children may be exposed to far greater health risks by other common uses of pesticides such as lawn and garden uses, household uses, and fumigation uses in schools.

Children come in contact with pesticides and other toxic substances, not only from the food they eat, but from air they breathe, and the surfaces they touch. In communities with contaminated air, improving overall air quality for disease prevention is of vital importance. Some studies suggest that pediatric asthma is on the rise and that this is exacerbated by air pollution.

Pollutants from tobacco smoke, stoves and fireplaces, household cleaners and paints, even glues and the synthetic fabrics used in furniture are all thought to be contributing factors. One EPA study showed that 85 percent of the total daily exposure to toxic chemicals comes from breathing air inside the home.

I firmly believe that citizens have a right to know what substances they are regularly subjected to whether they live next to a farm or in the heart of South-Central Los Angeles. My bill will require pesticide applicators to keep records and submit reports to the EPA. Subsequently, EPA is directed to publish annual bulletins informing the public of the types of pesticide chemicals that are being used in and around their neighborhood, in their apartment buildings, and most importantly in their schools. My bill would give parents the ability to make informed decisions about the safety of their family. Public health and safety depends on its citizens and local officials knowing the toxic dangers that exist in their communities.

EPA’s Toxics Release Inventory [TRI] collects chemical release information from manufacturing and several other industries. It is the Nation’s most popular and highly successful community right to know program. TRI is generally well supported throughout the voluntary chemical industry. The program has prompted many companies to set ambitious pollution reduction goals as well as voluntary restrictions and improvements. My bill will apply a similar philosophy to other kinds of environmental contaminants. I am betting on the same outcome emerging from applicators and users of pesticides and believe this will benefit everyone concerned.

I strongly support the administration’s policies over the past few years to place greater emphasis and attention on the environmental health issues that affect children. I especially applaud the Environmental Protection Agency for taking the lead. Last year EPA made it an agencywide policy to consider the risks to infants and children consistently and explicitly in every regulatory decision. EPA’s stance has inspired me to include its policy in my bill and to expand its philosophy to other Federal agencies concerned with children’s exposure to substances and environmental pollutants.

The factors behind the special environmental risks that children may face...
need and deserve special attention so that in the future we can prevent the kinds of problems that children have suffered from lead in paint, asbestos in schools, and pesticides in food.

MAGRUDER PRIMARY SCHOOL
- Mr. WARNER. Mr. President, I am pleased today to have the opportunity to give well deserved recognition to an exemplary elementary school. Magruder Primary School in Newport News has been selected as a U.S. Department of Education Title I Distinguished School.

At Magruder Primary, “hard work pays off” isn’t just a motto, it’s a way of life. In 4 years time Magruder’s reading scores leapt 79 percent—from 1 percent of second-graders reading at or above their grade level in 1992 to 80 percent for the most recent school year. Having placed last in reading achievement tests in 1992, the school is now number two in Newport News.

Many hard workers are to be commended for this outstanding accomplishment: teachers, administrators, parents, business leaders and, of course, the students. As a former believer in parental involvement, I am thrilled that Magruder’s home-school coordinator makes certain that parents are actively involved in their child’s education. This individual’s responsibilities run the gamut—from retrieving forgotten permission slips to providing parents with homework enrichment tips.

I would also like to offer a special acknowledgment to the business partners who sponsored home reading programs, special assemblies and student incentives.

Mr. President, as stated in a recent Newport News Daily Press article, Magruder’s demographics had the school destined for supposed failure. Eighty-four percent of its students receive free lunches; 69 percent live with only one parent. Other schools should take note. If Magruder Primary School can improve its reading scores, others can do so.

Magruder Primary School stands as a beacon for the wise use of Federal dollars. While we must reign in an often intrusive government, some government programs are clearly worthwhile. Title I funding for our Nation’s schools is such a program. Title I funding has helped Magruder Primary achieve this important success.

TOURISM ORGANIZATION ACT
- Mr. HOLLINGS. Mr. President, I would like to take this opportunity to share with my colleagues a unique conference which took place earlier this week—the sixth annual Southern Women in Public Service conference hosted by the John C. Stennis Center for Public Service. The theme of this gathering was “Coming Together to Make a Difference.” Over the past 6 years, this event has become the focal point for a significant annual bipartisan gathering of women political and business leaders throughout the South. The event has grown each year but the purpose remains the same: to make government better, more effective and more responsive by bringing women into public service leadership.

As a board member of the Stennis Center, I have watched this organization consistently enable women to pursue public service careers by providing an avenue in an area of the country which needs it more than any other. This challenge is illustrated by the fact that only 1 of 8 women in the U.S. Senate is from the South; 1 Southern State has never elected a woman to statewide executive office while another has never sent a woman to Congress; 9 of the 11 States which rank lowest in the percentage of women in State legislatures are in the South and no Southern State currently has a female Governor.

I can tell you however, Mr. President, this will not be the case for much longer. This conference is changing attitudes by its very visibility in training and inspiring women for appointed and elected office each year. In fact, the Stennis Center was credited this week as the last great glass ceiling breaker. Much credit goes to former Congresswoman Lindy Boggs, who serves as the chair of the conference for another year. She is an inspiration for many women and she is continuing to use her platform to define public service for others. Quite simply, Lindy is contagious.

Recently, our Nation celebrated the 75th anniversary of women’s suffrage—to coin a phrase, women have come a long way, baby. We now have women serving in the public policy arena in nearly all capacities, yet the pace is agonizingly slow. In the early 1970’s, only 2 percent of legislative seats were held by women. Today, 21 percent of the 7,424 State legislative seats in this country are held by women. Women hold 56 or 10.5 percent of the 535 seats in the 104th Congress.

One State in the Union has a woman Governor—New Jersey, led by Christine Todd Whitman. In 1994, four States had women Governors, including my own State of Oregon which was led by Barbara Roberts. Governor Roberts is currently teaching at the John F. Kennedy School at Harvard University. My State has a strong history of capable women serving in statewide and locally
GIRL SCOUT GOLD AWARD
- Ms. MIKULSKI. Mr. President, each year an elite group of young women rise above the ranks of their peers and confront the challenge of attaining the Girl Scouts of the United States of America’s highest rank in Scouting, the Girl Scout Gold Award.

It is with great pleasure that I recognize and applaud young women from the State of Maryland who are this year’s recipients of this most prestigious and time honored award. These outstanding young women are to be commended on their extraordinary commitment and dedication to their families, their friends, their communities, and to the Girl Scouts of the United States of America.

The qualities of character, perseverance, and leadership which enabled them to reach this goal will also help them to meet the challenges of the future. They are our inspiration for today and our promise for tomorrow.

I am honored to ask my colleagues to join me in congratulating the recipients of this award from the State of Maryland. These are the brightest and serve as an example of character and moral strength for us all to imitate and follow.

Finally, I wish to salute the families, Scout leaders, and the Girl Scouts of Central Maryland who have provided these young women with continued support and encouragement.

It is with great pride that I submit a list of this year’s Girl Scout Gold Award recipients from the State of Maryland, and I ask unanimous consent that the list be printed in the RECORD.

The list follows:

- GOLD AWARD RECIPIENTS


REAR ADM. IRVE C. LEMOYNE
- Mr. KERREY. Mr. President, I rise today to recognize Rear Adm. Irve C. LeMoyne, the U.S. Navy’s highest ranking and longest serving SEAL. Admiral LeMoyne retires this month after 35 years of service to our Nation. His extraordinary accomplishments have been instrumental in the evolution of this country’s special operations forces and will have a lasting impact as the U.S. military enters the 21st century.

Admiral LeMoyne began his Navy career as an ensign in 1961. Following graduation from underwater demolition school, he served in SEAL Team 11. During his tours in Vietnam, he led numerous successful combat operations and served as a senior provincial reconnaiss-ance unit advisor. While commanding Underwater Demolition Team 11 he participated in the recovery operations of Apollo 10, 11 and 12.

During several high-level assignments in Washington, DC, Admiral LeMoyne held key positions where he was responsible for integrating naval special warfare into the U.S. regional military strategy and was a driving force behind the modernization of the community.

In 1987 Admiral LeMoyne became the first commander of the Naval Special Warfare Command which was formed as the result of the Nunn-Cohen amendment to the National Defense Authorization Act for fiscal year 1987. His leadership of this command brought together the many components of naval special warfare into a single community which was successfully integrated into the joint structure of the newly formed U.S. Special Operations Command.

As the Director of Resources and then as the Deputy Commander in Chief of the U.S. Special Operations Command, Admiral LeMoyne further ensured that not only Naval Special Warfare, but all special operations forces were prepared to meet the demands of Operations Desert Shield and Storm and the numerous contingency operations of the 1990’s.

Throughout his career Admiral LeMoyne has been a driving force behind the modernization of Naval Special Warfare. His accomplishments have paved the way for special operations forces as this country approaches the 21st century. The legacy of his leadership and foresight will carry on well into the next century as special operations forces meet the challenges of the battlefield of the future.

I bid Admiral LeMoyne, his wife, Elizabeth, his son Irve C. Jr., and his daughter, Christian fair winds and following seas.

BOEING’S 777 WINS PRESTIGIOUS ROBERT J. COLLIER TROPHY
- Mrs. MURRAY. Mr. President, I am honored and proud to recognize the Boeing Co. from my home State of Washington as the 1996 winner of the prestigious Collier Trophy presented by the National Aeronautic Association. The Collier Trophy, the industry’s highest honor for aeronautics achieve-ment, will be presented to the Boeing 777 team this evening here in the Nation’s capital.

According to the National Aeronautic Association, Boeing was cited for, “designing, manufacturing and placing into service the world’s most technologically advanced airline trans-port aircraft.” These words are high praise, yet we only begin to describe the awesome innovations achieved by the 777.
team. The 777 was developed under the theme “Working Together” and represents the work of thousands of Boeing employees, Boeing customers and program partners, thousands of suppliers, regulatory authorities, passengers, and flight attendants. The Working Together concept and process will be a model for future research and development efforts for U.S. industry.

The 777 with approximately 300 aircraft on order, positions the Boeing Co. and its family of aircraft to compete and succeed in the competitive global market for years to come. The 777 is the only Air Transport Association-certified aircraft that can fly non-stop between North America and Europe, and succeed in the competitive global market for years to come. The 777 is the Boeing Co. Collier Trophy winner; the B-52, the 747 and the 757-767 programs also received this coveted award.

The Boeing 777 is the first commercial jetliner designed and preassembled entirely by computer simulation. More than 255 design-build teams, linked electronically through advanced computers, worked together to create the airplane’s parts and systems and to evaluate the aircraft from every perspective. This new and innovative development process enabled the 777 program to exceed its goal of reducing change, error, and rework by 50 percent. Importantly, Boeing plans to apply this new development model for maximum efficiency to other airplane programs.

The most exhaustive flight test program in commercial jetliner history helped the 777 earn simultaneous certification from the Federal Aviation Administration and the European Joint Aviation Authorities. The 777 is the first airplane in aviation history to earn FAA approval to fly extended-range twin-engine operations routes at service entry. This allowed airlines to offer the most direct routes between transoceanic cities beginning on the aircraft’s first day of service. Before entering service, the 777 earned Aeronautical Association-certified speed records between Seattle, Washington and cities in Sweden, Thailand, France, Germany, and Switzerland.

The 777 incorporates numerous other technological aircraft advancements. The fuselage is wider in cross-section than any other jetliner with similar seating capacity. Advanced composite materials have lowered direct operating costs, improved aircraft safety, and created new cargo opportunities for airlines. More than 7,000 hours of flight deck pilot simulation will provide more reliability, longer service life and better visibility for pilots. The landing gear features better weight distribution on runways while reducing weight and maintenance costs. The 777 will carry approximately 100 more passengers and has a noise footprint less than half that of the older jets it is designed to replace.

On May 15, 1995, United Airlines took delivery of the very first Boeing 777. This momentous occasion was marked by a ceremony at the Seattle Museum of Flight. On June 7, 1995, the 777 entered commercial service with United as Flight No. 921, traveling from London’s Heathrow Airport to Dulles Airport in Washington, DC. More than 20 airlines have signed orders to purchase and fly the Boeing 777. Importantly, virtually all of the airlines are foreign customers including British Airways, China Southern, Cathay Pacific, Korean Air Lines, Thai Airways, Japan Airlines, South Africa Airways, and Saudi Arabia Airlines. This ensures that the Boeing Co. will remain one of the premier exporters. I want to stress to my colleagues that this international aircraft is a job generator for my home State as well as Americans in virtually every State.

Congratulations to the 777 team, the Boeing Co., and the thousands of individual Washingtonians who labored to design and build this historic aircraft.

IN HONOR OF M.D. PORTMAN OF COLUMBUS, OH

Mr. GLENN. Mr. President, I rise today in tribute to a great American, a great Ohioan, and a man who might truly be called ”Mr. Columbus” — Maury Portman.

On May 20, Maury will retire as a Columbus City Councilman—and thus close a career that has spanned not only 22 years in Columbus city government, but also 31 years on Council and 12 of those as council President.

I think it’s fair to say that no single individual has done more to help Columbus grow from a mid-sized town in the 1950’s to the Nation’s 16th largest city in the 1990’s than M.D. Portman. Indeed, virtually every major piece of progress Columbus has made over the past few decades has Maury’s fingerprints on it. He wrote and sponsored the legislation creating the Columbus Department of Development, sponsored the legislation allocating city funds for the arts, sponsored the legislation creating the Port Columbus Authority that runs Port Columbus, established various committees to curb racial tensions in the city, helped plan the outerbelt expressway around Columbus, worked to bring the Columbus City Center to fruition, and tirelessly lobbied me and my colleagues here in Washington to obtain Federal funds for a variety of neighborhood renewal projects.

In short, it can accurately be said of Maury Portman that Columbus could not have held the last half of the 20th century without him.

I think the editors at his hometown newspaper, the Columbus Dispatch put it well when they said: ”Portman has been able to function so effectively because he never had a personal agenda. His energies were directed not to what might help him get ahead, but what would be in the best interest of the community.”

Mr. President, Maury Portman is a one-of-a-kind original. He personifies all that is best about public service. And the citizens of Columbus will miss his leadership greatly.

I feel fortunate to have known and worked with Maury—and I am proud to call him my friend. And now that his retirement is imminent, I know I speak for thousands upon thousands of people in central Ohio when I say: ”Thank you, Maury.” Thank you for caring; thank you for always giving your best; thank you for always being there. We all wish you and your beautiful wife, Alice, good luck and Godspeed in whatever you decide to do next. And please know that just as you always remembered Columbus, Columbus will never forget you.

SARAH EMILY MOORE JONES

Ms. MIKULSKI. Mr. President, I would like to call to the attention of my colleagues the upcoming birthday of Mrs. Sarah Emily Moore Jones, a native Marylander. On Saturday, May 11, 1996, Mrs. Jones will become 92 years young. I know my colleagues join me in extending heartfelt birthday wishes to Mrs. Jones.

Mrs. Jones was born in Wetumpka, MD, the fourth of seven children. She attended Wetumpka Elementary School and Salisbury High School. She received a degree in education from Bowie Normal, which is now Bowie State University. Mrs. Jones taught in the Wicomico County public school system in elementary and adult education. She is a faithful member of St. James Free Methodist Church, in Head of Creek, MD, where she served as the musician for over 40 years.

On June 27, 1925, Sarah Emily Moore married Matthew Jones of Head of Creek, MD. To that union, four children were born: Thelma Martin and Matthew Jones of Washington, DC, Linfred Jones of Quantico, MD, and Mary Hilda Elsey of Nanticoke, MD. Mrs. Jones has one stepson, Samuel Boslee of New Jersey. She is also a grandmother, a great grandmother, and a great great grandmother.

After her husband of 60 years passed away on September 6, 1985, Mrs. Jones continued to live independently until December 6, 1995, when she incurred a hip injury. As a result of her injury, and the surgery and rehabilitation that followed, she began living with her daughter, Thelma.

The ever soft-spoken, perpetually happy Sarah can be found smiling and composed through any circumstance. She is revered and loved by all whose lives she touches. I urge my colleagues to join me in wishing Sarah Jones a very happy 92d birthday.

A MOTHER’S DAY WISH TO END GUN VIOLENCE

Ms. BOXER. Mr. President, this Sunday is Mother’s Day, when millions of sons and daughters will gather to pay tribute to the women who raised them. Mother’s Day is a joyous celebration for most, but for families touched by the epidemic of gun violence, it can be a cruel reminder of what they have lost.
I want to speak today about one such family, and I want to tell Senators how a mother from Orange County, CA, Mary Leigh Blek, chose to honor her son’s memory by becoming a leader in the fight against violence.

On June 29, 1994, Mary Leigh Blek experienced a mother’s nightmare—a 3 a.m. phone call from the police, telling her that beloved son Matthew had been shot and killed. Matthew Blek was walking his date home that night when three teenagers on a violent rampage shot him twice in the head.

The weapon used in that terrible crime was a junk gun, probably manufactured in southern California. Congress has prohibited the importation of these cheap, poor quality, and easily concealable firearms, but has allowed their domestic manufacture to soar unchecked.

For the past year, Mary Leigh Blek and her husband Charles have been on a crusade to stop the proliferation of these junk guns, “Silence is consent,” she says, and Mary Leigh Blek has been anything but silent. She has become a tireless organizer in the anti-gun-violence movement—making speeches, attending rallies, and most recently testifying before a Committee of the California Legislature.

Mary Leigh Blek is determined to spare other mothers the pain that rippled her family apart. When I introduced the Junk Gun Violence Protection Act last year, I didn’t ask that we would apply the same standards to domestically produced handguns as are currently applied to imports, Mary Leigh Blek was there. Once again, she told the story of how her son was slain and why these poor quality, easily concealable handguns should not be on the streets. I know it is hard for her to keep talking about this tragedy, and I admire her courage and the sense of public service that motivates her to keep up the fight.

This Mother’s Day, I will think of Mary Leigh Blek. It is my hope that by next Mother’s Day, the kind of gun that killed her son Matthew will no longer be out on the streets.

AIDS EDUCATION

Mr. LAUTENBERG. Mr. President, I rise today to commend the students and faculty at Cresskill High School in my own State for proposing a weeklong AIDS Education program which was named ‘Second Chance’ and was the highly successful project of one of my constituents.

In New Jersey, some 50,000 people are infected with the HIV virus. We’re fifth in the United States in reported AIDS cases, with New Jersey having the highest proportion of women with AIDS in the entire country. And women are the fastest-growing group of people with HIV/AIDS.

Last December, the eighth observance of World AIDS’ Day took as its theme “Women’s Rights = Shared Rights = Shared Responsibilities.” Jessica and her fellow students at Cresskill High School have taken that message to heart. They understand the stake they have in this fight. They know they shouldn’t and they cannot ignore it for the sake of their own future and the future of generations all over the world. “We must protect our future,” they say, “by taking responsibility for our actions if we are to accomplish our goals.”

Mr. President, I am tremendously proud of these young people from New Jersey. I ask my colleagues to join me today in wishing them continued success.

MEDICARE REIMBURSEMENTS FOR TREATMENT OF SOME MEDICARE-ELIGIBLE VETERANS

Mr. WELLSTONE. Mr. President, I’m pleased and honored to announce my intention in the coming days which I believe will demonstrate the cost effectiveness and feasibility of Medicare reimbursement to the Department of Veterans Affairs (VA) for treatment of some medicare-eligible veterans at VA health care facilities.

There are two very important reasons I intend to introduce and press for passage of this legislation which I would like to briefly outline. First, reforming health care is one of my top priorities. I strongly believe that if we don’t reform the archaic and arcane rules governing veterans access to VA medical care, it will be impossible for the VA to provide America’s veterans with 21st Century health care.

To accomplish this, the VA must be authorized to receive Medicare reimbursements for treatment of some Medicare-eligible veterans. Two different proposals prepared by many veterans service organizations (VSO’s) provide that the VA be authorized to receive Medicare reimbursement for treating Medicare-eligible veterans. The GAO, however, has questioned both the feasibility and cost of providing Medicare reimbursement to the VA. While I lean toward the VSO’s view that Medicare reimbursement would be both feasible and cost-effective, the only way to prove this is by means of a demonstration project that will determine both the feasibility and cost effectiveness of Medicare substitution. That is precisely what my legislation will authorize.

Second, I believe that because the VA is facing and will likely continue to face severe funding constraints that will reduce its capabilities to provide access to quality health care, the VA will be under strong pressures to deny health care to Medicare-eligible veterans who are not in the mandatory categories for outpatient or inpatient treatment. For many years VA medical costs have lagged behind medical cost inflation and under the budget resolution adopted by Congress last year the VA medical care budget would be frozen for seven years. I believe VA facilities would be under strong pressures to deny access to quality health care, the VA would reduce its capabilities to provide access to veterans, and would likely continue to face severe funding constraints that will reduce its capabilities to provide access to quality health care. As a consequence, the VA may be compelled to ration care, with veterans 65 and over one of the groups likely to be affected. Even before the VA was faced with a flat health care budget, many of its facilities were compelled to resort to rationing. Despite the bold and imaginative efforts of Secretary of Veterans Affairs Jesse Brown and his Under Secretary for Health Ken Kizer to modernize the VA health care, a flat VA health care budget for 7 years can only lead to more extensive rationing of health care for veterans. This will further fray our solemn contract with the men and women who selflessly defended our country.

Mr. President, the bill I am planning to introduce is intended to ensure that our aging veterans population is not denied access to VA health care at a time when they need it most. Improving and safeguarding health care for our country’s veterans should be a priority issue for my colleagues on both sides of the aisle. I hope all of my colleagues will carefully review my bill after it is introduced and will carefully consider supporting it.

ORDERS FOR MONDAY, MAY 13, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand adjournment until 12 noon on Monday.
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May 13; further, that immediately following the prayer the Journal of proceedings be deemed approved to date, that no resolutions come over under the rule, that the call of the calendar be dispensed with, the morning hour be deemed to have expired, and there then be a period of morning business until the hour of 3:30 p.m. with Senators allowed to speak for up to 5 minutes each.

I further ask that Senator DASCHLE, or his designee, be in control of the time between 12:30 and 2 p.m., and that Senator COVERDELL, or his designee, be in the control of the time between the hours of 2, and 3:30 p.m.; and, further, that immediately following morning business the Senate resume consideration of H.R. 2937, the White House Travel Office legislation.

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

PROGRAM

Mr. LOTT. Mr. President, the Senate will resume consideration of the White House Travel Office bill and the pending gas tax repeal issue on Monday.

There will be no further votes during today’s session. The Senate will not be in session on Friday of this week, and no roll call votes will occur during Monday’s session of the Senate, although the Senate will be in session on Monday.

Senators are expected to debate the gas tax repeal issue throughout the day on Monday. And, as a reminder, a cloture motion was filed on the pending amendment.

And, therefore, I ask unanimous consent that the cloture vote occur on the Dole amendment at 2:15 p.m. on Tuesday, May 14, and the mandatory quorum under rule XXII be waived.

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

ORDER FOR ADJOURNMENT

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of the distinguished Senator from Massachusetts.

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

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator for permitting us to address the Senate for just a few moments at this time.

ACTIONS OF THE SENATE

Mr. KENNEDY. Mr. President, I wanted to just correct the record with regard to the suggestion of the Senator from Mississippi about actions that were taken by those of us who favor having an up-or-down vote on the minimum wage and the action that was necessary to try to keep the issue of the minimum wage before the U.S. Senate because, as the record shows very clearly, we have demonstrated a majority support for increasing the minimum wage as an amendment on legislation earlier this year, and at the time that the Senate voted by 55 votes, Republicans and Democrats to increase the minimum wage. Our Republican majority leader made a motion to recommit the pending legislation, sending it back to the committee and having it returned to the floor without that amendment that was pending which would have effectively denied us any further debate or discussion of the minimum wage. And, before that action was processed, I filed a cloture motion on the minimum wage to at least assure that the Senate would have an opportunity to vote on the minimum wage issue and which we have been denied the opportunity to do.

The Senator from Mississippi can continue to talk about the various procedures, processes, and actions that can be used by the Republican leadership to avoid this institution taking a vote up or down on the minimum wage, which they have not been successful in doing. But I do not think there is an American today that does not understand that it has been the Republican leadership position in the House of Representatives and the Senate of the United States that is frustrating the overwhelming sentiment of the people of this country—in all regions of the country and among all ages of the country—that believe that fairness and decency ought to permit the Senate of the United States and the House of Representatives to vote on a modest increase for those men and women who work 40 hours a week, 52 weeks of the year, to try to provide for themselves and their families.

That is not favored by the majority leadership. That is opposed by the Republican leadership, and the Senator from Mississippi, as outlined earlier, which may be of interest to me I do not know who at this hour of the day here in the Senate, about various procedures that are utilized to deny us that opportunity. But I can tell you that there are families that are gathered around the kitchen table at this moment at 6:30 at night, and there are the mothers of children that are gathered this evening together at this very moment that are wondering how they are going to pay the utility bill, or the emergency room bill, or the rent, or food on the table, or the clothing for their children. That is happening now. And, if they could afford a television and watch what is happening on the floor of the U.S. Senate, they have to ask, “Why? Why is the Republican leadership demanding or forbidding the opportunity to have an up-or-down vote on this measure one more day, one more day?”

They denied it yesterday, denied it the day before, denied it the day before that, denied it last week, and denied it in the weeks before, in spite of the fact that the majority leader has voted for an increase in the minimum wage four times, voted against it eight times, but voted for it on four different occasions, and in spite of the fact that Republican Presidents Eisenhower, Bush, and Nixon have all supported an increase in the minimum wage. So, it is an interesting perhaps story about the procedural steps which have been taken by various Senators to deny an increase in the minimum wage.

But, Mr. President, there is no doubt in the minds of the American people about what is taking place here in the U.S. Senate; Republican leadership denying working families on the bottom rung of the economic ladder the opportunity to have a living wage, a living wage for themselves and for their families, and that is wrong. No parliamentary procedure is going to change that fundamental fact.

Now, Mr. President, in recent days a number of commentators have pointed out that the Senate seems to be in the doldrums, “D-o-l-d-r-u-m-s.” I believe the normal spelling leaves out the “r”——d-o-l-d-r-u-m-s. I thought it might be worth listening to some of the dictionary definitions for that word.

The Random House Dictionary of the English Language defines it this way:

A state of inactivity or stagnation; A belt of calms and light baffling winds; Or, three:

A dull, listless, depressed mood; low spirits.

The Oxford English Dictionary refers to the doldrums this way:

A vessel almost becalmed, her sails flapping about in every direction.

It goes on to call it:

A region of unbearable calm broken occasionally by violent squalls.

The American Heritage Dictionary defines it this way:

Ocean regions near the equator characterized by calms, or light winds, and the calms characteristic of:

Or, second:

The calms characteristic of these areas;

Or, third:

A period of inactivity, listlessness, or depression probably influenced in form by the word “tamanth”.

That seems to fit the Senate precisely. First our Republican friends have a tanantam over the Democratic efforts to raise the minimum wage. Then our Republican friends go into the doldrums.

The American people look to the Congress for action on the minimum wage, and all they see are cloture motions, quorum calls, and parliamentary gymnastics to avoid raising action.

I say end the gridlock, end the deadlock, end the doldrums. The way for Senator DOLE to find his way out of the doldrums is clear: Raise the minimum wage.

Finally, Mr. President, on one other matter that was raised by my friend from Mississippi about cloture motions; and there will be those that will
study this period of history in the 102d, 103d, and the 104th Congress.

What they will find is that the times when the cloture motions were filed was to close off the prolonged debate which was taking place in the Senate. But if they find that our Republican leadership has been filing the cloture motions in this Congress, it is not to terminate debate. It is to block out debate, to close out the possibilities to offer amendments to the underlying measure, a very significant and important difference. It can be made light of on the floor of the Senate, but every Member of this body ought to know what the significance and the difference is about in the application of cloture during this period of time— to close out debate, to deny the opportunity for Members to be able to express the interests of people they represent. It is unbecoming for this institution to be put in that position because this is the institution which has debate on issues as well as less important issues over the period of the history of this Nation. Denying that opportunity for debate does not serve this institution or its tradition well.

To the contrary, I want to make just a final observation. Mr. President, I ask unanimous consent to be able to proceed for 3 or 4 more minutes.

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

Mr. KENNEDY. In every case where cloture was filed on an amendable vehicle during the 103d Congress and Republicans sought to offer amendments, amendments sponsored by or cosponsored by Republicans were voted on before the cloture vote. Do we hear that? In every case where cloture was filed on an amendable vehicle during the 103d Congress and Republicans sought to offer amendments, amendments sponsored by or cosponsored by Republicans were voted on before the cloture vote. Not today in terms of where we are going to prevail on this issue.

In a final point, I will say it is going to be a very long spring and a very long summer, but we are going to prevail on this issue. They are going to have a very long spring and a very long summer, but we are going to prevail on this issue.

We continue to deny an increase in the minimum wage to hard-working Americans, most of whom are women. A good percentage of those women have small children. This is a women’s issue. It is a families’ issue. It is a children’s issue. It is an issue for justice. It is an issue on decency. It is an issue on fairness. The American people understand that.

So perhaps as we come to the conclusion of this week of Senate debate and discussion, those families are going to wonder why the Senate did not address this issue again. It is more and more difficult for this Senator to explain to families that are trying to provide for themselves and their families why Republican leaders refuse to give working families a livable wage that we have prepared to do at other times in our history with Republicans and Democrats. When we increased it, we had a Democratic controlled Congress and a Republican President. Now we have a Republican Congress and a Democratic President, but the Republican leadership in the House of Representatives and the Senate of the United States has refused to do it.

In a final point, I will say it is going to get done. It is going to get done, and those families ought to understand that it will get done. It will get done. I believe, sooner than later. We will continue to offer this amendment on the legislation, and if the Senator from Mississippi or the Senator from Kansas, the majority leader, want to go to this arcane procedure of denying any debate or discussion on either the minimum wage or any amendments thereto, they are going to have a very long spring and a very long summer, but we are going to prevail on this issue.

I yield the floor.
ANDREA ROBIN STARKS, of MARYLAND
REBECCA STEVENS, of the DISTRICT OF COLUMBIA
LOUIS V. SUBREK, of MARYLAND
DWAYNE LEO THERREAULT, of VIRGINIA
MICHAEL J. VENEGAS, of CALIFORNIA
BURG. VANCE P. VALENTINE, JR., of WASHINGTON, D.C.
RANDELL F. VIGASAN, of VIRGINIA
ANN G. WEBSTER, of VIRGINIA
HIDDA L. WELLS, of MARYLAND
DAVID S. WICK, of DELAWARE
ROBERT T. YUKO, of MARYLAND

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT TO THE GRADE OF GENERAL, IN THE U.S. ARMY WHILE FULLY PERFORMING THE DUTIES OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 5912.

To be general

Maj. Gen. DAVID A. BRAMLIT, 000-00-0000, U.S. ARMY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL, IN THE U.S. MARINE CORPS WHILE FULLY PERFORMING THE DUTIES OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 5912.

To be general

Maj. Gen. JEFFREY W. OSTELL, 000-00-0000, U.S. NAVAL RESERVE.

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE NAVAL RESERVE OF THE UNITED STATES TO THE GRADE OF VICE ADMIRAL, IN THE U.S. NAVY WHILE FULLY PERFORMING THE DUTIES OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 5912.

DENTAL CORPS

To be rear admiral (lower half)

CAPT. VERNON PAUL HARRIS, 000-00-0000, U.S. NAVAL RESERVE.

JUDGE ADVOCATE GENERAL’S CORPS

To be rear admiral (lower half)

CAPT. CLIFFORD JOSEPH STUREK, 000-00-0000, U.S. NAVAL RESERVE.

SUPPLY CORPS

To be rear admiral (lower half)

CAPT. STEVEN ROBERT MORGAN, 000-00-0000, U.S. NAVAL RESERVE.

CIVIL ENGINEER CORPS

To be rear admiral (lower half)

CAPT. ROBERT CHARLES MARYL, 000-00-0000, U.S. NAVAL RESERVE.

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE RATE OF COMMANDER, IN THE U.S. NAVY WHILE FULLY PERFORMING THE DUTIES OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 5912.

UNRESTRICTED LINE OFFICER

To be rear admiral (lower half)

CAPT. DANIEL R. BOURLER, 000-00-0000, U.S. NAVY.
CAPT. JOHN E. ROBERTSON, JR., 000-00-0000, U.S. NAVY.
CAPT. JOHN T. EYRD, 000-00-0000, U.S. NAVY.
CAPT. JAMES W. FLETCHER, 000-00-0000, U.S. NAVY.
CAPT. RONALD L. CHRISTENSON, 000-00-0000, U.S. NAVY.
CAPT. ALBERT T. CHURCH, III, 000-00-0000, U.S. NAVY.
CAPT. JOHN F. DAVIS, 000-00-0000, U.S. NAVY.
CAPT. JOHN H. JOHNSON, 000-00-0000, U.S. NAVY.
CAPT. KEVIN P. GREEN, 000-00-0000, U.S. NAVY.
CAPT. JOHN M. JOHNSON, 000-00-0000, U.S. NAVY.
CAPT. HERBERT C. KELLY, 000-00-0000, U.S. NAVY.
CAPT. TIMOTHY J. KEATING, 000-00-0000, U.S. NAVY.
CAPT. GEORGE H. EUBANKS, 000-00-0000, U.S. NAVY.
CAPT. TIMOTHY W. LAFLURS, 000-00-0000, U.S. NAVY.
CAPT. ARTHUR W. LANGTON III, 000-00-0000, U.S. NAVY.
CAPT. JAMES W. METZGER, 000-00-0000, U.S. NAVY.
CAPT. DAVID P. POLATTY III, 000-00-0000, U.S. NAVY.
CAPT. STEVEN R. SCHULZ, 000-00-0000, U.S. NAVY.
CAPT. STEVEN W. SMITH, 000-00-0000, U.S. NAVY.
CAPT. STEVEN D. WALTERS, 000-00-0000, U.S. NAVY.
CAPT. RALPH E. SUGGS, 000-00-0000, U.S. NAVY.
CAPT. PAUL F. KENDALL, 000-00-0000, U.S. NAVY.

ENGINEERING DUTY OFFICER

To be rear admiral (lower half)

CAPT. ROLAND B. KNAPP, 000-00-0000, U.S. NAVY.
CAPT. KATHLEEN K. PAIGE, 000-00-0000, U.S. NAVY.

SPECIAL DUTY OFFICER (INTELLIGENCE)

To be rear admiral (lower half)

CAPT. PERRY M. RATTI, 000-00-0000, U.S. NAVY.

SPECIAL DUTY OFFICER (FLEET SUPPORT)

To be rear admiral (lower half)

CAPT. JACOB M. DEE, 000-00-0000, U.S. NAVY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED NAVAL ACADEMY GRADUATES TO BE APPOINTED PERMANENT SECOND LIEUTENANTS IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 51:

NAVAL ACADEMY GRADUATES

To be lieutenant

MAJ. GEN. JEFFREY W. OSTELL, 000-00-0000, U.S. NAVAL RESERVE.

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE NAVAL RESERVE OF THE UNITED STATES TO THE GRADE OF COMMANDER, IN THE U.S. NAVY WHILE FULLY PERFORMING THE DUTIES OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 5912.

To be lieutenant

MAJ. GEN. JEFFREY W. OSTELL, 000-00-0000, U.S. NAVAL RESERVE.

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE NAVAL RESERVE OF THE UNITED STATES TO THE GRADE OF COMMANDER, IN THE U.S. NAVY WHILE FULLY PERFORMING THE DUTIES OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 5912.

To be lieutenant

MAJ. GEN. JEFFREY W. OSTELL, 000-00-0000, U.S. NAVAL RESERVE.

IN THE NAVY

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IN THE NAVY
SONS OF THE REVOLUTION OF
THE STATE OF CALIFORNIA
HON. CARLOS J. MOORHEAD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. MOORHEAD. Mr. Speaker, it is an honor for me to bring to the attention of my colleagues in the U.S. House of Representatives the 103rd birthday of the Sons of the Revolution in the State of California, founded in my home State in May 1893.

The Sons of the Revolution was first organized in New York on December 18, 1875, primarily by members of the Society of Cincinnati, the oldest and most revered Revolutionary War group.

The membership of the Sons of the Revolution is composed solely of the posterity of those individuals who served in the Revolutionary War in a number of vital capacities. In order to be eligible for membership in the history-making Sons of the Revolution, an individual must have had a family member who participated in the Revolutionary Army, Marines, or Navy; served the Continental Congress or the Congresses of any of the Thirteen Colonies that supported the Revolutionary War effort.

As one might expect, Mr. Speaker, the membership rolls of the Sons of the Revolution make for fascinating and famous reading.

Through their various patriotic, historical, and educational activities, this storied organization has and continues to encourage and inspire the people of California and the United States. It continues to honor the memory of those brave individuals who pleaded their lives, fortunes, and sacred honor so that all Americans could enjoy the freedoms and liberties established more than 200 years ago under our Constitution and enjoyed by all today.

To a considerable extent, Mr. Speaker, this inspiration and education has been accomplished through the Sons of the Revolution Library, which has operated in my hometown of Glendale for the past 103 years. The library has received no financial support from any governmental agencies. It has been kept open, free-of-charge, to the public in keeping with the purposes of the society to perpetuate the memory of the brave men who fought in the Revolutionary War.

The library contains a collection of more than 35,000 volumes, is well-known as one of the largest genealogical and historical collections of its type in California.

The library is not only blessed with a magnificent collection of books and manuscripts, but also houses some exceptionally rare artifacts. These include George Washington’s leopard skin saddle pad, one of two remaining silk flags reviewed by George Washington, early U.S. Navy boarding swords and leather fire buckets from Adm. David G. Farragut’s flagship, U.S.S. Hartford, just to name a few.

Not only does the library serve as a valuable research tool, it also serves as a meeting place for the Daughters of the American Revolution, the California Society of the War of 1812, the Aztec Club of 1847, the Military Order of the Loyal Legion of the United States, the Military Order of Foreign Wars of the United States, the Army and Navy Union of the United States, U.S. Submarine Veterans, Society of Colonial Wars in the State of California.

Mr. Speaker, I am pleased and honored to recognize and pay tribute to the Sons of the Revolution in the State of California on their 103rd birthday. We only have to travel a short way from here to realize how richly blessed we are as a people and a nation. We have liberties and opportunities few in history have enjoyed. For this untold bounty, we owe much to the Sons of the Revolution and their families.

HONORING THE LANCASTER V OLUNTEER FIRE DEPARTMENT
HON. BART GORDON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Lancaster Volunteer Fire Department. These brave, civic-minded people gave freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, “These firemen must have an overwhelming desire to do for others while expecting nothing in return.”

Preparation includes twice monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catches fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their services and sacrifice.

HONORING RICHY RAYMOND
HON. ELIZABETH FURSE
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Ms. FURSE. Mr. Speaker, I rise today to recognize a very special fourth grader from Carlton Elementary School of Yamhill County, OR. This exceptional young man took it upon himself to help the victims of the February floods which devastated communities throughout our region.

Richy Raymond believed that he and his classmates could lend a hand and raise...
money for the recovery efforts by donating a penny a day for 10 days. He had anticipated collecting approximately $45 to contribute to the American Red Cross Disaster Relief Fund.

Richy never anticipated that donations would pour in from his entire school, as well as other schools and communities within Yamhill County. Even places as far away as Bend and Bandon, OR, sent in their heartfelt contributions. To date, Richy's campaign, "Kids Can Help—Pennies Count, Too" has collected a remarkable $6,000 to help victims of the floods.

Richy is truly a fine example of our youth today and of our great Oregon spirit. As Oregonians continue their efforts to recover from the flooding, I applaud Richy's compassion and dedication, and am privileged to have this opportunity to recognize him before the House of Representatives today.

TRIBUTE TO DR. RICHARD BOXER
1996 LUBAVITCH OF WISCONSIN HONOREE

HON. GERALD D. KLECZKA
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. KLECZKA. Mr. Speaker, I rise today to pay tribute to my friend, Dr. Richard Boxer who will be honored by Lubavitch House of Wisconsin on Tuesday, June 18, 1996.

In honoring Dr. Richard Boxer, Rich, as he is known to his friends, Lubavitch of Wisconsin is paying tribute to a man who has done so much for the community he loves. He is a man who truly is dedicated to the well-being of others not only in our community, but throughout this country.

Rick is an outstanding doctor, and in 1995 was appointed by President Clinton to the National Cancer Advisory Board, and the National Institutes of Health. He also serves as a senior adviser for health care for the 1996 Clinton-Gore national campaign and was named best urologist in Milwaukee in 1987, 1991, and once again in 1996.

Throughout his career, Rick has published many articles, lectured around the world, won several awards, and still found time to raise a family with his wife Barbara. His dedication to serving others transcends medicine.

Lubavitch programs have helped many people throughout the years by providing to those in need. Its educational commitment, children and youth programs, counseling, and shelter services have been of great importance to our community. Rick has supported Lubavitch and its programs as they aim not only to help those in need, but also to boost awareness and pride in Milwaukee's Jewish community.

Lubavitch of Wisconsin has made a wise choice in honoring Dr. Rick Boxer at their annual Lubavitch celebration. Rick, his wife Barbara, and their children should all feel a sense of pride in receiving this recognition.

Congratulations, Rich, this is an honor that is well deserved.

HONORING THE LASCASSAS VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Lascassas Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into becoming a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice monthly training programs in which they have live drills, study the latest videos featuring the latest in fighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. As a member of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their homes catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

TRIBUTE TO JAMES W. NELSON

HON. RICHARD A. GEPHARDT
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. GEPHARDT. Mr. Speaker, I rise to honor my friend and fellow St. Louisan James Nelson, who retired last week as Special Agent in Charge of the FBI for Missouri after a career that has spanned a quarter century. It is fitting to recognize Jim for his work on behalf of his country.

Born and raised in St. Louis, Jim graduated from Southwest High School and then went on to the University of Missouri. In 1964 and 1965, he played professional baseball with the Minnesota Twins. Jim later enlisted in the U.S. Army, where he served our country as an army officer in Korea.

Jim began his work with the FBI in 1969 as a Special Agent, and from 1976 to 1981, he worked at FBI Headquarters as the Chief of the Los Angeles office where he oversaw their narcotics, organized crime, and general criminal operations, as well as managing security for the 1984 Olympics. In 1987, he returned to Washington, DC as chief of the General Crimes Section, which is responsible for a wide array of sensitive FBI investigations throughout the country. Jim has lectured extensively, and has been an expert witness in numerous trials. Jim was assigned as Special Agent in Charge of the FBI for the State of New Mexico from November 1988 until he assumed his duties in Missouri in June of 1991. Mr. Nelson has retired last week after 27 years of service to our country to begin a new career in the private sector.

Personally, I have known Jim for more than 30 years. I have the utmost respect and admiration for him and his achievements in fighting crime. I am honored to recognize him here today, and wish him a happy retirement and the best of luck for his new career.

H. RES. 416, 417

HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. DINGELL. Mr. Speaker, today the House leadership brought to the floor a resolution to establish and fund a select subcommittee to investigate the United States role in Iranian arms transfers to Bosnia and Croatia. This is an excellent example of the type of government spending that the current majority is fond of railing against.

It was public knowledge early in 1994 that Iran was sending arms into Bosnia, and the Republican majority raised no objections. In fact, it was also in 1994 that Congress passed the Defense Authorization Act mandating that the President stop enforcing the arms embargo against Bosnia, making this current Republican effort clearly a cynical political undertaking.

The President's Intelligence Oversight Board has investigated the matter, and concluded that the administration has broken no laws. In addition, three separate investigations of United States policy in Bosnia are currently underway. The new subcommittee would be conducting a fourth investigation at the cost of $1 million, making it the most expensive subcommittee in the House of Representatives.

Mr. Speaker, it seems apparent the House leadership is attempting to establish a new subcommittee to dim the President's foreign policy achievements. They are ignoring their own calls to end frivolous government spending by attempting to establish an unnecessary subcommittee. If new House leadership feels so strongly that another investigation into this matter is warranted, at the taxpayers expense, then the International Relations Committee is fully capable of conducting such an inquiry with existing funds. This is a cynical political exercise because it wastes $1 million of the taxpayers' money.

TRIBUTE TO THE FEDERATION OF ITALIAN-AMERICAN ORGANIZATIONS OF QUEENS

HON. CAROLYN B. MALONEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mrs. MALONEY. Mr. Speaker, today I am pleased to rise to pay tribute to the Federation
of Italian-American Organizations of Queens, NY, a group that this year celebrates its 25th anniversary. I ask my colleagues to join with me in recognizing and honoring this very important organization for its dedicated services to the Queens community.

The Federation of Italian-American Organizations of Queens is unique. It works to transform social clubs into activist organizations. To this end, the federation encourages the clubs’ attention to the problems of the Italian-American community. It assists members in becoming citizens of the United States and educates them to the rights guaranteed by the American Constitution. The federation’s goal is that with the status and knowledge, they may more effectively advocate for and serve their community.

The federation encourages the unification of Italian-American societies in Queens, New York, a borough of New York City with a very high Italian-American population. It seeks to maintain and promote a higher involvement in social and political issues; to teach the belief and ideals of the United States; to fight against discrimination and derogatory stereotyping; and to provide assistance, support, and cultural betterment to its members, among several other goals. It has been very successful in these pursuits. I am pleased to report that the federation currently assists approximately 10,000 individuals and families every year.

The federation was founded in 1971 by four friends: Anthony Gazzara, Vincent Iannece, Tom Bullaro, and Phil Cicciariello. Their original goal was to bring together the active Italian-American societies in Astoria, Queens, and to revitalize the traditional parade in honor of Christopher Columbus. Although poor weather prevented the parade in that first year, nevertheless the federation has flourished and today consists of at least 22 Italian-American societies in Queens. Through the pursuit of its goals, it has become a valuable instrument for addressing the needs and problems of the Italian-American community in Queens.

Mr. Speaker, in the year of its 25th anniversary, I am proud to rise in honor of the Federation of Italian-American Organizations of Queens. It is a truly venerable institution in its community and very worthy of the collective tribute of this body here today. Thank you.

TRIBUTE TO FANNIE MAE FOUNDATION AND THE NBA’S HOUSTON ROCKETS

HON. SHEILA JACKSON-LEE
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1996

Ms. JACKSON-LEE of Texas. Mr. Speaker, on Wednesday afternoon, April 10, 1996, Fannie Mae Foundation and Clyde Drexler and Chucky Brown, star players with the back-to-back World Champion Houston Rockets, joined together in their second Work Day to increase home ownership and rehabilitate Houston's neighborhoods.

The Home Team partnership was designed to revitalize Houston's neighborhoods and to provide home buying information to help more Houstonians achieve their dream of home ownership.

Houston's "Home Team" and the Fannie Mae Foundation held a ribbon-cutting welcome home ceremony at two newly-landscaped homes which Rockets and Fannie Mae Foundation employees began constructing last December in Houston's Fifth Ward neighborhood located in the 18th Congressional District. The new homeowners are single parents and first-time home buyers.

The Work Day was led by my friend, J.J. Smith, who heads up Fannie Mae's partnership office. Fifth Ward Redevelopment Corp., a local nonprofit organization dedicated to providing housing to lower income and first-time home buyers—also deserves credit for this partnership. They are the true heroes behind this effort.

The best part of this story is that Houston has two new homeowners, setting the precedent that home ownership is possible for other local families. I will continue to support the good work of the Fannie Mae Foundation, and recognize the valuable time the Rockets players and staff take out of their busy schedules to make a difference in the lives of our local families and send the message that the American dream of ownership is possible for every family.
Mr. Speaker, the article by R.H. Melton and Mr. Gallowhouse is just the latest in a series of articles that have been produced in the last few weeks which express concern about Starr's objectivity and fairness. The Independent Counsel Act created the office of independent counsel to investigate the President in the first place. Mr. Starr should have said no. And having said yes, he should have determined that he would be extremely careful in carrying out his duties in a way that minimized any concern about independence and fairness. Instead, he has behaved in a way that has bothered a wide range of objective observers, including apparently many of those who have preceded him as independent counsel. In the article, R.H. Melton writes a story which is accurately headlined “Ex-Prosecutors Concur on Case Against Starr’s Private Work.”

In the article, R.H. Melton quotes from a wide range of former independent counsel, including several people who held important appointed office under Republican President, who agree that Kenneth Starr has erred seriously in his conduct in the independent counsel office. Particularly by taking on a wide variety of cases in which he is representing people who are politically arrayed against the President he is investigating, Mr. Starr has compromised the very nature of the independent counsel office.

This investigation of the President has already gone on for a very long time, with no results in terms of negative informatie being brought forward against the President. It costs an enormous amount of money for the results we have gotten, and it has called into question unfortunately the usefulness of this very important office.

Mr. Speaker, the article by R.H. Melton and the wide range of Republican and Democratic criticisms of the independent counsel so quoted in it makes it clear that this is a serious problem, and not simply a case of Democrats objecting to Mr. Starr’s work. As one who has worked hard to preserve this important office, and who joined in asking for an independent counsel to look into the allegations against President Clinton, I am extremely disappointed by Mr. Starr’s performance and I think it is appropriate for R.H. Melton’s documentation of the view of previous independent counsel about Mr. Starr’s work to be printed here.

EX-PROSECUTORS CRITICIZE KENNETH STARR

(By R.H. Melton)

The former independent counsel are a varied lot, composed of Republicans and Democrats, smooth-talking silk-stockings and gruff old men. Varied, too, were their assignments. Some had big cases; some worked virtual anonymity.

But from the well-heeled New York lawyer to the New Orleans septuagenarian, the former prosecutors agree on one thing: the White House reaction to inquiries into the President’s decade-old real estate ventures and the White House reaction to inquiries into the matter.

“Even though his outside work is quite legal, critics point to such cases as evidence that Starr is not as independent or devoted to his government duty as he should be. Much of the criticism has been strongly partisan, fueled by White House aides and other Democrats who want a tidy resolution to Starr’s inquiry before the presidential election this fall.

Still, the observations of the former counsels are unusual in their breadth and force. Some of them know Starr well, and others know his reputation as a brilliant legal mind with strong Republican credentials. Nearly all of the seven counsels interviewed expressed surprise that Starr would load so much on his plate and stir partisan controversy, particularly in an inquiry focused squarely on a sitting president and first lady. A few of them voiced disappointment.

Starr declined to be interviewed for this article, but a month ago he issued a spirited defense against the criticism that had been mounting against his outside caseload. He should either get in or get out,” Gallowhouse said. “Don’t give a damn about the Republicans, Democrats, Bull Moose or muggwumps. He should get on with the investigation and bring it to a conclusion as soon as practical. We are not going to do it with the top man running all over the country making speeches and taking care of private clients.”

Starr’s clients range from tobacco giants to the NFL Players Association. Last month his schedule took him from the halls of the Supreme Court to a federal appeal’s court in New Orleans within one week. He has some clients whose interests are inimical to those of the Clinton administration. In a major school voucher case in Wisconsin, for example, Starr was paid by the AFL-CIO to defend a group of teachers who has challenged a state law. He also represents the NFLPA.

Starr’s critics point out that the Independent Counsel Act created the office of independent counsel to investigate the President in the first place. Mr. Starr should have said no. And having said yes, he should have determined that he would be extremely careful in carrying out his duties in a way that minimized any concern about independence and fairness.

Instead, he has behaved in a way that has bothered a wide range of objective observers, including apparently many of those who have preceded him as independent counsel. In the article, R.H. Melton writes a story which is accurately headlined “Ex-Prosecutors Concur on Case Against Starr’s Private Work.”

In the article, R.H. Melton quotes from a wide range of former independent counsel, including several people who held important appointed office under Republican President, who agree that Kenneth Starr has erred seriously in his conduct in the independent counsel office. Particularly by taking on a wide variety of cases in which he is representing people who are politically arrayed against the President he is investigating, Mr. Starr has compromised the very nature of the independent counsel office.

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Mr. Speaker, the article by R.H. Melton and the wide range of Republican and Democratic criticisms of the independent counsel so quoted in it makes it clear that this is a serious problem, and not simply a case of Democrats objecting to Mr. Starr’s work. As one who has worked hard to preserve this important office, and who joined in asking for an independent counsel to look into the allegations against President Clinton, I am extremely disappointed by Mr. Starr’s performance and I think it is appropriate for R.H. Melton’s documentation of the view of previous independent counsel about Mr. Starr’s work to be printed here.

EX-PROSECUTORS CRITICIZE KENNETH STARR

(By R.H. Melton)

The former independent counsel are a varied lot, composed of Republicans and Democrats.
Ten independent counsels were named between 1978 and 1992 and two others conducted confidential investigations. The inquiries ranged widely in complexity and cost; Iran-contra cost $47 million and lasted seven years; a three-month investigation into a drug allegation against an aide to Carter cost $3,348. The Whitewater inquiry by Starr ran from 1994 to 1996 and cost $17 million; it ended early Monday morning after his body was discovered near the shoreline of the Wicomico River searching for the late William E. Colby, the former Director of the Central Intelligence Agency. The search ended early Monday morning after his body was discovered near the shoreline, ending an intense search that began when his canoe was found April 28.

There were many agencies and organizations involved in the search which was headed by the Maryland Department of Natural Resources Police. I want to recognize all of the participants in this search, including Sheriff Fred Davis and the Charles County Sheriff’s Department who handled press inquiries and protected the Colby residence.

The search involved countless volunteer hours and assistance from: the Maryland State Police Atlantic Division; the Charles County Dive Team, who were the first divers in the search; the Cobb Island Volunteer Fire Department and EMS; the Seventh District Volunteer Fire Department Boat 5 from St. Mary’s County; the Marbury Volunteer Fire Department—using their rescue boat and dive team; the Bel Alton Volunteer Fire Department; the St. Mary’s County Sheriff’s Department Dive Team; the Calvert County Dive Team; the U.S. Coast Guard; the Prince George’s County Dive Team—Companies 22, 49, and 56; the La Plata Volunteer Fire Department; Sardom Search and Rescue Dogs; the Cobb Island Volunteer Fire Department Ladies Auxiliary; the Charles County Communications Department; the Virginia State Marine Police; the Naval Surface Warfare Center EOD Dive Team and the Rescue Squad Dive Team from Dahlgren, VA; and numerous local citizens who volunteered in many different ways. The residents of my district go to bed at night, they know that should disaster strike they will not be left unattended.

Mr. Speaker, I rise today to recognize the efforts of more than 100 individuals—both paid and volunteer—who spent many hours in the cold water and on the shoreline of the Wicomico River searching for the late William E. Colby, the former Director of the Central Intelligence Agency. The search ended early Monday morning after his body was discovered near the shoreline, ending an intense search that began when his canoe was found April 28.

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I ask my colleagues to join me today in recognizing the efforts of the paid and volunteer members of this special community. These individuals engage in hundreds of hours of specialized training and continuing education to enhance their skills and be ready for emergency rescue, calls and searches. Charles County and other communities across America benefit daily from the services of these dedicated professionals who are ready 24 hours a day, 7 days a week and they deserve our continued thanks.

Mr. Speaker, I am proud of the efforts of the volunteer fire and rescue services personnel and other agencies involved in the intense search for Mr. Colby which lasted more than 1 week. I want each of them to know that my colleagues in Congress share my pride in the selfless manner in which they carry out their mission in our community and every community throughout America.

HONORING THE MONTEREY VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services performed by the Monterey Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, “These firemen must have an overwhelming desire to do for others while expecting nothing in return.”

Preparation includes twice monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School at Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catches fire, well trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for all of us. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

IN MEMORY OF ALLEN C. MEIER

HON. ANNA G. ESHOO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Ms. ESHOO. Mr. Speaker, I rise today before the House to celebrate the life of Allen E. Meier, Jr., who passed away peacefully in San Francisco, CA on September 10, 1993.

On Friday, May 3, 1996, the family and friends of Allen Meier gathered at Congregation Emanu-El for the rededication of the robing room of the temple in his loving memory.

The refurbishment of the robing room was made possible by the gifts of loving friends and family members to the Allen E. Meier, Jr. fund of the congregation as the first in a series of beautification and preservation projects.
This undertaking was one that Allen Meier would have participated in himself and is a fitting tribute to him because few human beings embodied the devotion and dedication present in this good man.

A member of a pioneer Oregon family and native of Portland, OR, Allen Meier acquired early on an interest in technology. He served in leadership roles with the American Import Bank in San Francisco and on the board of the trustees of the Meier and Frank Co.

Yet the business community was not Allen’s only community. With infinite vision and wisdom, Allen understood the importance of community involvement and volunteerism. His community participation was exhibited in his service to SCORE, KCBS call for action, the Temple Emanu-El, and the San Francisco Academy of Sciences as a docent.

As a loving husband, a caring father, a World War II veteran, and a community leader in San Francisco, Allen C. Meier was a master of both devotion to his family and his community.

For his loving wife Janis and three daughters, Lynn, Muffie, and Mary, the many loving nieces, nephews and cousins, as well as the innumerable friends of a lifetime, Allen Meier will be missed all the days of our lives. May his sweet memory live on in what the robing room represents.

AN ECONOMIC AGENDA
HON. LEE H. HAMILTON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 8, 1996, into the CONGRESSIONAL RECORD.

AN ECONOMIC AGENDA

One of the key questions facing policymakers today is what can be done to help improve the material standard of living for the average American. I hear from people all the time who tell me they are working harder and longer than ever, but they feel squeezed and are just barely getting by. I believe we must make a determined effort in this country for a higher rate of economic growth. That must become one of our nation’s top priorities. Higher growth will come from more saving and investment and from greater productivity, and it will do much to improve the outlook for working Americans.

STATE OF ECONOMY

All of us know that the overall economy is doing reasonably well. Growth and inflation are both around 2%. Many jobs are being created and the unemployment rate is low. The deficit is going down. Stock prices are at an all-time high. But at the same time, there is tremendous unease about the economy. Layoffs and downsizing are continuing as the inevitable result of global competition and的技术ological change. There is job insecurity, enormous income inequality, and significant pressure on families.

ECONOMIC GROWTH

Economic growth is the rate at which the overall economy grows from year to year. In 1994 our nation’s total output of goods and services (Gross Domestic Product) was $7.1 trillion and in 1995 GDP was $7.25 trillion, for a growth rate last year of 2.0%.

The U.S. growth rate has slowed since the decades of double-digit growth. In the 1920s, growth averaged a robust 3.9% per year in the 1950s and 4.3% in the 1960s, but it has dropped to 3.2% in the 1970s, 2.7% in the 1980s, and, with the end of the cold war, to around 3.5% per year in the 1990s. We need to do better. Many economists believe that we should be striving for growth of around 3.5% per year over the long term. They believe that the structure of the economy has changed in recent years to allow that kind of growth without reigniting inflation.

Growth in the material standard of living is obviously not the sole measure of success as a society. But strong, balanced, and sustained economic growth helps in many ways. Jobs multiply and wages rise during periods of solid growth. Prior to the 1970s when we had strong economic growth, wage growth was also solid. But as the economy has slowed, wage growth has flattened out.

We need, in short, an economy that will provide for every worker a willing and able to work, and an economy that will provide opportunity for a consistently higher standard of living for those employed. The only way I know to get that is with strong private sector growth. That growth will come from higher levels of investment and superior public services.

PRO-GROWTH AGENDA

I believe there are several parts to a pro-growth agenda. First, we must balance the federal budget. Large federal borrowing drains the pool of national savings available for productive private sector investment and it drives up interest rates and the cost of capital. Strong economic growth also makes it easier to balance the budget, as the growing economy boosts revenues and reduces social safety net costs, and it makes it easier for Americans to tackle a variety of domestic problems. Strong economic growth alone cannot solve the nation’s problems, but without it they are likely to become increasingly difficult.

Second, we need to reform the federal tax system so economic growth becomes a much higher priority. We need a system that rewards the more productive and that provides a much bigger incentive to do a much better job of encouraging saving and investment. How it should be restructured to achieve that is a matter of debate. We need a tax code that is simpler, lower on capital, or a system of taxing consumption instead of investment, but we must put at the top of our national agenda a search for a tax system that enhances growth.

Third, we must expand our trade opportunities and open foreign markets to U.S. products and jobs in exporting industries. As we move into higher-paying, so our companies must have fair access to the rapidly growing markets overseas. We need to continually review and adjust U.S. trade policy to make sure it is working in our national interest and is helping to expand our economy and good-paying jobs.

Fourth, we need to curb excessive and costly government regulations. Many federal regulations provide important health and safety protections. But overall we need to make sure they fulfill their costs and they are carried out in the latest burdensome way. Regulations should recognize that a vibrant private sector is the best engine for economic growth.

Fifth, I also think we need higher levels of public investment in infrastructure. Federal, state, and local governments need to invest in more and better roads, bridges, highways, water systems, sewer systems, harbors, ports, airports and all the rest that helps make the private sector more productive. We also need to promote investment in research and technology, which boosts economic growth.

Finally, we need greater attention to upgrading the education and skills training of our workers. Improving educational performance is an absolute priority in today’s world so all Americans—not just those at the top—can prosper as the economy grows. Education is, of course, primarily a state responsibility, but it is a national access to higher education and more skills training is a must.

I do not suggest that such changes will come about easily. We must be prepared to deal with the human problems that emerge. We should do all we can, for example, to create a system of portable pensions and portable health care to cushion the transition for people who have to move from one job to another. We must find ways of providing profit sharing and stock ownership plans for employees, not just for the top corporate management, so everyone has a greater stake in the success of our companies.

CONCLUSION

In sum, our objective is simple: higher growth in the American economy. That basic goal needs to become the much more central focus of what the federal government does on a variety of fronts—whether it be a budget or tax policy or our trade, regulatory, and public investment policy. In the end I think what is important for working people is for this economic system of ours to grow and to create more good-paying jobs. We don’t know all the answers about getting higher growth, but we know some of them, and we should get about the business of implementing them.

LET’S FILL THE EDUCATIONAL GAS TANKS, NOT LET THE KIDS RUN OUT OF GAS
HON. CARDISS COLLINS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to make my point for the children in school today who may be struggling with economics as put forth by Representative ARMEDY over the weekend. The Gingrich-Army Republicans have now suggested that a reduction in a Federal tax on gasoline should be offset by further cutting Federal spending for education.

All across America students and teachers are probably scratching their heads this morning trying to figure out how any person in their right mind, much less a person in an apparent position of responsibility such as being a Member of the U.S. Congress, could conceivably make sense of this crude robbing Peter to pay Paul scenario.

We were to seriously consider such a crazy alternative—then we would probably be dumb enough to believe some of the statistics reported by Representative ARMEDY in a national television talk show last weekend. In fact, Mr. ARMEY said that the Gingrich-Army-proposed gasoline tax repeal might make Americans happy because it would save the average motorist about $27 a year.

If Mr. ARMEY would do his own math on comparing the proposed gasoline tax repeal
with a raise in the minimum wage, he would see that the average American minimum wage earner would benefit to the tune of about $36 per week by an increase from $4.15 to $5.25 per hour. That's about $1,872 a year. Now I ask you, what American in their right mind would prefer $27 over a reduction in funding for education to $1,872 a year. As the young people say these days, "I don't think so."

A proposed rebate by repeal of $27 per year wouldn't even be a drop in the bucket to most Republicans, pocket change to those who usually avoid any comparison with the average American unless it is an election year. Even as an election year play, the Gingrich-Army Republicans ought to be able to do better than $27 a year. But to suggest that even that pittance be offset on the backs of the children takes Gingrich to grinch in a fast minute.

Mr. Speaker, our educational system is already in danger of running out of gas because of all the cuts that the Gingrich-Army Republicans have already shaved down the throats of the kids on the playgrounds, parents, and the members of school boards across America. We need to increase Federal support to education, not reduce it.

The Gingrich-Army Republicans want our educational system to run out of gas in the middle of the superhighway. Once again, the Gingrich-Army Republicans have shown that they are completely out of touch with the American people.

HONORING THE LANCASTER VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Lancaster Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

H.R. 3413, COMMUTER RAIL SAFETY ACT OF 1996

HON. WILLIAM J. MARTINI OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. MARTINI. Mr. Speaker, today I am introducing legislation that will improve working conditions for train employees, while improving safety for rail commuters.

On the morning of February 9, 1996, hundreds of New Jersey commuters experienced the worst commuter rail accident in the history of New Jersey Transit. The accident claimed the lives of 3 people—including 2 train engineers—and injured 182 others. In combination with other safety factors, the accident was possibly a result of operator fatigue because one of the train engineers was working a split shift on very little sleep.

On a split shift, a train employee may work up to 12 hours, provided that employee is given a continuous rest period of at least 4 hours. The operator of one of the trains involved in the New Jersey Transit accident reported to work at 6 p.m. Thursday evening and operated trains until 1 a.m. Friday morning. He had a rest period from 1 a.m. to 5:40 a.m., when he resumed operating trains until 11:40 a.m. the following day. The operator was one of the accident's victims.

Several of New Jersey Transit's train engineers reported their sleep habits at the time of the accident regularly worked split shifts, often splitting a late evening shift and an early morning shift.

While there is no way to know whether or not operator fatigue, due to what is known as a "split shift", played a major role in the New Jersey Transit collision that occurred in February, one thing is certain—the split shift was not sound policy.

In response to the deadly New Jersey Transit train crash, I am introducing the Commuter Rail Safety Act of 1996. This legislation addresses the suspected cause of the tragic February accident—operator fatigue. As a member of the House Transportation and Infrastructure Committee, which oversees our Nation's railroads, I feel it is my obligation to take additional measures to ensure the safety of train employees and commuters.

Under the Commuter Rail Safety Act, commuter train operators will no longer be forced to work risky shifts where they work several hours in a late night shift, take a 4-hour break, and then begin working an early morning shift. This provision addresses the problem of diminished alertness during morning hours that results from having been on duty during the nighttime. Furthermore, by doing away with split shifts, the legislation eliminates the problem of employees not having an adequate place for rest in the middle of the night. In many instances, an employee working an evening/morning split shift is forced to sleep in a chair, in a noisy train car, or in an unoccupied railcar.

This legislation still allows split shifts that begin the initial tour of duty in the morning, 4 to 8 a.m., for such shifts do not interfere with an individual's natural sleep cycle—circadian rhythm.

The second provision in the Commuter Rail Safety Act is to provide train employees with 8 hours notice of their next job, with the only exception being shorter notice in the event of an emergency.

Currently, a train employee might be given anywhere between 1 and 3 hours' notice to report for duty. We feel that this practice fosters fatigue due to the resulting irregular and unpredictable work schedules. By allowing 8 hours' notice, this bill gives employees more preparation time for duty—preparation time to return.

Third, this bill provides train employees with 8 hours of undisturbed rest, with the only exception being the 8-hour notice for duty.

While most rail carriers currently provide 8 hours of so-called undisturbed rest, many see no need in calling an employee during this rest period. Daily interruptions experienced by train employees, including constant phone calls updating employees of their next job or asking them to fill in for industry's scheduling mistakes, are unnecessary and create undue stress on those employees. It is critical that all train personnel who are responsible for the safety of hundreds of commuters each day be adequately rested.

Last, this legislation establishes criminal consequences for any rail employee or employer who intentionally fails to report rail accidents or injuries to the appropriate Federal and State authorities. In fact, it goes so far as to prevent an employer from discharging or discriminating against an employee who properly reports such an event. This provision prevents coverups of safety violations on the part of employer and employee and is a critical part of this safety legislation.

Mr. Speaker, the Commuter Rail Safety Act has one focus—safety for train employees and commuters. It is my hope that, with the Commuter Rail Safety Act, we will be able to prevent tragic accidents, such as the NJ Transit collision, from happening in the future. I urge my colleagues to join me in supporting this important legislation.

TRIBUTE TO JUDGE JOSEPH AND MICKEY WAPNER

HON. HOWARD L. BERMAN OF CALIFORNIA
HON. HENRY A. WAXMAN OF CALIFORNIA
HON. ANTHONY C. BEILENSON OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. BERMAN. Mr. Speaker, my colleagues and I are honored to pay tribute to our good friends Judge Joseph and Mickey Wapner, who this year are being recognized by the Brandeis-Bardin Institute for their significant contribution to Jewish life. We can think of few couples who together have been so involved for so long in Democratic Party politics and Jewish community activities as have the Wapners. Allow us to share a few examples.

Beginning in the 1960's, Mickey established a pattern of total devotion to the causes and people in whom she believed. In 1960 she was speakers bureau coordinator for the John Kennedy for President campaign; from 1967 to 1970 she was west coast director of public relations for the American Jewish Committee; from 1966 to 1968 she was a member of the California Commission on the Status of Women. In 1970 Mickey was named assistant...
to the dean and director of alumni and develop-
ment at the UCLA Graduate School of Archi-
tecture, a position she held until her retire-
ment in 1983. Despite her busy professional
life, she continued to tend to Jewish and politi-
cal affairs throughout the 1980's and into the
1990's.

Her husband has proved that being a visible television personality is no excuse for neglect-
ing one's community. From 1981 to 1993 he
was judge on the nationally syndicated pro-
gram "The People's Court," which made him
a bona fide celebrity. Still, during this time
Judge Wapner continued his extensive in-
volvement in civic and community affairs, in-
cluding membership on the board of trustees
of Alternative Living for the Aging and honory
chairman of the National Jewish Hospice.
He is the recipient of numerous honors, such
as the Golden Glow Award from Senior Health
and Peer Counseling and the Maimonides
Award from the legal services division of the
Jewish Welfare Fund.

Both Judge and Mickey Wapner have been
staunch supporters of the Brandeis-Bardin In-
stitute, which this year is honoring the couple
during its annual dinner. The Moelle Library and
tennis and basketball courts at the institute are
a result of the generosity and leadership of the
Wapners.

We ask our colleagues to join us today in
collegial celebration of our friends who have
done so much for so many.

Their selflessness is a shining example to us
all.

CONGRATULATIONS TO THE
NIANTIC-HARRISTOWN SCHOLAS-
TIC BOWL TEAM

HON. GLENN POSHARD
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. POSHARD. Mr. Speaker, I rise today to
honor the gifted students of the Niantic-
Harristown Scholastic Bowl team for their re-
cent class A State championship. We often
honor our athletic champions, but I believe it
is equally important to celebrate the academic
achievements of our students. The dedication
and hard work that went into this season would
be hard to overstate. I salute the ef-
forts of the team and the leadership and en-
couragement of their coach, Donna
Cheatham.

I am pleased and proud that the young peo-
ple of my district are placing such a high re-

card on scholastic achievement. They under-
stand that information is the key to success
class and in the future, and that problems can
be solved via the rigorous application of
knowledge. The future of this country depends
on people who will not back down from a chal-
lenge, and are willing to explore the word around
them. The scholastic bowl provides an
excellent forum for this kind of critical thinking,
combining it with the pressure and excitement of a
tournament situation.

Mr. Speaker, what makes the accomplish-
ments of the team all the more special was the
way in which it was received in the com-

Q. Do you accept the concept of mediarchy,
that is, that the United States is ruled by a
media elite? If so, to what extent are peo-
ple's feelings and thought patterns manipu-
lated by homosexuals or homosexualists
through the mass media?

A. I think the best answer comes from Rus-

sian author Alexander Solzhenitsyn. In his
1978 graduation address at Harvard—which
was not well-received by the liberal elite—he
proposed that the degree of thought control exer-
cised by the Western media in relatively
spontaneous ways was far more effective and

tyrannical in its capacity to impede free thought
among Americans than anything ever achieved
by the totalitarian regime in the Soviet Union.

Let me give you one example and then
make a generalization: There was a series of

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It’s not that feminism has co-opted homosexuality or vice versa; both are the inevitable consequence of a failure to adhere to the higher vision of the union of the sexes that is appropriate to the Judeo-Christian understanding of reality. Absent that vision, sex as a naked, despiritualized sort of pleasure will join with the natural difference of interests between the sexes to reinforce their opposition and thereby destroy the family.

Feminism is not really a political movement and homosexuality is not really about sex. There is no such merely different symptoms of the same profound spiritual malaise which is now spreading throughout the culture.

Q. What do you think of the homosexual drive for political “minority” status, and is that justified?
A. It is not justified because homosexuality is changeable. On the other hand, there is no question that people who have identified themselves as homosexuals for either all or part of their lives are subject to irrational and vicious personal attacks. There is no place for that in civilized society. There is a clear distinction between being opposed to the gay activism agenda and being improperly opposed to people who wrestle with their sexual problems.

Q. Increasingly, one hears that there is not only homosexuality but also transsexualism, which now can exist in various “perverse” forms of sexual expression. Does the concept “sexual orientation” mean anything, that is: Is heterosexuality merely an “orientation,” one of potentially less, and on the same footing as others? Or is the phrase just nonsense?
A. There is nothing such as sexual orientation of any sort. The genetic structures that underlie human behavior include a very complex set of physiological responses that constitute sex. Those physiological mechanisms can be triggered under innumerable circumstances. The human mind, however, rooted in the brain, is subject to an almost infinite degree of plasticity in the ways that it will symbolize experience.

Under the right circumstances, for human beings in contrast to animals, whose nervous systems are far more rigid, almost anything can become sexualized and therefore become a symbolic stimulus to sexual response. When I hear the phrase “sexual orientation,” I think, “There’s another step too much in my mental process to analyze reason.”

Q. Sometimes we hear of young people being encouraged to “dabble” in homosexual relationships to discover their “orientation.” Can a person casually experiment or dabble in homosexuality in young adult years with immunity from psychological effects?
A. There are two issues here. First: Someone with a relatively healthy upbringing who has not been badly hurt by early experiences could experiment with any variant of sexuality without going to a more or less permanent habit of one sort or another. However, someone whose early upbringing was filled with a certain kind of suffering is at risk of discovering a seemingly attractive but false form of comfort for that suffering in various “perverse” forms of sexual expression. There is a larger question, one which has been almost entirely lost from our understanding of human nature. It is a fact that the females have a dramatic impact in shaping certain expectations about what one’s sexual experience is and should be. For instance, early exposure to pornography, especially with masturbation, can diminish the capacity of an individual imperfect real person. This can produce subtle, even imperceptible, impediments to intimacy.

Q. How do you view the attempts of the homosexual image creators to establish the legitimacy of the Judeo-Christian example of sexuality symbolified by the symbol of the pink triangle? Do you see homosexuals as victims?
A. Sometimes, homosexuals have been victims of the sexual experiences. One study examined over 1,000 homosexual men and found much over 40% were subjected to childhood sexual molestation. It is also true that certain homosexuals, who identify themselves or are perceived as homosexuals are treated with contempt and cruelty.

Q. To what extent do you see homosexuality leading to sadism and masochism, especially among younger people, typified by piercing, tattooing, mutilation, and other acts of mutilation?
A. I wouldn’t say that homosexuality per se leads to these other things; it’s that A) often certain sexual taboos are overthrowing everything becomes permissible; and B) for those people whose early experiences of deprivation have been linked to much pain there is no longer any recombination of the act to ever-more-extreme forms of sexual stimulation. Such a psychological configuration is going to be found more commonly among people who have broken sexual taboos of any sort.

Q. Are homosexuals more inclined to engage in pedophilia and pederasty than heterosexuals, and are lesbians prone to that behavior?
A. Lesbians are not prone to that behavior, and are much less prone to it than heterosexuals. Pedophilia is almost exclusive to males. Among males, pedophilia is at least as much 30 times more frequent among homosexuals than heterosexual males.

Q. Activists correctly point out that the majority of pedophiles are heterosexual, but this is because homosexual males constitute less than one-twentieth of the male population. A recent issue of the Journal of Homosexuality, published by prominent activist, devoted an entire issue to the debate among gay activists as to the degree to which pedophilia is a core component of the homosexual condition. Does the concept of inclusivity mean anything?
A. The former is no more genuine Christian than the latter is genuine Judaism. Paganism has always embraced polysexuality.
CONGRESSIONAL RECORD — Extensions of Remarks
May 9, 1996

Mr. PAYNE of New Jersey. Mr. Speaker, this weekend mothers all over the country will be honored. On Saturday, in my district, a special tribute is being paid to the mothers of the St. Paul African Methodist Episcopal Church in East Orange, N.J., pastored by the Reverend Donald C. Luster.

The African-American community, our female elders are honored with the title of mother. The women being honored by St. Paul’s are all at least 80 years old and have served their families, our community, and the church faithfully for many, many years. These women have seen history in the making. They have made sacrifices so that others would be better off.

Our communities were better off because of women like these who treated all children like their own. It was not unusual for “Miss Rose” to reprimand you for something you did wrong and then tell your mother about it when she came home from work. These women were the strength of our communities. In many cases, they were, and still are, our salvation.

Mr. Speaker, reading the biographies of these women is like reading a copy of Who’s Who. The group contains business owners, educators, a nurse, those active in politics, and seamstresses but most important, they are all mothers. They are mothers who love their children, their grandchildren, their great grandchildren, and their great-great-grandchildren. All of these children love them.

Mr. Speaker, I am sure my colleagues will join me as I offer my best wishes to all mothers, especially to the honorees—Mrs. Ophelia J. Williams, Mrs. Ethel Green, Mrs. Alma Powell Gamble, Mrs. Alma Jones, Mrs. Luella Powell Koonce, Mrs. Era Worth, Mrs. Florence V. Luster, Mrs. Daisy Tolliver—and their families.

* * *

Mr. DORNAN. Mr. Speaker, here are words from the bottom of our hearts for this unforgettable event. We are grateful for all of you in the Senate and House who have had a part in it; and President Clinton for his support in signing the measure.

As we read the list of distinguished Americans who have received the Congressional Gold Medal in the past—beginning with George Washington in 1776—we know we do not belong in the same company with them, and we feel very unworthy. One reason is because we both know this honor ought to be shared with those who have helped us over the years—some of whom are here today. As a young boy I remember gazing at that famous painting of Washington crossing the Delaware. Only later did it occur to me that Washington did not get across that river by himself. He had the help of others—and that has been true of us as well. Our ministry has been a team effort, and without our associates and our family we never could have accomplished anything.

I am especially grateful my wife Ruth and I are BOTH being given this honor. No one has sacrificed more than Ruth has, or been more dedicated to God’s calling for the two of us.

However, I would not be here today receiving this honor if it were not for an event that happened to me many years ago as a teenager on the outskirts of Charlotte, North Carolina. An evangelist came through our town for a series of meetings. I came face-to-face with the fact that God loves me, Billy Graham, and had sent His Son to die for my sins. He told how Jesus rose from the dead to give us hope of eternal life.

I never forgot a verse of Scripture that was quoted, “As many as received him, to them gave he power to become the sons of God, even to them that believe on his name” (J ohn 1:12, KJV). That meant that I must respond to God’s offer of mercy—forgiveness. I had to repent of my own sins and receive Jesus Christ by faith.

When the preacher asked people to surrender their lives to Christ, I responded. I had to repent of my own sins and receive Jesus Christ by faith.

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The Venice High students faced many obstacles in their way to victory. They competed against 54 other high schools from around the Nation representing 39 different States. Most amazingly, they successfully competed even though they started their school year without a physics teacher and had to rely on self-discipline and the help of a substitute teacher for the first few months of the school year.

In addition, these students faced many of the challenges students everywhere face as a result of dwindling resources and the sometimes dangerous atmosphere that students encounter on their way to school. Venice High has, in recent years, experienced problems with gang violence, but with strong support from family and teachers, the students have been able to pursue their goal of academic excellence.

I also wish to congratulate Coach Richard Erdman, and Walter Zeisle of the Department of Water and Power, whose agency generously sponsored the student’s trip to Washington.

A TRIBUTE TO THE MOTHERS OF ST. PAUL AME CHURCH

HON. DONALD M. PAYNE
OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Ms. HARMAN. Mr. Speaker, as a kindergarten-through-high school graduate of the Los Angeles Unified School District, I am particularly proud to congratulate five LA Unified students from my district who recently won the prestigious National Science Bowl contest.

Noah Bray-Al, David Dickinson, Le My Hoang, Candice Kamachi, and Christopher Mayor, all students at Venice High School, claimed a first place victory earlier this month in this contest, which tests students’ knowledge of computer science, biology, physics, chemistry, and other topics in a grueling 2 day competition. The contest is sponsored by the U.S. Department of Energy.

As a member of both the Science and National Security Committees of the House, I have a keen appreciation for the value of science education. It is clear from the hearings these committees convene on the challenges facing our Nation in the 21st century that our future economic prosperity and security depend on cutting-edge scientific advancements. And, in order to make those advancements, we need to continue to teach and train students who will become our future scientists and engineers. I am pleased that Venice High and other schools in LA Unified are prepared to fill that need.

The Venice High students faced many obstacles in their way to victory. They competed against 54 other high schools from around the Nation representing 39 different States. Most amazingly, they successfully competed even though they started their school year without a physics teacher and had to rely on self-discipline and the help of a substitute teacher for the first few months of the school year.

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Mr. Speaker, reading the biographies of these women is like reading a copy of Who’s Who. The group contains business owners, educators, a nurse, those active in politics, and seamstresses but most important, they are all mothers. They are mothers who love

their children, their grandchildren, their great grandchildren, and their great-great-grandchildren. All of these children love them.

Mr. Speaker, I am sure my colleagues will join me as I offer my best wishes to all mothers, especially to the honorees—Mrs. Ophelia J. Williams, Mrs. Ethel Green, Mrs. Alma Powell Gamble, Mrs. Alma Jones, Mrs. Luella Powell Koonce, Mrs. Era Worth, Mrs. Florence V. Luster, Mrs. Daisy Tolliver—and their families.

THE HOPE FOR AMERICA

HON. ROBERT K. DORNAN
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 8, 1996

Mr. DORNAN. Mr. Speaker, here are words from the bottom of our hearts for this unforgettable event. We are grateful for all of you in the Senate and House who have had a part in it; and President Clinton for his support in signing the measure.

As we read the list of distinguished Americans who have received the Congressional Gold Medal in the past—beginning with George Washington in 1776—we know we do not belong in the same company with them, and we feel very unworthy. One reason is because we both know this honor ought to be shared with those who have helped us over the years—some of whom are here today. As a young boy I remember gazing at that famous painting of George Washington crossing the Delaware. Only later did it occur to me that Washington did not get across that river by himself. He had the help of others—and that has been true of us as well. Our ministry has been a team effort, and without our associates and our family we never could have accomplished anything.

I am especially grateful my wife Ruth and I are BOTH being given this honor. No one has sacrificed more than Ruth has, or been more dedicated to God’s calling for the two of us.

However, I would not be here today receiving this honor if it were not for an event that happened to me many years ago as a teenager on the outskirts of Charlotte, North Carolina. An evangelist came through our town for a series of meetings. I came face-to-face with the fact that God loves me, Billy Graham, and had sent His Son to die for my sins. He told how Jesus rose from the dead to give us hope of eternal life.

I never forgot a verse of Scripture that was quoted, “As many as received him, to them gave he power to become the sons of God, even to them that believe on his name” (J ohn 1:12, KJV). That meant that I must respond to God’s offer of mercy—forgiveness. I had to repent of my own sins and receive Jesus Christ by faith.

When the preacher asked people to surrender their lives to Christ, I responded. I had little or no emotion; I was embarrassed to stand with a number of other people when I
I fear not. We have confused liberty with license—and we are paying the awful price. We are a society poised on the brink of self-destruction.

But what is the real cause? We call conferences and consultations without end, frantically seeking solutions to all our problems; we engage in policies yet in the long run little seems to change. Why is that? What is the problem? The real problem is within ourselves.

First, David said, is the problem of emptiness. David wrote: "The Lord is my shepherd; I shall not want." He was not talking just about physical want. I stood on the campus of one of our great universities some time ago, and I asked the Dean, "What is the greatest problem on your campus?" He answered "Emptiness." The human heart craves for meaning, and yet we live in a time of spiritual emptiness that haunts us.

"Nirvana" is the Hindu word for someone who has arrived into the state of perpetual bliss. Media reports said that Kurt Cobain, the NIRVANA rock group's leader, was the pacemaker for the nineties, and the "savior of rock and roll." But he said the song in the end which best described his state of mind was "I hate myself and I want to die!" And at age 27 he committed suicide with a gun.

Second, is the problem of guilt. David wrote: "I am a man of unclean spirit, dwelling among the paths of death." Down inside we all know that we have not measured up even to our own standards, let alone God's standard.

Third, David pointed to the problem of death. "Yea, through I walk through the valley of the shadow of death, I will fear no evil: for thou art with me." David knew some of my school peers saw me; but I was an isolated being. I knew some of my school peers saw me; but I was an isolated being. In the depths of the despair, I walked away from God, Who is offering us forgiveness, mercy, supernatural help, and the power to change.

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Third, David pointed to the problem of death. "Yea, through I walk through the valley of the shadow of death, I will fear no evil: for thou art with me." I have witnessed the outer limits of human evil.

Our mood on the brink of the 21st Century is far more somber. Terms like "etnic cleansing" "random violence" and "suicide bombing" have become part of our daily vocabulary.

Look at our own society. There is much, of course, that is good about America, and we thank God for our heritage of freedom and our abundant blessings. America has been a nation that is a global community that the rest of the world seemingly does not understand. After World War II because we had the Atom Bomb, we had the opportunity to rule the world, but America turned away from that and instead helped rebuld the countries of our enemies.

Nevertheless, something has happened since those days and there is much about America that is no longer good. You know the problems as well as I do: racial and ethnic tensions that threaten to rip apart our cities; crimes and violence of epidemic proportions in most of our cities; children taking weapons to school; broken families; poverty; drugs; teenage pregnancy; corruption of the purse, and almost endless the first recipients of this award even recognize the society they sacrificed to establish?
We pledge to continue the work that God has called us to do as long as we live. Thank you.

MEXICO AT A CRITICAL JUNCTURE

HON. BILL RICHARDSON
OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. RICHARDSON. Mr. Speaker, I am tak-

ing this opportunity to share with my col-

leagues a brilliant analysis of the political and
economic crisis in Mexico. The essay, which
covers the issues that triggered the Mexican crisis, explains the measures that the
Mexican Government has implemented to
overcome the crisis and offers insights of the
position our Government should adopt to help
this troubled developing nation to flourish
again.

This report was written by C. Allen Ellis—a
well-known international specialist who has
demonstrated outstanding leadership and dip-
lomatic skills and whose opinion is respected
in our country, Mexico and in the international
financial circles. Among the multiple duties
of his professional life, Mr. Ellis has served as
an advisor to senior political, diplomatic, and fi-

nancial authorities of the United States and
Mexico. He also participated in the North
American Free Trade Agreement process as
advisor to key members of the United States
Congress, the Government of Mexico and
Mexico, private sector interests. And most im-
portantly, Mr. Ellis is an active member of the
North American Institute, an international think
tank based in the heart of my district in Santa
Fe, NM. I believe that my colleagues will ben-
efit greatly from Mr. Ellis' report.

MEXICO AT A CRITICAL JUNCTURE
(By C. Allen Ellis)
THE 1994-1995 CRISIS

The years 1994-1995 were two of the most
turbulent years in Mexico’s modern history
since the Revolution of 1910. An indigenous
uprising in the southeastern state of Chiapas, which could represent a flashpoint
for the vast number of our southern neigh-
bor’s rural and urban poor, continued to fester.
Luis Donaldo Colosio, the presidential
candidate of the country’s dominant politi-
cal party for 65 years, the Partido Revolucionario Institucional (PRI), was
assassinated March 23, 1994 as he initiated
his campaign, and a possible conspiracy and
its participants is an issue which the judici-
ary and law enforcement branches of the
government have been unable to resolve to
date.

A relatively unknown substitute and pol-

itically inexperienced PRI candidate, Ernesto Zedillo Ponce de León, was elected
President January 1, 1994, in what observ-

ers and participants alike concluded was a
democratic election in Mexico.

The above dramatic events, along with a
continuing rise in international interest
rates, and a massive acceleration in Mexico’s
balance of trade and current account defi-
cits, resulted in a growing erosion of con-
fidence by foreign and Mexican investors
alike in Mexico and in its capital market,
which has seen a capital flight to the United
States. Efforts to reform the Mexican financial system were largely unsuccess-
sful, partly due to the deep recession, the
depreciation of its currency and the own-

fluctuations in the exchange rate. Mexico’s
balance of trade and current account defi-
cits, which in a total of $46.3 billion, were down approxi-
mately 9% from their 1994 level but still 11% higher than in 1993, the year before NAFTA
took effect. Despite earlier dire forecasts by
Ross Perot and others of the effect NAFTA
would have on employment, the Department
of Labor has reported that between January
1994 and February 1996 it certified for assist-
ance 58,600 workers whose loss of jobs could be
attributed to NAFTA, far fewer than had been predicted.

PRESIDENT ERNESTO ZEDILLO AND HIS POLICIES.

President Zedillo has begun his six-year
term to end in the year 2000 embarked on a
program to open and democratize Mexico’s one-party political system, to au-
thoritarian nature of its presidency, enhance
the role of the legislative and judicial branches of government, and decentralize its
federal-state relationships, all while con-
fronting Mexico’s shattered economy and
crushing government debt.

Many Mexicans, particularly among tradi-
tional political figures and their counter-
parts in the private sector, question whether this is the right course for Mexico and do not
believe President Zedillo and his team have
the experience, political skills and public
support to accomplish the fundamental
transformation involved. Notwithstanding there appears to be a gradual realization that
President Zedillo, given his revolution and
class background, will not be able to dra-
matically change Mexico and result in its politi-
cal modernization.

The importance of Mexico to our own
country merits increasing appreciation here,
not only as our partner with Canada in
NAFTA, but as proof the world’s leading in-
dustrial democracy and a troubled develop-
ing nation, with which it shares a 3,000 mile
border, can address their many common
problems and prosper together.

IN HONOR OF ZUBERI MCKINNEY

HON. DOUGLAS “PETE” PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. PETERSON of Florida. Mr. Speaker, on
March 6, 1966, Zuberi McKinney, the beloved
Major and Mrs. McKinney are long time resi-
dents of the Second Congressional District of
Florida which I serve.

I lost my 17-year-old son several years ago in
an accident very similar to that experienced
by the McKinney family and know only too
well the pain a family suffers having sustained
a loss of this magnitude. It is a pain that never
goes away, however there is comfort in that
loved one’s memory.

Today, Mr. Speaker, I wish to enter into the
RECORD the words of Zuberi McKinney’s par-
ents as they celebrate Zuberi’s 19th birthday.
The composition speaks for itself in terms of
compassion and grief, but it also speaks elo-
quently of a strong, close, loving family.
A family whose bonds cannot be broken even in
death.

IN HONOR OF ZUBERI MCKINNEY

Our Dear Son,

You’ve heard us say to you many times how we will always be proud of you and love
you, No Matter What. That is true.

We were remembering about the Earthly life you had here and we had
had because of you.
Sometime in September, 1976, we were told we would be parents approximately May 10, 1977. Who would have believed on May 10, in less than an hour from the time we arrived at the Frankfurt Hospital you were born!

We had researched our chosen names and daddy’s name won because of a boy baby. Zuberi Aswad. An African name from the Swahili language, Zuberi meaning Strong and Aswad meaning Black.

You grew quickly and learned lots. The first song you learned was, “Yes Jesus Loves Me.”

Looking back over eighteen years you accomplished a great deal here on Earth. Your rambunctious sports years started at age three when you played on the Rowdies Soccer Team. You were skiing downhill at age five. You played football, baseball, tennis, percussion instruments in the band, piano, was on a swim team and played lots and lots of basketball, ending up on the Heidelberg Varsity Basketball team.

You were very inquisitive as a student and often challenged teachers, including us as parents. That was good... at times. You always made friends easily and always had love for them. We always noticed the characteristics of the ones you chose to keep as your Closest friends. They were always mannerable, had a great sense of humor, had a good life and most importantly as you once said, “Couldn’t be broke all the time.”

You got to live a very adventurous life on two continents. Visiting many different countries and states. Experiencing almost every mode of travel possible. You always believed in fun. You had it and we enjoyed having fun with you.

We are very unhappy right now because we miss your earthly flesh and we cry out because of earthly feelings. But we Thank God that He chose us to be your parents. We Thank God that He chose you to prepare our place in Heaven. Because we know you’ll get the best. And we Thank God for this prayer: Now I lay me down to sleep I pray the Lord my soul to keep If I should die before I wake I pray the Lord my soul to take.

You slept with us sixteen days before the Lord took your soul to shine down on us from Heaven.

The Guardian Angel we placed over your heart was kissed by ours and we will wear it representing we will Never Ever part from Eternity.

Love you forever, Mom and Dad.

HONORING THE HENDERSONVILLE VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Hendersonville Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, “The firemen must have an overwhelming desire to serve others while expecting nothing in return.”

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, and well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of your district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

BENJAMIN BURROUGHS, HAWAII’S 1996 RESPECTEEN WINNER

HON. PATSY T. MINK
OF HAWAII
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mrs. MINK of Hawaii, Mr. Speaker, as part of the Lutheran Brotherhood’s Speak For Yourself program, over 15,000 students nationwide wrote to their Members of Congress on various public policy issues. Benjamin Burroughs, an eighth grader from my district, was chosen as the Hawaii State winner of the letter writing contest. In his thoughtful letter regarding persons with disabilities, he drew from his brother’s experience with autism. He effectively argued that Congress should strengthen the Individuals with Disabilities Act and increase public awareness on the issue.

Benjamin is only 14 years old, but he wrote an excellent letter on a complex topic. I applaud his concern and willingness to take action on a matter that directly affects his family. Benjamin attends Kaukau High and Intermediate School. I join with his parents, Lonia and Jeffry Burroughs of Laie, HI, to congratulate Benjamin on an outstanding effort. The text of his letter is as follows: January 30, 1996.

HON. PATSY T. MINK
U.S. House of Representatives, Washington, D.C. Dear Representative Mink, I believe that with the new conservative Republican swing, there is a pressing problem that is like firecracker with a lit fuse waiting to burst. These legislators intend to put more power with the individual states and less with the federal government. This scares me because it is highly likely states will cut funding for the education of people with disabilities. In 1981 when federal law required education for children with mental disabilities from ages 3-5, states were given ten years to comply. Many states complied quickly but many did not. An example of this was South Carolina who waited until the last minute of the deadline to comply.

Early childhood intervention is a must. It is statistically proven that if children with disabilities are taught at an early age, they will be better able to function in society. If persons with disabilities are not taught early so that they can become productive members of society then they become financial burdens on the society and must rely on society to intervene early.

My brother is autistic and if power goes to the states, a worst-case scenario would be that he couldn’t go to school altogether. There are two major things that you can do as a representative to solve this problem. First, influence other legislators to sustain the Individuals With Disabilities Education Act [I.D.E.A.] and to maintain current federal mandates protecting the rights of persons with disabilities. Second is to require a meeting in every Guidance/Health class in High School that will increase the overall education of everyone about persons with disabilities.

I think that if these two things are done then my brother and thousands of persons with disabilities will be able to have a good education and a better life.

Sincerely,

BEN BURROUGHS.

PERSONAL EXPLANATION

HON. WILLIAM F. GOODLING
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. GOODLING. Mr. Speaker, I regret my absence for rollcall No. 155, a motion to allow committees to sit. I was unavoidably detained at a legislative conference on the Senate side of the Capitol.

Had I been present, I would have voted “aye.”

HONORING THE VISION IMPAIRMENT CENTER TO OPTIMIZE REMAINING SIGHT [VICTORS] OF KANSAS CITY, MISSOURI

HON. BOB STUMP
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1996

Mr. STUMP. Mr. Speaker, it is a distinguished pleasure to announce to you that Mr. Joseph Maino, O.D. will receive the Olin E. Teague Award today on behalf of the Vision Impairment Center To Optimize Remaining Sight [VICTORS] team of Kansas City, MO.

VICTORS is a Department of Veterans Affairs special medical program designed to provide optimum low vision rehabilitation services to veterans with visual impairments. The team members evaluate, diagnose, and rehabilitate veterans from a six-State area: Nebraska, Iowa, Kansas, Missouri, Oklahoma, and Arkansas. More than twenty medical centers and outpatient clinics refer blind and visually impaired veterans to the program. The center has helped more than 1,500 veterans since it first opened in 1979. The team members’ continuing creativity and dedication results in innovative methods and tools to combat the effects of severe vision loss. For this reason, our Nation’s veterans live better and more fulfilling lives.

The Olin E. Teague Award is the highest honor that VA awards in the field of rehabilitation with disabilities. It is presented annually to a VA employee, or group of employees working as a team, whose achievements have been of extraordinary benefit to veterans with service-connected disabilities.

Mr. Speaker, the name Olin E. Teague is synonymous with exemplary service to the Nation’s veterans and is the reason this award bares his name. The late Congressman Teague served on the House Veterans’ Affairs
HON. SHEILA JACKSON-LEE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996
Ms. JACKSON-LEE of Texas. Mr. Speaker, the Republican leadership, just in time for Presidential election year politics is talking about a balanced budget again. This is deja vu for the American voter who well remembers the campaign promises of Ronald Reagan who predicted that he could balance the Federal budget by cutting taxes and increasing spending. Candidate George Bush called that budgetary slight of hand "Voodoo Economics."

The results of two Reagan terms was a budget deficit which for the first time in any country's history used the term trillion to quantify the extent of the deficit.

I would assume that there is a campaign commercial spot for every stage of this upcoming budget drama that the Republican major party has in store.

Medicare, Medicaid, education, and welfare are on the top of the list for cuts right now, but I think that we can find ways to be fair and just when we make budgetary reduction decisions without shutting the Federal Government down.

I would hope that this next attempt to seriously deal with this Nation's budget deficit will include compassion for the poor, our children and the elderly.

We should not play election year politics with this country's budget.

HONORING THE JENNINGS CREEK VOLUNTEER FIRE DEPARTMENT
HON. BART GORDON
OF TENNESSE
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996
Mr. GORDON of Tennessee. Mr. Speaker, I am taking this opportunity to appreciate the invaluable services provided by the Jennings Creek Volunteer Fire Department. These brave, civically-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These fermen must have an overwhelming desire to do for others while expecting nothing in return."

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When the residents of my district go to bed at night, they know that should disaster strike and their homes are consumed by a well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

HON. ROBERT K. DORNAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996
Mr. DORNAN of California. Mr. Speaker, the following article describes an event that should never have taken place in a Federal building. Even worse, after this vulgar event occurred, a fudowup recovery brunch was held in another Federal building in the Rayburn House Office Building.

Mr. Speaker, I hope all of our colleagues will pay close attention to the following:

An all night homosexual "circuit" party called Cherry Jubilee's "Main Event" took place in Washington, D.C. on April 13, 1996. The dance party featured public nudity, illicit sexual activity and evidence of illegal drug use. The sponsors of the gay festivities included a GOP congressman and a host of corporations. A Federal building, the Andrew Mellon Auditorium, played host to the dance and was the backdrop for the illegal activity. The sponsors included Gay Republican Rep. Steve Gunderson of Wisconsin, corporate America including American Airlines, Starbucks Coffee, Ben & Jerry's Ice Cream. The "Main Event" was followed by a "Capitol Hill Recovery Brunch" on Capitol Hill in the Rayburn House Office building. Rep. Gunderson (R-WI) secured the Rayburn building for the "recovery brunch". All the net proceeds of the Jubilee weekend were to be distributed between Whitman-Walker Clinic and Food & Friends.

The Mellon Auditorium is a Federally owned building complete with classical ornamentation. The columns across the street from the Museum of American History on Constitution Ave. The "Main Event" was being described by the City Paper in Washington as "New York style gay `circuit' party normally drug infused." It was with this information that I proceeded on assignment into the gay world for an undercover investigation into the activities that occurred in a Federal building. My inquiry revealed that the Cherry Jubilee's "Main Event" featured a multitude of illegal activity. The Jubilee's "Main Event" tickets were very hard to come by. The event sold out, which left a scramble for ticket scalpers outside the entrance. Several thousand men attended the party, most 35 years old. Well over 90% were white, with only a few African-Americans and Asians present. Many of the men who attended were of obvious affluence. Limousines and even a Rolls Royce lined Constitution Avenue as the partygoers arrived.

The clothing was very trendy with skin tight black jeans, and tank tops. The bartenders wore bright neon underwear and nothing else. Many of the men arrived with rubber pants and boots, lendin g a whole new meaning to "butt-flap."

The clothing was very trendy with skin tight black jeans, and tank tops. The bartenders wore bright neon underwear and nothing else. Many of the men arrived with rubber pants and boots, lending a whole new meaning to "butt-flap."
strictly forbidden', evidence of illegal drug use was present. Snorting could be heard throughout the evening in the bathroom stalls. At one point a straw fell onto the bathroom floor and into a stall. There was also clandestine exchanges of money and substances in dark corners of the dance floor throughout the night.

This was not the first time that the Mellor Auditorium played host to a gay event. During the 1993 March on Washington for Lesbian, Gay and Bi Equal Rights and Liberation; the Mellor Auditorium was host to the officially sanctioned ‘The National S/M Exhibit.” The March was designed to show America that gays are in the mainstream of society and just like everybody else. The S/M event featured members of the hardcore dominant and submissive homosexual community. Interviews I conducted at the time with participants revealed men who viewed pain as pleasure and total domination as an ideal. The participants paraded around the Mellor auditorium in dog collars, chains, and had piercing in every conceivable body part. Virtually nude men who were “ submissive” were being led around on leashes by their “dominant” or “masters.”

The 1993 S/M conference at the Mellor Auditorium also featured a slide show presentation, showing cases of some of the “mainstream” aspects of the gay lifestyle. Erotic photos showing various sexual acts were prominently displayed. One photo featured a man “fisting” another man. “Fisting” is the practice of inserting a fist as far up the anus as is possible. The image on the screen defied human anatomy. The arm was inserted up to the elbow. Participants at the event pondered the series of photos as though viewing priceless artwork.

The 1993 S/M conference also featured sexually explicit magazines and paraphernalia to help fully experience the S & M lifestyle. One tract titled “The guide to safe S/M” cautioned that consuming fecal matter was a “high risk activity” for the transmission of the HIV virus, but maintained that urinating in the mouth was a “low risk activity.” Several publications on display advocated pedophilia.

In order to procure a Federal building for any type of event, a maze of paperwork must be filled out and adherence to strict regulations must be met. Despite the flaunting of the rules, illicit sexual activity, illegal drug use and pornography at both of these homosexual events, law enforcement never intervened. Contrast this with the controversy that inevitably follows when someone attempts to erect a nativity scene in a public building.

The 1966 Cherry Jubilee weekend proves that the homosexual agenda is advancing in Washington. The use of two Federal buildings in making possible these much-needed revisions. Congress needs to explain how an event which featured illicit sexual activity, public nudity and evidence of illegal drug use was allowed to occur in a Federal building.

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This was not the first time that the Mellor Auditorium played host to a gay event. During the 1993 March on Washington for Lesbian, Gay and Bi Equal Rights and Liberation; the Mellor Auditorium was host to the officially sanctioned ‘The National S/M Exhibit.” The March was designed to show America that gays are in the mainstream of society and just like everybody else. The S/M event featured members of the hardcore dominant and submissive homosexual community. Interviews I conducted at the time with participants revealed men who viewed pain as pleasure and total domination as an ideal. The participants paraded around the Mellor auditorium in dog collars, chains, and had piercing in every conceivable body part. Virtually nude men who were “ submissive” were being led around on leashes by their “dominant” or “masters.”

The 1993 S/M conference at the Mellor Auditorium also featured a slide show presentation, showing cases of some of the “mainstream” aspects of the gay lifestyle. Erotic photos showing various sexual acts were prominently displayed. One photo featured a man “fisting” another man. “Fisting” is the practice of inserting a fist as far up the anus as is possible. The image on the screen defied human anatomy. The arm was inserted up to the elbow. Participants at the event pondered the series of photos as though viewing priceless artwork.

The 1993 S/M conference also featured sexually explicit magazines and paraphernalia to help fully experience the S & M lifestyle. One tract titled “The guide to safe S/M” cautioned that consuming fecal matter was a “high risk activity” for the transmission of the HIV virus, but maintained that urinating in the mouth was a “low risk activity.” Several publications on display advocated pedophilia.

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effort yet, to bring taxes to a reasonable level and give families back their own money. In fact, just 2 days ago, a colleague of the President brought the other body to a standstill during an attempt to repeal the Clinton tax, saying, "We are simply going to shut this place down." The President and his colleagues will stop at nothing to keep America’s tax dollars.

Mr. Speaker, it is time for Americans to earn more and keep more of what they earn. I urge the President and his friends to join my colleagues and I and give American families the tax relief they deserve.

HONORING THE FARMINGTON VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Farmington Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videotaping of the latest firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

100 CLUB OF BUFFALO

HON. JOHN J. LaFALCE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996

Mr. LaFALCE. Mr. Speaker, Friday, May 17, 1996, will mark the 12th annual 100 Club of Buffalo and Buffalo Bisons Baseball/Law Enforcement, Fire and EMS Appreciation Day at North AmeriCare Park in Buffalo, NY.

This spectacular event will feature law enforcement, fire, and EMS vehicles, a Buffalo Bisons baseball game and a fireworks display. This fundraising event is yet another example of the 100 Club of Buffalo’s continuing commitment to provide services to the members of law enforcement, fire, and EMS agencies, and their families, throughout western New York.

The 100 Club of Buffalo Inc. was founded in 1957 by former Buffalo Police Commissioner Frank Felicetta to provide financial assistance to families of public servants killed or seriously injured in the line of duty. The organization was only the second of its kind in the Nation and was called “Felicetta’s Fellow” until it was incorporated in 1962 as the 100 Club of Buffalo Inc.

Over the last four decades, this independent, nonprofit and nonpartisan organization has grown to serve law enforcement, fire, and EMS officials in a variety of ways. The 100 Club has provided over $1.5 million in assistance to more than 60 family members of fallen law enforcement and fire personnel, and provided more than 90 grants to assist injured police and firefighters.

The 100 Club has recognized public servants and private individuals for acts of heroism. In addition, the 100 Club has sponsored more than a dozen training seminars for law enforcement and fire personnel and provided more than 90 grants to assist injured police and firefighters.

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The 100 Club of Buffalo reflects why Buffalo is the City of Good Neighbors, a community which recognizes as well as cares to make major sacrifices to protect it. They deserve our most sincere thanks, commendation, and best wishes for continued success.

ARMORED CAR INDUSTRY RECIPROCITY IMPROVEMENT ACT OF 1996

HON. ED WHITFIELD
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996

Mr. WHITFIELD. Mr. Speaker, today I am pleased to introduce the Armored Car Industry Reciprocity Improvement Act of 1996. This legislation represents a major improvement to legislation originally enacted in 1993 which provided reciprocity among the States for weapons licenses issued to armored car crews.

Armored cars and their crews annually carry billions of dollars in currency, important documents, and other valuables. In fact, the Federal Government is one of the largest users of armored car services in the Nation, transporting hundreds of millions of dollars annually in currency, food stamps, and other negotiable documents. Because of the value of their cargo, armored cars remain a ripe target for crime and their crews must be armed to protect themselves.

In order to address the problems arising from differing requirements among the States for weapons licenses, the Congress passed the Armored Car Industry Reciprocity Act in 1993. This statute granted reciprocity for weapons among the States, so long as the issuing State met certain minimum training standards and required criminal background checks, much like a driver’s license. While this act has improved the flow of interstate commerce by reducing the need for armored car crews to obtain licenses in every State in which they operate, it has, in my view, some problems. These changes are primarily technical in nature, and result from the fact that, while the Congress was considering the original bill, many States changed their weapons licensing schemes.

Nothing in this legislation would make it easier for a criminal to obtain a weapon or circumvent State or Federal gun control laws. It simply allows the brave men and women who serve as armored car crews to worry about their job—protecting valuable cargo—rather than worrying about various States’ licensing requirements and paperwork.

The original legislation was supported by groups as diverse as the National Rifle Association and the International Chiefs of Police, and groups such as Handgun Control International had no objection to its passage. Since these changes simply are designed to improve the functioning of the original act, it is my belief that we can expect similar support for this measure.

Mr. Speaker, I urge my colleagues to support this important legislation when it comes to the floor.

FISCAL YEAR 1996 BUDGET

HON. PETER G. TORKILDSEN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996

Mr. TORKILDSEN. Mr. Speaker, I rise today to support the final piece of the fiscal year 1996 budget—the first downpayment on a 7-year balanced budget. This conference report is the product of months of negotiations and many compromises. It cuts discretionary spending by $23 billion and sets the stage for the balanced budget this Congress promised to deliver.

A major victory in this package is language I sponsored to repeal the discriminatory ban on HIV-positive military personnel. The so-called HIV-discharge law was inserted into the fiscal year 1996 Defense authorization bill by the Armed Services Committee, and the House and Senate went along despite my objections. The Pentagon, veterans groups, and many distinguished Members of the House and Senate, in their haste to avoid a major domestic policy fight, were willing to ignore the recommendations of the Joint Chiefs of Staff and the JCS’ own Inspector General. Under the terms of the conference report, if a member of the military tests HIV-positive, he or she will be discharged immediately.

In addition, this budget plan restores over $2 billion in Federal education funding. The original House-passed spending bill contained deep cuts in Title I, School-to-Work, Goals 2000, as well as other key programs. The conference report restores much of the education funding needed to maintain a commitment to America’s children and I urge my colleagues...
to remember that a vote for this bill is a vote for educational opportunity.

Finally, due to extensive good-faith negotiations, this bill is a win for our environment. It does more to protect endangered species than the original House version, and eliminates a provision allowing oil drilling at the Tongas National Forest—the world’s largest temperate rainforest. And under the final compromise, the National Park Service retains management authority of the Mojave Desert National Preserve—as outlined in the California Desert Protection Act Congress passed in 1994.

Overall, Mr. Speaker, this budget package is the right thing to do for our children and grandchildren who deserve our best efforts to give them a deficit-free future. This plan is the first concrete step in honoring this commitment and I urge all Members of the House to support final passage.

CONGRATULATIONS TO THE NATIONAL ASSOCIATION OF LETTER CARRIERS

HON. FORTNEY PETE STARK
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996

Mr. STARK. Mr. Speaker, I rise today to recognize the National Association of Letter Carriers who will be holding their annual “Food Drive” Day this Saturday, May 11, 1996. I would especially like to recognize those letter carriers in California’s 13th Congressional District who have worked so diligently over the past few years to make this food drive such a great success.

The National Association of Letter Carriers’ Food Drive Day began as a pilot program in just 10 cities in 1991. It has since grown into one of the largest one day food collection drives in our entire nation. Since 1993, letter carriers across the country have joined in a nationwide effort to make the second Saturday in May, “National Letter Carriers’ Food Drive” Day.

This program has been a tremendous success. The first nationwide drive, in 1993, gathered 11 million pounds of food. In 1994, 32 million pounds of food were collected and in 1995 almost 45 million pounds of food were donated by postal patrons nationwide. This Saturday, letter carriers will pick up food donations as they deliver the mail. To participate, one leaves canned or non-perishable food next to one’s mail box or takes it to the nearest Post Office. All of the food items collected that day are then delivered to local food banks.

Mr. Speaker, in the Bay Area, almost 300,000 people—half of them children—need emergency food. I urge you and my colleagues to join me in acknowledging the National Association of Letter Carriers for their efforts to help those who are less fortunate. I also urge anyone who can to participate in this Saturday’s National Association of Letter Carriers’ Food Drive.

HONORING THE FIVE POINT VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Five Point Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night. Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, “These firemen must have an overwhelming desire to do for others while expecting nothing in return.”

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee Fire Training School in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.

NUCLEAR NONPROLIFERATION AND SOUTH ASIA

HON. TIM JOHNSON
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 9, 1996

Mr. JOHNSON of South Dakota. Mr. Speaker, I have long advocated the importance of the U.S. role in responsible trade in conventional arms and nuclear technologies, and I feel strongly that, as the world’s remaining superpower, the United States can and should set an international example of positive political change through monitoring trade in nuclear technologies. Since the collapse of the Soviet Union, I believe that stopping the proliferation of nuclear weapons should be our highest priority in international relations. I am a strong supporter of the Nuclear Nonproliferation Treaty (NPT) and its member nations. The NPT has helped prevent dramatic increase in nuclear weapon-capable states. I was encouraged by last year’s indefinite extension of the NPT by consensus over 175 nations, and I actively encourage the recognition of nonproliferation at every level as the key to global security.

Since its implementation in 1970, however, many nations that have remained outside of the NPT have concentrated on the buildup of their own nuclear capabilities. These threshold nuclear states view the NPT as discriminatory, because the treaty divides the world into the nuclear haves and have nots and, as they see it, unfairly places nonnuclear nations at a strategic disadvantage relative to the nuclear states. At the same time, several of these nations have stated that, without significant steps toward reducing stockpiles for all member nations, the NPT cannot be the foundation for an end to the arms race and complete nuclear disarmament.

Nowhere is this attitude more alarming that in South Asia. Regional religious and political history, particularly with India and Pakistan, has encouraged heightened military unease in the region, and an association of nuclear capability with regional dominance. Pakistan, a nation of 130 million, has long feared being overwhelmed militarily by India, with its population of over 900 million. Historical alliances and relations with nuclear and nonnuclear nations elsewhere in the region have contributed to forcing these two countries in a race toward nuclear weapon capacity. I believe the nuclear arms race saps the strength of any developing country, and I have repeatedly expressed my concern about the nuclear direction in which these two nations have been headed. The future of our national, as well as global, security depends more than anything on our ability to restrain the proliferation of weapons of mass destruction and to enhance the breadth of opportunities for every citizen of the world.
Thursday, May 9, 1996

Daily Digest

Senate

Chamber Action
Routine Proceedings, pages S4883-S4956

Measures Introduced: Two bills were introduced, as follows: S. 1741 and 1742.

Measures Reported: Reports were made as follows:

S. 1014, to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, with an amendment in the nature of a substitute. (S. Rept. No. 104-260)

S. 1425, to recognize the validity of rights-of-way granted under section 2477 of the Revised Statutes, with an amendment in the nature of a substitute. (S. Rept. No. 104-261)

S. 1627, to designate the visitor center at Jean Lafitte National Historical Park in New Orleans, Louisiana as the "Laura C. Hudson Visitor Center." (S. Rept. No. 104-262)

S. J. Res. 42, A joint resolution designating the Civil War Center at Louisiana State University as the United States Civil War Center, making the center the flagship institution for planning the sesquicentennial commemoration of the Civil War, and for other purposes, with an amendment in the nature of a substitute. (S. Rept. No. 104-263)

Measures Passed:

Megan's Law: Senate passed H.R. 2137, to amend the Violent Crime Control and Law Enforcement Act of 1994 to require the release of relevant information to protect the public from sexually violent offenders, clearing the measure for the President.

White House Travel Office/Former Employees: Senate continued consideration of H.R. 2937, for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that office on May 19, 1993, taking action on the following amendments proposed there to:

Pending:

(1) Dole Amendment No. 3952, in the nature of a substitute.

(2) Dole Amendment No. 3953 (to Amendment No. 3952), to provide for an effective date for the settlement of certain claims against the United States.

(3) Dole Amendment No. 3954 (to Amendment No. 3953), to provide for an effective date for the settlement of certain claims against the United States.

(4) Dole motion to refer the bill to the Committee on the Judiciary with instructions to report back forthwith.

(5) Dole Amendment No. 3955 (to the instructions to the motion to refer), to provide for an effective date for the settlement of certain claims against the United States.

(6) Dole Amendment No. 3961 (to Amendment No. 3955), to provide for the repeal of the 4.3 cent increase in fuel tax rates enacted by the Omnibus Budget Reconciliation Act of 1993.

Withdrawn:

Dole Amendment No. 3960 (to Amendment No. 3955), to provide for the repeal of the 4.3 cent increase in fuel tax rates enacted by the Omnibus Budget Reconciliation Act of 1993, to clarify that an employer may establish and participate in worker-management cooperative organizations to address matters of mutual interest to employers and employees, and to provide for an increase in the minimum wage rate.

During consideration of this measure today, Senate took the following action:

By 52 yeas to 44 nays (Vote No. 111), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate failed to close further debate on Amendment No. 3960, listed above.

The motion to waive Titles III and IV of the Congressional Budget Act of 1974 with respect to consideration of Amendment No. 3960, listed above, became moot when Amendment No. 3960 was withdrawn.

A motion was entered to close further debate on Amendment No. 3961, listed above and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Tuesday, May 14, 1996.
Senate will continue consideration of the bill on Monday, May 13, 1996.

**Nominations Received:** Senate received the following nominations:
- Richard A. Lazzara, of Florida, to be United States District Judge for the Middle District of Florida.
- Margaret M. Morrow, of California, to be United States District Judge for the Central District of California.
- 1 Army nomination in the rank of general.
- 1 Marine Corps nomination in the rank of general.
- 32 Navy nominations in the rank of admiral.
- Routine lists in the Marine Corps and Foreign Service.

**Communications:**

**Executive Reports of Committees:**

**Statements on Introduced Bills:**

**Additional Cosponsors:**

**Amendments Submitted:**

**Notices of Hearings:**

**Authority for Committees:**

**Additional Statements:**

**Record Votes:** One record vote was taken today. (Total—111)

**Adjournment:** Senate convened at 9:15 a.m., and adjourned at 6:57 p.m., until 12 noon, on Monday, May 13, 1996. (For Senate’s program, see the remarks of the Acting Majority Leader in today’s Record on pages S4952–53.)

### Committee Meetings

(Committees not listed did not meet)

**APPROPRIATIONS—INS/BUREAU OF PRISONS**

Committee on Appropriations: Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies held hearings on proposed budget estimates for fiscal year 1997, receiving testimony in behalf of funds for their respective activities from Kathleen M. Hawk, Director, Bureau of Prisons, and Doris Meissner, Commissioner, Immigration and Naturalization Service, both of the Department of Justice. Subcommittee will meet again on Tuesday, May 14.

**APPROPRIATIONS—LABOR**

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education and Related Agencies held hearings on proposed budget estimates for fiscal year 1997 for the Department of Labor, receiving testimony from Robert B. Reich, Secretary of Labor. Subcommittee will meet again on Wednesday, May 15.

**APPROPRIATIONS—FTA**

Committee on Appropriations: Subcommittee on Transportation and Related Agencies held hearings on proposed budget estimates for the Federal Transit Administration, receiving testimony from Gordon J. Linton, Administrator, Federal Transit Administration, Department of Transportation. Subcommittee will meet again on Thursday, May 16.

**1997 BUDGET**

Committee on the Budget: Committee ordered favorably reported an original concurrent resolution setting forth the congressional budget for the United States Government.

**GASOLINE PRICE INCREASES**


**IRS MODERNIZATION**

Committee on Governmental Affairs: Committee resumed hearings to examine the status of the modernization of the Internal Revenue Service tax information system, receiving testimony from Lynda D. Willis, Director, Tax Policy and Administration Issues, General Government Division, and Rona Stillman, Chief Scientist, Office of Computers and Telecommunications, Accounting and Information Management Division, both of the General Accounting Office; and Michael P. Dolan, Deputy Commissioner, Judy Van Alfen, Associate Commissioner for Modernization, and Jim Donelson, Chief Taxpayer Service and Acting Chief Compliance Officer, all of
the Internal Revenue Service, Department of the Treasury.

Hearings were recessed subject to call.

NOMINATIONS
Committee on the Judiciary: Committee ordered favorably reported the nominations of William A. Fletcher, of California, to be United States Circuit Judge for the Ninth Circuit, Walker D. Miller, to be United States District Judge for the District of Colorado, Nina Gershon, to be United States District Judge for the Eastern District of New York, Edmund A. Sargus, Jr., to be United States District Judge for the Southern District of Ohio, W. Craig Broadwater, to be United States District Judge for the Northern District of West Virginia, Mary Ann Vial Lemmon, to be United States District Judge for the Eastern District of Louisiana, and Dean D. Pregerson, to be United States District Judge for the Central District of California.

FAMILY AND MEDICAL LEAVE ACT
Committee on Labor and Human Resources: Subcommittee on Children and Families concluded oversight hearings on the implementation of the Family and Medical Leave Act of 1993, after receiving testimony from Senator Dodd, Chairman, U.S. Commission on Family and Medical Leave; Geri D. Palast, Assistant Secretary of Labor for Congressional and Intergovernmental Affairs; Libby Sartain, Southwest Airlines, Dallas, Texas, on behalf of the Society for Human Resource Management; Cynthia Graham, Southern States Utilities, Apopka, Florida; and Elizabeth M. Carlson and Joseph Tully, both of National Futures Association, Chicago, Illinois.

FLORIDA INDIAN GAMING DECISION
Committee on Indian Affairs: Committee concluded hearings to examine the impact of the United States Supreme Court decision in Seminole Tribe of Florida v. Florida, 116 S. Ct. 1114 (1996), on the Indian Gaming Regulatory Act, after receiving testimony from Seth P. Waxman, Associate Deputy Attorney General, Department of Justice; John D. Leshy, Solicitor, and John Duffy, Counselor to the Secretary, both of the Department of the Interior; Wisconsin State Attorney General James E. Doyle, Madison; California State Special Assistant Attorney General Thomas F. Gede, Sacramento; Alex Tallestchief Skibine, University of Utah College of Law, Salt Lake City; Richard B. Collins, University of Colorado School of Law, Boulder; and Franklin Ducheneaux, Ducheneaux, Taylor & Associates, Douglas B.L. Endreson, Sonosky, Chambers, Sachse & Endreson, and Jerry C. Straus, Hobbs, Straus, Dean & Walker, all of Washington, D.C.

WHITEWATER
Special Committee to Investigate the Whitewater Development Corporation and Related Matters: Committee resumed hearings to examine certain matters relative to the Whitewater Development Corporation, receiving testimony from Patsy Thomasson, Deputy Assistant to the President and Deputy Director of Presidential Personnel, The White House; and J. Wesley Strange, First Ozark National Bank/Mercantile Bank of North Central Arkansas, Edward Penick, and Margaret Davenport Eldridge, all of Little Rock, Arkansas.

Committee recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 11 public bills, H.R. 3422-3432; and 3 resolutions, H. Con. Res. 173-174, and H. Res. 429 were introduced. Page H4800

Reports Filed: Reports were filed as follows:

H. R. 2604, to amend title 28, United States Code, to authorize the appointment of additional bankruptcy judges, amended (H. Rept. 104-569); and

H. Res. 430, providing for consideration of H.R. 3230, to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, and to prescribe military personnel strengths for fiscal year 1997 (H. Rept. 104-570). Page H4800

Committees To Sit: By a yea-and-nay vote of 230 yeas to 182 nays, Roll No. 155, agreed to the Armey motion that all committees and subcommittees be permitted to sit today and the remainder of the week during proceedings of the House under the 5-minute rule. Pages H4660-62

Housing Act: By a recorded vote of 315 ayes to 107 noes, Roll No. 161, the House passed H.R. 2406, to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs.

On demand for a separate vote, agreed to the Maloney amendment that allows elderly and disabled
residents living in federally-assisted housing be allowed to keep a common household pet (agreed to by a recorded vote of 375 ayes to 48 noes, Roll No. 159). This amendment was agreed to in the Committee of the Whole by a voice vote on Wednesday, May 8.

Agreed to the Committee amendment in the nature of a substitute, as amended.

Rejected the Kennedy of Massachusetts motion to recommit the bill to the Committee on Banking and Financial Services with instructions to report it back forthwith containing an amendment that specifies that the amount paid for monthly rent may not exceed thirty percent of the family's adjusted monthly income for any family who has an annual income of which not less than fifty percent is earned income (rejected by a recorded vote of 196 ayes to 226 noes, Roll No. 160).

Agreed To:

The Hinchey en bloc amendment that limits to thirty percent of income the maximum rent that an elderly or disabled family could be required to pay for public housing;

The Kennedy of Massachusetts en bloc amendment that limits to thirty percent of income the maximum rent that veterans could be required to pay for public or housing;

The Kennedy of Massachusetts amendment, as modified, that requires forty percent of rental assistance vouchers be reserved for families with incomes at or below thirty percent of median income; and for units made available for occupancy, not less than thirty-five percent shall be occupied by families whose incomes do not exceed thirty percent of median income;

The Vento amendment, as modified, that extends authorization for the Community Partnerships Against Crime Act through 1998;

The Sanders amendment that increases the level of administrative fees to local housing authorities administering the rental assistance program; and establishes a two-tiered payment schedule that gives local authorities 7.65 percent of the base grant amount for the first 600 units and seven percent for all units in excess of 600 units;

The Traffinant amendment that expresses the sense of Congress that to the greatest extent practicable, all equipment and products purchased with funds made available in the bill should be American made;

The Filner amendment that permits the use of rental assistance for the rental of manufactured housing or the property on which such housing is situated, such as mobile homes, in which case the rental will be provided directly to the family living on the site, not the property owner;

The Waters amendment, as modified, that limits to fifty percent the amount an eligible public entity may use to make loan guarantees for economic development under the Community Development Block Grant loan guarantee program that could be used for housing purposes;

The Cardin amendment that directs the Secretary of Housing and Urban Development to consult with local authorities in negotiating any settlement of litigation regarding public housing or rental assistance;

The Hayworth amendment, as amended by the Young of Alaska and the Bereuter amendments, that adds a new title consisting of the text of the Native American Housing Assistance and Self-Determination Act; establishes a block grant to be administered by Indian tribes to provide housing assistance on Indian reservations; conforms provisions to the Davis-Bacon Act as it relates to public housing; and specifies provisions relating to loan guarantees and authorities to use appropriated funds; and

The Roemer amendment that establishes a national manufactured housing construction and safety standards consensus committee to develop Federal standards for the construction of manufactured homes.

Rejected:

The Frank of Massachusetts amendment, as modified, that sought to limit to 30 percent of income any family's rent for public or assisted housing (rejected by a recorded vote of 196 ayes to 222 noes, Roll No. 156).

The McIntosh amendment to the agreed-to Roemer amendment that sought to establish a manufactured housing construction and safety standards consensus committee, to include provisions that require certain competitive bidding procedures; and to subject the expenditure of inspection fees to be addressed through the annual appropriations process;

The Velázquez en bloc amendment that sought to require that the minimum tenant rent contribution for public housing may not exceed $25 per month; and

The Durbin amendment, as modified, that sought to prohibit the illegal possession or discharge of firearms in public housing zones except in cases of self-defense.

A point of order was sustained against the Ney amendment that sought to add a new section to allow eligibility of communities in Federal flood insurance programs despite the presence of mobile homes in those communities which are located in areas of flood risk.
Withdrawn:
The following amendments were offered, but subsequently withdrawn:
The Watts of Oklahoma substitute amendment to the agreed-to Frank of Massachusetts amendment that sought to limit to 30 percent of income the maximum rent that any elderly or disabled family could be required to pay for public housing;

The Kennedy of Massachusetts amendment that sought to require HUD to set aside $195 million of tenant-based rental assistance to homeless families with children of families participating in programs related to welfare initiatives;

The Clerk was authorized to correct section members, references, punctuation, and indentation, and to make any other technical and conforming changes as may be necessary in the engrossment of the bill.

Subsequently, S. 1260, a similar Senate-passed bill was passed in lieu, after being amended to contain the language of the House bill as passed. Agreed to amend the title of the Senate bill. H.R. 2406 was laid on the table.

House then insisted on its amendments to S. 1260 and asked a conference, appointed as conferees; Representatives Leach, Lazio, Bereuter, Baker of Louisiana, Castle, Gonzalez, Vento, and Kennedy of Massachusetts.

Presidio Properties: House disagreed to the Senate amendment to H.R. 1296, to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayers; and asked a conference. Appointed as conferees: Representatives Young of Alaska, Hansen, Allard, Hayworth, Cubin, Miller of California, Richardson, and Vento.

Adoption of Minority Children: It was made in order, during the consideration of H.R. 3286, to help families defray adoption costs, and to promote the adoption of minority children, pursuant to H. Res. 428, notwithstanding the order of the previous question, it may be in order immediately after initial debate on the bill, as amended, for the Chair to postpone further consideration of the bill until the following legislative day, on which consideration may resume at a time designated by the Speaker.

Product Liability: By a yea-and-nay vote of 258 yeas to 163 nays, Roll No. 162, the House voted to sustain the President's veto of H.R. 956, to establish legal standards and procedures for product liability litigation (two-thirds of those present not voting to override).

Subsequently, the message and the bill were referred to the Committee on the Judiciary.


Adoption of Minority Children: House completed all general debate on H.R. 3286, to help families defray adoption costs, and to promote the adoption of minority children. Consideration of amendments will begin on Friday, May 10.

H. Res. 428, providing for the consideration of the bill, was agreed to earlier by a voice vote.

Senate Messages: Message received from the Senate today appears on page H 4754.

Quorum Calls—Votes: Two yea-and-nay votes and six recorded votes developed during the proceedings of the House today and appear on pages H 4661–62, H 4675–76, H 4731–32, H 4732, H 4734, H 4736–37, H 4737–38, and H 4764. There were no quorum calls.

Adjournment: Met at 10 a.m. and adjourned at 11:55 p.m.
CONGRESSIONAL RECORD — DAILY DIGEST

May 9, 1996

Swygert, President, Howard University; and the following officials of the Department of Education: Judith E. Heumann, Assistant Secretary, Special Education and Rehabilitative Services; Tuck Tinsley, III, President, American Printing House for the Blind; James D. DeCaro, Dean and Interim Director, National Technical Institute for the Deaf; I. King Jordan, President, Gallaudet University; and Richard W. Riley, Secretary.

VETERANS AFFAIRS—HUD—INDEPENDENT AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Veterans Affairs, Housing and Urban Development and Independent Agencies held a hearing on the Department of Housing and Urban Development. Testimony was heard from Henry G. Cisneros, Secretary of Housing and Urban Development.

CONCURRENT BUDGET RESOLUTION

Committee on the Budget: Began markup of the Concurrent Resolution on the Budget for Fiscal Year 1997.

OVERSIGHT—INTERNATIONAL TELECOMMUNICATIONS TRADE ISSUES

Committee on Commerce: Subcommittee on Commerce, Trade, and Hazardous Materials held an oversight hearing on International Telecommunications Trade Issues. Testimony was heard from Jeffrey Lang, Deputy U.S. Trade Representative; Reed E. Hundt, Chairman, FCC; and public witnesses.

IN THE MATTER OF THE WHITE HOUSE TRAVEL OFFICE

Committee on Government Reform and Oversight: Ordered reported, by a vote of 27 ayes to 19 nays, a resolution concerning proceedings against John M. Quinn, David Watkins and Matthew Moore, pursuant to Title 2, U.S. Code, Sections 192 and 194.

OVERSIGHT—AID

Committee on International Relations: Held an oversight hearing on the U.S. Agency for International Development. Testimony was heard from Jeffrey Rush, Jr., Inspector General, AID, U.S. International Development Cooperation Agency.

MISCELLANEOUS MEASURE; AFGHANISTAN

Committee on International Relations: Subcommittee on Asia and the Pacific approved for full Committee action H. Con. Res. 154, to congratulate the Republic of China on Taiwan on the occasion of its first Presidential democratic election.

The Subcommittee also held a hearing on Afghanistan: Peace or Civil War? Testimony was heard from Robin L. Raphel, Assistant Secretary, South Asian Affairs, Department of State; John L. Moore, Defense Intelligence Officer, Mid-East/South Asia and Terrorism, Defense Intelligence Agency, Department of Defense; and public witnesses.

ECONOMIC ESPIONAGE

Committee on the Judiciary: Subcommittee on Crime held a hearing regarding economic espionage. Testimony was heard from Louis J. Freeh, Director, FBI, Department of Justice; and public witnesses.

RECOVERY OF MINERALS—DOMESTIC TECHNOLOGICAL CAPABILITIES

Committee on Resources: Subcommittee on Energy and Mineral Resources held a hearing on H.R. 3249, to authorize appropriations for a mining institute to develop domestic technological capabilities for the recovery of minerals from the nation’s seabed. Testimony was heard from Representative Wicker; Tom Kitsos, Director, Office of International Activities and Marine Minerals, Minerals Management Service, Department of the Interior; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Fisheries, Wildlife and Oceans held a hearing on the following bills: H.R. 2908, Domesticated Salmonid Broodstock and Seedstock Act of 1996; H.R. 2939, Mississippi Interstate Cooperative Resource Agreement Act of 1996; and H.R. 1112, to transfer management of the Tishomingo National Wildlife Refuge to the State of Oklahoma. Testimony was heard from Representatives Brewster, Hastings of Washington and Gunderson; the following officials of the U.S. Fish and Wildlife Service, Department of the Interior: Nancy Kaufman, Regional Director; and Gary Edwards, Assistant Director for Fisheries; Don Luchsinger, Deputy Administrator, Veterinary Services, Animal and Plant Health Inspection Service, USDA; Greg D. Duffy, Director, Department of Wildlife Conservation, State of Oklahoma; Gary Myers, Director, Wildlife Resources Agency, State of Tennessee; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks, Forests and Lands held a hearing on the following bills: H.R. 2636, to transfer jurisdiction over certain parcels of Federal real property located in the District of Columbia; and H.R. 3006, to provide for disposal of public lands in support of the Manzanar Historic Site in the State of California. Testimony was heard from Representatives Lewis of California and Matsui; Denis Galvin, Associate Director, Planning Professional Services, National Park Service, Department of the Interior; and public witnesses.
NATIONAL DEFENSE AUTHORIZATION

Committee on Rules: Granted, by voice vote, a structured rule on H.R. 3230, National Defense Authorization Act for Fiscal Year 1997 providing two hours of general debate equally divided and controlled between the chairman and ranking minority member of the Committee on National Security. The rule waives all points of order against the bill and against its consideration. The rule makes in order the committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment and all points of order are waived against the amendment in the nature of a substitute. The rule makes in order only those amendments printed in the report of the Committee on Rules and the amendments en bloc described in section 3 of the resolution. The rule provides that, except as specified in section 4 of the resolution, amendments will be considered only in the order and manner specified in the report. Except as otherwise provided in the report, amendments shall be debatable for 10 minutes divided between the proponent and an opponent. Amendments shall be considered as read and are not amendable (except pro forma amendments offered by the chairman and ranking minority member of the Committee on National Security). The rule waives all points of order against the amendments printed in the report or those described in section 3 of the resolution. The rule provides for an extra 40 minutes of debate on Cooperative Threat Reduction with the former Soviet Union (part A). The rule authorizes the Chairman of the Committee on National Security or his designee to offer amendments en bloc consisting of amendments in part B of the report or germane modifications thereto, which shall be considered as read except that modifications shall be reported, shall be debatable for 20 minutes divided between the chairman and ranking minority member of the Committee on National Security or their designees and which shall not be subject to amendment or demand for a division of the question. The rule provides that, for the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the disposition of the en bloc amendments.

The rule permits the Chairman of the Committee of the Whole to postpone votes on any amendment and to reduce to 5 minutes the time for voting after the first of a series of votes provided that the first vote is not less than 15 minutes. The Chairman of the Committee of the Whole is permitted to recognize for consideration of any amendment printed in the report out of the order in which printed, but not sooner than one hour after the Chairman of the Committee on National Security or a designee announces from the floor a request to that effect. Finally, the rule provides one motion to recommit, with or without instructions. Testimony was heard from Chairman Spence and Representatives Dornan, Hefley, Saxton, Torkildsen, Watts of Oklahoma, Scarborough, Longley, Hastings of Washington, Smith of New Jersey, Biliarikis, Kolbe, Shays, Upton, Stearns, Klug, Hoke, Horn, Mica, Chenoweth, Foley, Martini, Neumann, Bunn of Oregon, Ellums, Skelton, Spratt, Pickett, Evans, Taylor of Mississippi, Harman, McHale, Peterson of Florida, DeLauro, Rose, Oberstar, Miller of California, Markey, Frank of Massachusetts, Traficant, Moran, Waters, Farr, Velázquez, McKinney, Luther, Jackson-Lee of Texas and Furse.

MISCELLANEOUS MEASURES; PENDING SURVEY RESOLUTIONS AND PROSPECTUSES

Committee on Transportation and Infrastructure: Ordered reported the following: H.R. 3029, to designate the United States courthouse in Washington, District of Columbia, as the “E. Barrett Prettyman United States Courthouse”; H.R. 3134, to designate the U.S. Courthouse under construction at 1030 Southwest 3d Avenue, Portland, OR, as the “Mark O. Hatfield United States Courthouse”; H. Con. Res. 153, authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby; and H.R. 3159, amended, National Transportation Safety Board Amendments of 1996.

The Committee also approved the following: 10 courthouse construction resolutions; 2 nonconstruction resolutions; and 20 water resource survey resolutions.

COAST GUARD MISSIONS’

Committee on Transportation and Infrastructure: Subcommittee on Coast Guard and Maritime Transportation: Held a hearing on the Coast Guard Missions’ Review Acquisitions, Research and Development, and Domestic and International Icebreaking. Testimony was heard from the following officials of the U.S. Coast Guard, Department of Transportation: Capt. Fred Squires, USCG, Deputy Chief, Office of Acquisition; RAdm. Edward J. Barrett, USCG, Chief, Systems Directorate; and RAdm. Rudy K. Perschel, USCG, Chief, Office of Navigation Safety; and public witnesses.

REPEAL FUEL TAX INCREASE

Committee on Ways and Means: Ordered reported H.R. 3415, to amend the Internal Revenue Code of 1986
to repeal the 4.3 cent increase in the transportation motor fuels excise tax rates enacted by the Omnibus Budget Reconciliation Act of 1993 and dedicated to the general fund of the Treasury.

**MISCELLANEOUS MEASURES**

Committee on Ways and Means: Subcommittee on Trade approved for full Committee action the following: H.R. 3161, to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Romania; and a measure to make technical amendments in trade laws.

**INTELLIGENCE COMMUNITY ACT**

Permanent Select Committee on Intelligence: Ordered reported amended H.R. 3237, Intelligence Community Act.

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**COMMITTEE MEETINGS FOR FRIDAY, MAY 10, 1996**

(Committee meetings are open unless otherwise indicated)

**Senate**

Committee on Banking, Housing, and Urban Affairs, to hold hearings on S. 1317, to repeal the Public Utility Holding Act of 1935 and transfer certain regulatory functions from the Securities and Exchange Commission to the Federal Energy Regulatory Commission and the Public Service Commissions of various States, 10 a.m., SD–538.

Committee on Government Affairs, business meeting, to mark up S. 704, to establish the Gambling Impact Study Commission, 10 a.m., SD–342.

Committee on Small Business, to hold hearings on proposed legislation relating to Small Business Investment Company reform, 9:30 a.m., SR–428A.

Select Committee on Intelligence, to hold closed hearings on intelligence matters, 10 a.m., SH–219.

**House**

Committee on Appropriations, Subcommittee on Veterans Affairs, Housing and Urban Development and Independent Agencies, on public witnesses, 9 a.m., H–143 Capitol.

Committee on Government Reform and Oversight, Subcommittee on Government Management, Information and Technology, oversight hearing on the GSA, 9:30 a.m., 311 Cannon.

Subcommittee on Human Resources and Intergovernmental Relations, hearing on Food Safety: Oversight of the FDA’s Center for Veterinary Medicine, 10 a.m., 2247 Rayburn.
Next Meeting of the SENATE
12 Noon, Monday, May 13
Senate Chamber
Program for Monday: After the recognition of certain Senators for speeches and the transaction of any morning business (not to extend beyond 3:30 p.m.), Senate will resume consideration of H.R. 2937, relating to the White House Travel Office/Former Employees.

Next Meeting of the HOUSE OF REPRESENTATIVES
10 a.m., Friday, May 10
House Chamber
Program for Friday: Complete consideration of H.R. 3286, the Adoption Promotion and Stability Act of 1996; and Consideration of H.R. 3230, the National Defense Authorization Act (rule).

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